

113TH CONGRESS
2D SESSION

S. _____

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

IN THE SENATE OF THE UNITED STATES

Mr. HARKIN introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Higher Education Af-
5 fordability Act”.

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

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

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

TITLE I—GENERAL PROVISIONS

Sec. 101. Graduate medical schools; postsecondary career and technical education institutions.

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

TITLE II—IMPROVING EDUCATOR PREPARATION

- Sec. 201. Improving educator preparation.

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- Sec. 302. Program purpose.
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- Sec. 304. American Indian tribally controlled colleges and universities.
- Sec. 305. Alaska Native and Native Hawaiian-serving institutions.
- Sec. 306. Predominantly Black Institutions.
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- Sec. 308. Asian American and Native American Pacific Islander-serving institutions.
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- Sec. 310. Grants to institutions.
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Sec. 1109. American Dream Accounts.

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1 SEC. 3. REFERENCES.

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

8 SEC. 4. GENERAL EFFECTIVE DATE.

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

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

3 **TITLE I—GENERAL PROVISIONS**

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

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

9 (1) in subsection (a)—

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

13 (B) in paragraph (2)(A)—

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

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

21 “(i) GRADUATE MEDICAL SCHOOL.—

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

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

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

25 “(bb) the institution—

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

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

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

20 (iii) in clause (ii)—

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

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

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

7 (2) in subsection (c)—

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

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

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

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

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

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

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

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

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

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

14 (1) in paragraph (1)—

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

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

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

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

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

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

1 “(2) REVENUE SOURCES.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 “(vi) exclude from revenues—

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

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

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

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

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

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

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

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

4 **SEC. 103. DEFINITIONS.**

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

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

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

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

1 (3) by inserting after paragraph (10), as redese-
2 gnated by paragraph (1), the following:

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

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

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

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

14 “(D) Section 1784a, 2005, or 2007 of title
15 10, United States Code.

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

20 “(F) The Adult Education and Family Lit-
21 eracy Act (20 U.S.C. 9201 et seq.).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10 “(a) DEFINITIONS.—In this section:

11 “(1) AFFILIATED.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 “(d) GIFT BAN.—

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

9 “(2) DEFINITION OF GIFT.—

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

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

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

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

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

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

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

1 for any advantage related to the financial
2 institution.

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

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

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

16 “(e) CONTRACTING ARRANGEMENTS PROHIBITED.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 “(A) The link for the calculator—

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

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

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

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

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

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

16 “(I) tuition and fees;

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

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

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

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

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

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

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

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

1 “(ii) shall not—

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

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

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

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

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

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

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

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

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

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

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

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

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

24 “(C) is developed in consultation with—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 “(1) WEBSITE.—

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

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

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

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

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

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

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

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

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

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

3 “(2) ENROLLMENT FORM.—

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

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

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

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

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

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

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

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

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

3 “(D) NOTICE REQUIREMENTS.—

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

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

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

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

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

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

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

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

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

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

1 **“SEC. 133. COLLEGE SCORECARD.**

2 “(a) DEFINITIONS.—In this section:

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

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

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

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

23 “(c) STANDARD FORMAT.—

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

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

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

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

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

23 “(1) NET PRICE INFORMATION.—

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

1 culated in a manner consistent with section
2 132(a)(3), for the subgroups of students at the
3 institution in each of the following annual fam-
4 ily income categories, and the percentage of
5 students in each category:

6 “(i) \$0 to \$30,000.

7 “(ii) \$30,001 to \$48,000.

8 “(iii) \$48,001 to \$75,000.

9 “(iv) \$75,001 to \$110,000.

10 “(v) \$110,001 and more.

11 “(B) A visual representation that provides
12 context for the information conveyed under sub-
13 paragraph (A), including how the net price in-
14 formation compares to other institutions.

15 “(C) The Commissioner of the National
16 Center for Education Statistics may periodically
17 adjust the annual family income categories de-
18 scribed under subparagraph (A).

19 “(2) COMPLETION AND TRANSFER DATA.—

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

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

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

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

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

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

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

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

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

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

7 “(3) LOAN INFORMATION.—

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

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

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

23 “(4) DEBT INFORMATION.—

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

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

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

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

13 “(5) REPAYMENT INFORMATION.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 “(j) PUBLIC AWARENESS CAMPAIGN.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 “(c) EFFECTIVE DATES.—

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

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

8 “(d) DEFINITIONS.—

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

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

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

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

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

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

5 (1) in paragraph (3)—

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

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

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

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

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

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

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

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

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

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

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

1 tential borrowers, are aware of the avail-
2 ability and functions of the Ombudsman;
3 and

4 “(iii) issue to the Committee on
5 Health, Education, Labor, and Pensions of
6 the Senate, the Committee on Education
7 and the Workforce of the House of Rep-
8 resentatives, the Committee on Veterans’
9 Affairs of the Senate, the Committee on
10 Veterans’ Affairs of the House of Rep-
11 resentatives, the Committee on Armed
12 Services of the Senate, and the Committee
13 on Armed Services of the House of Rep-
14 resentatives an annual report on the chal-
15 lenges that such members of the Armed
16 Forces, veterans, and dependents are fac-
17 ing as students, borrowers, and potential
18 borrowers.”.

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

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

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

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

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

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

6 (1) by striking section 155; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 “(c) HANDLING OF COMPLAINTS.—

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

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

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

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

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

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

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

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

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

1 tions of such institution or seek additional informa-
2 tion from or action by the institution.

3 “(4) PROVISION OF INFORMATION.—

4 “(A) IN GENERAL.—An institution of high-
5 er education that receives funds under this Act
6 shall, in a timely manner, comply with a re-
7 quest by the Secretary for information in the
8 control or possession of such institution con-
9 cerning a complaint or inquiry received by the
10 Secretary under subsection (a), including sup-
11 porting written documentation, subject to sub-
12 paragraph (B).

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

17 “(i) any nonpublic or confidential in-
18 formation, including any confidential com-
19 mercial information;

20 “(ii) any information collected by the
21 institution for the purpose of preventing
22 fraud or detecting or making any report
23 regarding other unlawful or potentially un-
24 lawful conduct; or

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

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

9 “(d) TRANSPARENCY.—

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

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

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

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

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

8 “(3) PUBLIC INFORMATION.—

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

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

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

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

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

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

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

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

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

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

11 **“SEC. 166. DEFINITIONS.**

12 “In this part:

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

17 “(A) the president of such corporation;

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

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

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

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

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

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

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

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

1 “(1) The Department of Education.

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

4 “(3) The Department of Justice.

5 “(4) The Securities and Exchange Commission.

6 “(5) The Department of Defense.

7 “(6) The Department of Veterans Affairs.

8 “(7) The Federal Trade Commission.

9 “(8) The Department of Labor.

10 “(9) The Internal Revenue Service.

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

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

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

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

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

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

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

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

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

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

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

18 “(c) MEMBERSHIP.—

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

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

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

9 **“SEC. 168. MEETINGS.**

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

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

20 **“SEC. 169. REPORT.**

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

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

6 “(c) CONTENTS.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 such proprietary institution of higher
2 education;

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

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

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

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

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

1 each public institution of higher
2 education; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 **“SEC. 200. DEFINITIONS.**

13 “In this title:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 “(C) Provide high-quality mentoring.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 “(i) The Governor of the State.

6 “(ii) The State educational agency.

7 “(iii) The State board of education.

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

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

13 “(vi) A business.

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

16 “(viii) An educational service agency.

17 “(ix) A teacher organization.

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

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

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

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

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

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

13 “(A) who is aged 3 through 21;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 “(ii) for which there is—

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

12 “(II) a high teacher turnover rate.

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

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

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

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

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

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

9 “(B) are aligned with—

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

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

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

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

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

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

3 “(ii) academic content knowledge;

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

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

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

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

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

1 “(II) create a positive learning
2 environment that conveys high expect-
3 tations for all students; and

4 “(III) equitably implement school
5 discipline policies;

6 “(vii) ability to lead teams of effective
7 teachers, in the case of school leaders;

8 “(viii) ability to implement opportuni-
9 ties for applied learning;

10 “(ix) knowledge and understanding of
11 culturally relevant practices; and

12 “(x) teaching skills and school leader-
13 ship skills;

14 “(D) are informed by, and aligned with,
15 such teachers’ and school leaders’ evaluations;

16 “(E) are collaborative, data-driven, and
17 classroom- or school-focused;

18 “(F) provide the teacher or school leader
19 with high-quality feedback with actionable steps
20 to improve their practice;

21 “(G) are sustained, intensive, and job-em-
22 bedded, and not limited in scope to a 1-day or
23 short-term workshop or conference;

24 “(H) are, as appropriate, designed to—

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

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

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

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

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

25 “(B) with—

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

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

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

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

18 “(A) High-quality mentoring.

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

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

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

10 “(E) The development of content expertise.

11 “(F) Faculty who—

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

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

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

1 ments for the purpose of informing and
2 targeting instructional practice;

3 “(iv) demonstrate the content knowl-
4 edge and skills necessary to be effective in
5 advancing student achievement; and

6 “(v) are able to substantially partici-
7 pate in the early childhood program or ele-
8 mentary school or secondary school class-
9 room setting, as applicable, which may in-
10 clude receiving release time or workload
11 credit for such participation.

12 “(G) Assistance with the understanding of
13 data, particularly student assessment achieve-
14 ment data, including data from interim, forma-
15 tive, and summative assessments and the appli-
16 cation of such data in classroom instruction or
17 school leadership.

18 “(H) Regular, structured observation and
19 evaluation of new teachers or school leaders, in-
20 cluding post-observation feedback and dialogue,
21 by multiple-trained evaluators, using valid and
22 reliable measures of teaching and leadership
23 skills.

24 “(18) LOW-INCOME FAMILY.—The term ‘low-in-
25 come family’ means a family who—

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

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

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

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

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

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

24 “(C) possess—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 “(ii) to become highly effective; and

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

12 “(22) PRINCIPLES OF SCIENTIFIC RESEARCH.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10 “(A) students with disabilities;

11 “(B) English learners; or

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

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

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

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

22 “(i) curriculum planning;

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

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

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

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

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

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

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

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

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

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

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

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

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

17 “(C) acquires teaching skills;

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

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

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

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

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

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

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

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

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

18 “(iii) are culturally responsive;

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

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

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

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

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

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

23 “(H) use, in the case of an early childhood
24 educator, age-appropriate and developmentally

1 appropriate strategies and practices for children
2 in early childhood education programs; and

3 “(I) teach, in the case of a career and
4 technical education teacher, technical skills to
5 industry standards in a classroom setting and
6 possess strategies for incorporating content
7 from non-career and technical education courses
8 and standards for college and career into career
9 and technical education courses.

10 **“PART A—EDUCATOR QUALITY PARTNERSHIP**

11 **GRANTS**

12 **“SEC. 201. PURPOSES.**

13 “The purposes of this part are to—

14 “(1) improve student achievement in high-need
15 schools;

16 “(2) improve the quality of prospective and new
17 teachers or school leaders by improving the prepara-
18 tion of prospective teachers or school leaders and en-
19 hancing professional development activities for new
20 teachers or school leaders;

21 “(3) hold educator preparation entities at insti-
22 tutions of higher education accountable for pre-
23 paring highly effective teachers or school leaders;

24 “(4) recruit well qualified individuals, including
25 members of groups underrepresented in teaching

1 and individuals from other occupations, as teachers
2 and school leaders; and

3 “(5) meet the staffing needs of high-need local
4 educational agencies and high-need schools through
5 collaborative partnerships with educator preparation
6 programs within institutions of higher education.

7 **“SEC. 202. GRANTS TO IMPROVE EDUCATOR PREPARATION**
8 **AND SUPPORT EDUCATOR RESIDENCIES.**

9 “(a) PROGRAM AUTHORIZED.—From amounts made
10 available under subsection (g), the Secretary is authorized
11 to award grants, on a competitive basis, to eligible part-
12 nerships, to carry out the activities described in this sec-
13 tion.

14 “(b) APPLICATION.—An eligible partnership that de-
15 sires to receive a grant under this section shall submit an
16 application to the Secretary at such time, in such manner,
17 and accompanied by such information as the Secretary
18 may require, including at a minimum—

19 “(1) a needs assessment of the partners in the
20 eligible partnership with respect to the preparation,
21 ongoing training, professional development, and re-
22 tention of general education and special education
23 teachers, teachers of English as a second language,
24 school leaders, and, as applicable, early childhood

1 educators and career and technical education teach-
2 ers, including—

3 “(A) an assessment of the hiring needs of
4 the high-need schools served by the high-need
5 local educational agency in the eligible partner-
6 ship; and

7 “(B) a projection of vacancies for teachers
8 in a high-need subject or field, and the number
9 of teachers needed in each such high-need sub-
10 ject or field or school leaders in high-need
11 schools;

12 “(2) an assurance that the eligible partnership
13 will target grant funds provided under this section
14 to recruit, prepare, and support highly effective edu-
15 cators to serve in high-need local educational agen-
16 cies and high-need schools, consistent with the needs
17 assessment conducted under paragraph (1);

18 “(3) an assurance that the eligible partnership
19 will include meaningful collaboration, as described in
20 subsection (c)(2)(A), between an educator prepara-
21 tion program and a high-need local educational
22 agency, in order to ensure educator preparation pro-
23 grams are preparing educators with the teaching
24 skills or leadership skills necessary to meet the needs
25 of the high-need local educational agency;

1 “(4) an assurance that the educator prepara-
2 tion program will administer satisfaction surveys to
3 employers and recent program graduates on an an-
4 nual basis, in order to ascertain employer satisfac-
5 tion with recent program graduates’ performance;

6 “(5) a coherent strategy for using grant funds
7 provided under this section with other Federal,
8 State, and local funds to—

9 “(A) increase student achievement in high-
10 need schools by improving the quality of prepa-
11 ration for new and prospective educators, and
12 by enhancing professional development activities
13 for new educators; and

14 “(B) meet the needs of high-need local
15 educational agencies and high-need schools by
16 establishing meaningful partnerships with edu-
17 cator residency programs;

18 “(6) a description of how the eligible partner-
19 ship will sustain the activities proposed in the appli-
20 cation after the grant period ends;

21 “(7) a description of how the eligible partner-
22 ship will prepare all educators to—

23 “(A) understand and use scientifically
24 valid research, as well as data on their stu-
25 dents’ educational progress to modify and im-

1 prove the implementation or supervision of
2 classroom instruction;

3 “(B) meet the needs of students with dis-
4 abilities, including training related to participa-
5 tion as a member of individualized education
6 program teams, as defined in section
7 614(d)(1)(B) of the Individuals with Disabil-
8 ities Education Act to ensure individualized
9 education plans created promote student suc-
10 cess; and

11 “(C) meet the needs of English learners;

12 “(8) a description of—

13 “(A) how the eligible partnership will co-
14 ordinate strategies and activities assisted under
15 the grant with other educator preparation pro-
16 grams or professional development programs,
17 including programs funded under the Elemen-
18 tary and Secondary Education Act of 1965 and
19 the Individuals with Disabilities Education Act,
20 and through the National Science Foundation;
21 and

22 “(B) how the activities of the eligible part-
23 nership will be consistent with State, local, and
24 other education reform activities that promote

1 teacher and school leader effectiveness and stu-
2 dent academic achievement;

3 “(9) a description of how the eligible partner-
4 ship will align the educator residency program car-
5 ried out with grant funds with the—

6 “(A) State early learning standards for
7 early childhood education programs, as appro-
8 priate, and with the relevant domains of early
9 childhood development, such as social and emo-
10 tional development;

11 “(B) challenging academic content stand-
12 ards and challenging student academic achieve-
13 ment standards under section 1111(b)(1) of the
14 Elementary and Secondary Education Act of
15 1965, established by the State in which the
16 partnership is located; and

17 “(C) hiring objectives of the high-need
18 local educational agency in the partnership;

19 “(10) a description of how faculty at the part-
20 ner institution will work, during the term of the
21 grant, with highly effective educators in high-need
22 schools served by the high-need local educational
23 agency in the eligible partnership to—

24 “(A) provide high-quality professional de-
25 velopment activities, including in-service profes-

1 sional development, to strengthen the content
2 knowledge and teaching skills or leadership
3 skills of elementary school and secondary school
4 teachers or school leaders;

5 “(B) for teachers, train classroom teachers
6 to implement literacy programs that incorporate
7 the essential components of literacy instruction;
8 and

9 “(C) as appropriate, provide training for
10 educators to teach technical skills to industry
11 standards in a classroom setting;

12 “(11) a description of the partnership’s evalua-
13 tion plan under section 204(a), including how the
14 partnership will collect, analyze, use, and report data
15 annually on the retention and performance of recent
16 program graduates as well as how the eligible part-
17 nership will conduct and publicly report the evalua-
18 tion required under section 204(a); and

19 “(12) a description of how the eligible partner-
20 ship will design and implement an induction pro-
21 gram to support all new educators who are prepared
22 by the educator preparation program in the partner-
23 ship and who serve in the high-need local edu-
24 cational agency in the partnership, and, to the ex-
25 tent practicable, all new educators who serve in such

1 high-need local educational agency, and how such an
2 induction program will comply with the requirements
3 under section 200(16) and be integrated with other
4 ongoing efforts to support new educators by the
5 high-need local educational agency.

6 “(c) EDUCATOR RESIDENCY PROGRAMS.—

7 “(1) IN GENERAL.—An eligible partnership that
8 receives a grant under this section shall use the
9 grant funds to design and implement an effective ed-
10 ucator residency program that is grounded in sci-
11 entifically valid research to prepare educators for
12 success in the high-need schools served by the high-
13 need local educational agency.

14 “(2) CONTENT OF PROGRAM.—An educator
15 residency program implemented under paragraph (1)
16 shall include the following:

17 “(A) MEANINGFUL COLLABORATION.—Es-
18 tablish meaningful collaboration between the
19 partner institution and the high-need local edu-
20 cational agency to ensure the partner institu-
21 tion is preparing teachers with the teaching
22 skills or school leaders with the leadership skills
23 necessary to meet the specific needs of the high-
24 need local educational agency by requiring the
25 partner institution to—

1 “(i) engage in regular consultation
2 with the high-need local educational agency
3 throughout the development and implemen-
4 tation of programs and activities carried
5 out under this section and provide evidence
6 that such programs and activities are
7 aligned with the needs of the high-need
8 schools served by such high-need local edu-
9 cational agency;

10 “(ii) incorporate ongoing feedback and
11 regular communication from the high-need
12 local educational agency and the high-need
13 schools served by such high-need local edu-
14 cational agency, in—

15 “(I) the development of recruit-
16 ment and admissions goals and prior-
17 ities;

18 “(II) the design of the educator
19 residency program’s curriculum,
20 coursework content, clinical training,
21 induction programs, and other profes-
22 sional development activities, includ-
23 ing opportunities to collaborate with
24 specialized instructional support per-
25 sonnel;

1 “(III) continuing efforts to mod-
2 ify and improve the activities and pro-
3 grams carried out by the partner in-
4 stitution; and

5 “(IV) meeting the needs of the
6 high-need schools in which recent pro-
7 gram graduates are employed and by
8 monitoring the performance of such
9 graduates; and

10 “(iii) administer satisfaction surveys
11 and utilize the feedback from such surveys
12 to drive program improvement.

13 “(B) INDUCTION PROGRAMS FOR NEW
14 EDUCATORS.—Implement an induction pro-
15 gram, as described in section 200(16) for new
16 educators or, in the case of an early childhood
17 education program, providing mentoring or
18 coaching for new early childhood educators.
19 Such induction program shall be integrated
20 with other ongoing efforts to support new edu-
21 cators by the high-need local educational agen-
22 cy.

23 “(C) EDUCATOR RECRUITMENT.—Develop
24 and implement effective mechanisms (which
25 may include alternative routes to State certifi-

1 cation of teachers or school leaders) to ensure
2 that the eligible partnership is able to recruit
3 well qualified individuals with a record of aca-
4 demic, volunteer, or leadership distinction to be-
5 come effective educators, which shall include—

6 “(i) the development of recruitment
7 and admissions goals and priorities aligned
8 with the hiring objectives identified under
9 subsection (a)(1); and

10 “(ii) an emphasis on recruiting—

11 “(I) individuals from under rep-
12 resented populations;

13 “(II) individuals to—

14 “(aa) become teachers in
15 high-need subject or fields and to
16 teach in schools in rural areas; or

17 “(bb) become school leaders
18 in schools in rural areas or high-
19 need local educational agencies;

20 “(III) mid-career professionals
21 from other occupations, former mili-
22 tary personnel, and recent college
23 graduates; and

1 school leader engages parents in student
2 learning activities.

3 “(F) COMPREHENSIVE LITERACY INSTRU-
4 TION.—Strengthen comprehensive literacy in-
5 struction, that—

6 “(i) incorporates effective literacy in-
7 struction; and

8 “(ii) is designed to support—

9 “(I) developmentally appropriate,
10 contextually explicit, systematic in-
11 struction, and frequent practice, in
12 reading across content areas; and

13 “(II) developmentally appropriate
14 and contextually explicit instruction,
15 and frequent practice, in writing
16 across content areas.

17 “(3) TEACHER RESIDENCY PROGRAMS.—In ad-
18 dition to the requirements under paragraph (2), an
19 eligible partnership receiving a grant under this sec-
20 tion to design and implement an effective teacher
21 residency program, shall include the following re-
22 quirements:

23 “(A) REFORMS.—Implementing reforms,
24 including—

1 “(i) curriculum changes that are
2 aligned with the needs of the high-need
3 local educational agency in the eligible
4 partnership, in order to improve, evaluate,
5 and assess how well all prospective and
6 new teachers develop teaching skills;

7 “(ii) using empirically-based practice
8 and scientifically valid research, where ap-
9 plicable, about teaching and learning so
10 that all prospective teachers and, as appli-
11 cable, early childhood educators—

12 “(I) are prepared to be highly ef-
13 fective teachers and, as applicable,
14 highly competent early childhood edu-
15 cators;

16 “(II) understand and can imple-
17 ment research-based teaching prac-
18 tices in classroom instruction;

19 “(III) possess strong teaching
20 skills and an understanding of effec-
21 tive instructional strategies across all
22 applicable content areas that enable
23 all teachers to—

24 “(aa) meet the specific
25 learning needs of all students, in-

1 including students with disabilities,
2 English learners, students who
3 are gifted and talented, students
4 with low literacy levels and, as
5 applicable, children in early child-
6 hood education programs;

7 “(bb) differentiate instruc-
8 tion for such students;

9 “(cc) have knowledge of stu-
10 dent learning styles;

11 “(dd) analyze the results of
12 student learning and other data
13 to improve instruction;

14 “(ee) effectively participate
15 as a member of the individualized
16 education program team, as de-
17 fined in section 614(d)(1)(B) of
18 the Individuals with Disabilities
19 Education Act in order to ensure
20 individualized education plans
21 promote student success;

22 “(ff) if applicable, success-
23 fully employ effective strategies
24 for comprehensive literacy in-
25 struction; and

1 “(gg) employ techniques to
2 improve children’s cognitive, so-
3 cial, emotional, and physical de-
4 velopment;

5 “(IV) if applicable, receive train-
6 ing on effective teaching in rural or
7 diverse communities and on teaching
8 students with disabilities and English
9 learners; and

10 “(V) can effectively teach stu-
11 dents with disabilities; and

12 “(iii) administering satisfaction sur-
13 veys to employers of recent program grad-
14 uates and to recent program graduates.

15 “(B) CLINICAL TRAINING.—Implementing
16 at least 1 academic year of preservice high-
17 quality clinical training in high-need schools
18 that includes the following criteria:

19 “(i) Integration of pedagogy, robust
20 classroom practice, and mentoring to pro-
21 mote effective teaching skills.

22 “(ii) Engagement of teacher residents
23 in rigorous coursework, which shall be
24 aligned to the needs of the high-need local

1 educational agency in the eligible partner-
2 ship.

3 “(iii) Establishment of clear criteria
4 for the selection and assignment of mentor
5 teachers.

6 “(iv) Placement of teacher residents
7 in cohorts that facilitate professional col-
8 laboration, both among teacher residents
9 and between such teacher residents and
10 mentors in the receiving school.

11 “(v) Support for teacher residents,
12 once the teacher residents are hired as
13 teachers of record, through an induction
14 program, high-quality professional develop-
15 ment, and regular opportunities to support
16 the residents in their development of teach-
17 ing skills during not less than the resi-
18 dents’ first 2 years of teaching.

19 “(C) SELECTION OF INDIVIDUALS AS
20 TEACHER RESIDENTS.—

21 “(i) ELIGIBLE INDIVIDUAL.—In order
22 to be eligible to be a teacher resident in a
23 teacher residency program under this para-
24 graph, an individual shall—

25 “(I) be—

1 terminated by interviews or performance
2 assessments, as specified by the eligi-
3 ble partnership.

4 “(IV) Demonstrated commit-
5 ment, which could be evidenced by
6 past work experience, to serving in
7 high-need local educational agencies.

8 “(V) Demonstrated leadership in
9 past education or work experiences.

10 “(4) SCHOOL LEADER RESIDENCY PRO-
11 GRAMS.—In addition to the requirements under
12 paragraph (2), an eligible partnership receiving a
13 grant under this section to design and implement an
14 effective school leader residency program, shall in-
15 clude the following requirements:

16 “(A) REFORMS.—Implementing reforms,
17 including the following:

18 “(i) Preparing prospective school lead-
19 ers for careers as principals, assistant
20 principals, early childhood education pro-
21 gram directors, or other school leaders (in-
22 cluding individuals preparing to work in
23 high-need local educational agencies lo-
24 cated in rural areas who may perform mul-

1 multiple duties in addition to the role of a
2 school leader).

3 “(ii) Promoting strong leadership
4 skills and, as applicable, techniques for
5 school leaders to effectively—

6 “(I) develop a shared vision for
7 high achievement and college- and ca-
8 reer-readiness for all students;

9 “(II) support teachers in imple-
10 menting rigorous curricula and assess-
11 ments tied to State challenging aca-
12 demic content standards and chal-
13 lenging student academic achievement
14 standards adopted pursuant to section
15 1111(b) of the Elementary and Sec-
16 ondary Education Act of 1965;

17 “(III) create and maintain a
18 data-driven, professional learning
19 community within the school leader’s
20 school and understand the teaching
21 skills needed to support successful
22 classroom instruction and to use data
23 to evaluate teacher instruction and
24 drive teacher and student learning;

1 “(IV) recruit, hire, assign, and
2 retain effective teachers and complete
3 high-quality evaluations of instruc-
4 tional staff for continuous improve-
5 ment;

6 “(V) provide a climate conducive
7 to the professional development of
8 teachers, with a focus on improving
9 student academic achievement and the
10 development of effective instructional
11 leadership skills;

12 “(VI) manage resources and
13 school time to improve student aca-
14 demic achievement, and to ensure the
15 school environment is safe;

16 “(VII) engage and involve fami-
17 lies, community members, the local
18 educational agency, businesses, and
19 other community leaders, to respond
20 to the diverse interests and needs and
21 leverage additional resources to im-
22 prove student academic achievement;

23 “(VIII) understand how students
24 learn and develop in order to increase
25 academic achievement for all students,

1 including students with disabilities
2 and English learners; and

3 “(IX) understand the varied roles
4 and responsibilities of general and
5 special educators and teachers of
6 English as a second language to sup-
7 port meaningful observation, feedback,
8 and evaluations.

9 “(B) CLINICAL TRAINING.—Implementing
10 at least 1 academic year of high-quality clinical
11 training in high-need schools that includes the
12 following criteria:

13 “(i) Integration of coursework, robust
14 school-based practice, and mentoring, to
15 promote effective leadership skills.

16 “(ii) Engagement of school leader
17 residents in rigorous coursework, which
18 shall be aligned to the needs of the high-
19 need local educational agency in the eligi-
20 ble partnership.

21 “(iii) Establishment of clear criteria
22 for the selection and assignment of mentor
23 school leaders.

24 “(iv) Placement of school leader resi-
25 dents in cohorts that facilitate professional

1 collaboration, both among school leader
2 residents and between such school leader
3 residents and mentors in the receiving
4 school.

5 “(v) Support for school leader resi-
6 dents once such school leader residents are
7 hired as school leaders, through an induc-
8 tion program, high-quality professional de-
9 velopment, and regular opportunities, to
10 support residents in their development of
11 leadership skills during not less than the
12 residents’ first 2 years of serving as a
13 school leader.

14 “(C) SELECTION OF INDIVIDUALS AS
15 SCHOOL LEADER RESIDENTS.—

16 “(i) ELIGIBLE INDIVIDUAL.—In order
17 to be eligible to be a school leader resident
18 in a school leader residency program under
19 this paragraph, an individual shall—

20 “(I) be a graduate of a 4-year in-
21 stitution of higher education;

22 “(II) have prior prekindergarten
23 through grade 12 teaching experience;

1 “(III) have experience as an ef-
2 fective leader, manager, and commu-
3 nicator; and

4 “(IV) submit an application to
5 the residency program.

6 “(ii) SELECTION CRITERIA.—An eligi-
7 ble partnership carrying out a school lead-
8 er residency program under this subsection
9 shall establish criteria for the selection of
10 eligible individuals to participate in the
11 school leader residency program, aligned to
12 the hiring needs and objectives of the high-
13 need local educational agency in the eligi-
14 ble partnership, and based on, at a min-
15 imum, the following applicant characteris-
16 tics:

17 “(I) Demonstrated leadership
18 skills in an elementary school or sec-
19 ondary school setting.

20 “(II) Strong record of accom-
21 plishment in prior prekindergarten
22 through grade 12 teaching experience.

23 “(III) Strong verbal and written
24 communication skills.

1 “(IV) Other attributes linked to
2 effective leadership.

3 “(V) Demonstrated commitment,
4 which may be evidenced by past work
5 experience, to serving in high-need
6 local educational agencies.

7 “(5) STIPENDS OR SALARIES; APPLICATIONS;
8 AGREEMENTS; REPAYMENTS.—

9 “(A) STIPENDS OR SALARIES.—A teacher
10 residency program or school leader residency
11 program funded under this subsection shall pro-
12 vide a 1-year living stipend or salary to each
13 teacher or school leader resident during the
14 residency program.

15 “(B) APPLICATIONS FOR STIPENDS OR
16 SALARIES.—Each teacher or school leader resi-
17 dency candidate desiring a stipend or salary
18 during the period of residency shall submit an
19 application to the eligible partnership at such
20 time, and containing such information and as-
21 surances, as the eligible partnership may re-
22 quire.

23 “(C) AGREEMENTS TO SERVE.—Each ap-
24 plication submitted under subparagraph (B)

1 shall contain or be accompanied by an agree-
2 ment that the applicant will—

3 “(i) serve as a full-time teacher or
4 school leader for a total of not less than 3
5 academic years immediately after success-
6 fully completing the teacher residency pro-
7 gram or school leader residency program;

8 “(ii) fulfill the requirement under sub-
9 clause (i)—

10 “(I) by serving as a teacher in a
11 high-need subject or field in a high-
12 need school served by the high-need
13 local educational agency in the eligible
14 partnership or serving as a school
15 leader in such a school; or

16 “(II) if there is no appropriate
17 position available in a high-need
18 school served by the high-need local
19 educational agency in the eligible
20 partnership, by serving as a teacher in
21 a high-need subject or field in a high-
22 need school in another high-need local
23 educational agency or serving as a
24 school leader in such a school;

1 “(iii) provide to the eligible partner-
2 ship a certificate, from the chief adminis-
3 trative officer of the local educational
4 agency in which the resident is employed,
5 of the employment required in clauses (i)
6 and (ii) at the beginning of, and upon com-
7 pletion of, each year or partial year of
8 service;

9 “(iv) for teachers, meet the require-
10 ments to be a highly qualified teacher, as
11 defined in section 9101 of the Elementary
12 and Secondary Education Act of 1965, or
13 section 602 of the Individuals with Disabil-
14 ities Education Act, when the applicant be-
15 gins to fulfill the service obligation under
16 this subparagraph; and

17 “(v) comply with the requirements set
18 by the eligible partnership under subpara-
19 graph (D) if the applicant is unable or un-
20 willing to complete the service obligation
21 required under this subparagraph.

22 “(D) REPAYMENTS.—

23 “(i) IN GENERAL.—An eligible part-
24 nership receiving a grant under this sec-
25 tion to design and implement an effective

1 educator residency program shall require a
2 recipient of a stipend or salary under sub-
3 paragraph (A) who does not complete, or
4 who notifies the eligible partnership that
5 the recipient intends not to complete, the
6 service obligation required under subpara-
7 graph (C) to repay such stipend or salary
8 to the eligible partnership, together with
9 interest, at a rate specified by the eligible
10 partnership in the agreement, and in ac-
11 cordance with such other terms and condi-
12 tions specified by the eligible partnership,
13 as necessary.

14 “(ii) OTHER TERMS AND CONDI-
15 TIONS.—Any other terms and conditions
16 specified by the eligible partnership may
17 include reasonable provisions for pro-rata
18 repayment of the stipend or salary de-
19 scribed in subparagraph (A) or for deferral
20 of a teacher or school leader resident’s
21 service obligation required by subpara-
22 graph (C) on grounds of health, incapaci-
23 tation, inability to secure employment in a
24 school served by the eligible partnership,
25 being called to active duty in the Armed

1 Forces of the United States, or other ex-
2 traordinary circumstances.

3 “(iii) USE OF REPAYMENTS.—An eli-
4 gible partnership shall use any repayment
5 received under this subparagraph to carry
6 out additional activities that are consistent
7 with the purposes of this subsection.

8 “(d) CONSULTATION.—

9 “(1) IN GENERAL.—In addition to the require-
10 ments identified in subsection (b)(2)(A), members of
11 an eligible partnership that receives a grant under
12 this section shall engage in regular consultation
13 throughout the development and implementation of
14 programs and activities carried out under this sec-
15 tion.

16 “(2) REGULAR COMMUNICATION.—To ensure
17 timely and meaningful consultation as described in
18 paragraph (1), regular communication shall occur
19 among all members of the eligible partnership, in-
20 cluding the high-need local educational agency. Such
21 communication shall continue throughout the imple-
22 mentation of the grant and the assessment of pro-
23 grams and activities under this section.

24 “(3) WRITTEN CONSENT.—The Secretary may
25 approve changes in grant activities of a grant under

1 this section only if the eligible partnership submits
2 to the Secretary a written consent to such changes
3 signed by all members of the eligible partnership.

4 “(e) CONSTRUCTION.—Nothing in this section shall
5 be construed to prohibit an eligible partnership from using
6 grant funds to coordinate with the activities of eligible
7 partnerships in other States or on a regional basis through
8 Governors, State boards of education, State educational
9 agencies, State agencies responsible for early childhood
10 education, local educational agencies, or State agencies for
11 higher education.

12 “(f) SUPPLEMENT, NOT SUPPLANT.—Funds made
13 available under this section shall be used to supplement,
14 and not supplant, other Federal, State, and local funds
15 that would otherwise be expended to carry out activities
16 under this section.

17 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
18 are authorized to be appropriated to carry out this section
19 such sums as may be necessary for fiscal year 2015 and
20 each of the 5 succeeding fiscal years.

21 **“SEC. 203. ADMINISTRATIVE PROVISIONS OF EDUCATOR**
22 **RESIDENCY GRANTS.**

23 “(a) DURATION; NUMBER OF AWARDS; PAY-
24 MENTS.—

25 “(1) DURATION.—

1 “(A) IN GENERAL.—A grant awarded
2 under this part shall be not more than 5 years
3 in duration.

4 “(B) REQUIREMENTS FOR ADDITIONAL
5 FUNDING.—Before receiving funding for the
6 third or any subsequent year of a grant under
7 this part, the eligible partnership receiving the
8 grant shall demonstrate to the Secretary that
9 the eligible partnership is—

10 “(i) making progress in implementing
11 the requirements under section 202(c) at a
12 rate that the Secretary determines will re-
13 sult in full implementation of the program
14 during the remainder of the grant period;
15 and

16 “(ii) making progress, as measured by
17 the performance objectives established by
18 the eligible partnership under section
19 204(a), at a rate that the Secretary deter-
20 mines will result in reaching the targets
21 and achieving the objectives of the grant,
22 during the remainder of the grant period.

23 “(2) NUMBER OF AWARDS.—An eligible part-
24 nership may not receive more than 1 grant during
25 a 5-year period. Nothing in this part shall be con-

1 strued to prohibit an individual member, that can
2 demonstrate need, of an eligible partnership that re-
3 ceives a grant under this part from entering into an-
4 other eligible partnership consisting of new members
5 and receiving a grant with such other eligible part-
6 nership before the 5-year period applicable to the eli-
7 gible partnership with which the individual member
8 has first partnered has expired.

9 “(b) PEER REVIEW.—

10 “(1) PANEL.—The Secretary shall provide the
11 applications submitted under this part to a peer re-
12 view panel for evaluation. With respect to each ap-
13 plication, the peer review panel shall initially rec-
14 ommend the application for funding or for dis-
15 approval.

16 “(2) PRIORITY.—The Secretary, in funding ap-
17 plications under this part, shall give priority—

18 “(A) to eligible partnerships that include a
19 high-need local educational agency that serves a
20 student population that consists of 40 percent
21 or more students from low-income families;

22 “(B) to eligible partnerships that include
23 an institution of higher education whose educa-
24 tor preparation program has a rigorous selec-

1 tion process to ensure the highest quality of
2 students entering such program;

3 “(C) to applications from broad-based eli-
4 gible partnerships that involve businesses and
5 nonprofit community organizations; or

6 “(D) to eligible partnerships so that the
7 awards promote an equitable geographic dis-
8 tribution of grants among rural and urban
9 areas.

10 “(3) SECRETARIAL SELECTION.—The Secretary
11 shall determine, based on the peer review process,
12 which applications shall receive funding and the
13 amounts of the grants under this part. In deter-
14 mining grant amounts, the Secretary shall take into
15 account the total amount of funds available for all
16 grants under this part and the types of activities
17 proposed to be carried out by the eligible partner-
18 ship.

19 “(c) MATCHING REQUIREMENTS.—

20 “(1) IN GENERAL.—Each eligible partnership
21 receiving a grant under this part shall provide, from
22 non-Federal sources, an amount equal to 100 per-
23 cent of the amount of the grant, which may be pro-
24 vided in cash or in-kind, to carry out the activities
25 supported by the grant.

1 ing under paragraphs (3)(B) and (4)(B) of section
2 202(c);

3 “(2) educator retention in high-need schools—

4 “(A) 3 years after initial placement as a
5 teacher or school leader; and

6 “(B) 5 years after initial placement as a
7 teacher or school leader;

8 “(3) the pass rates and scaled scores for first
9 time test takers on the State certification or licens-
10 ing examination;

11 “(4) educator effectiveness, as measured by—

12 “(A) performance on teacher or school
13 leader evaluations, including impact on student
14 growth; and

15 “(B) satisfaction survey outcomes; and

16 “(5) the percentage of—

17 “(A) recent program graduates hired by
18 the high-need local educational agency who are
19 rated effective under a State or district evalua-
20 tion system 2 years after program completion;

21 “(B) recent program graduates hired by
22 the high-need local educational agency who are
23 rated effective under a State or district evalua-
24 tion system 2 years after program completion
25 and are members of underrepresented groups;

1 “(C) recent program graduates hired by
2 the high-need local educational agency who are
3 rated effective under a State or district evalua-
4 tion system 2 years after program completion
5 and who teach in high-need subject areas or
6 fields;

7 “(D) recent program graduates hired by
8 the high-need local educational agency who are
9 rated effective under a State or district evalua-
10 tion system 2 years after program completion
11 and who serve in high-need schools or schools
12 in rural areas, disaggregated by the elementary
13 school and secondary school levels; and

14 “(E) early childhood education program
15 classes in the geographic area served by the eli-
16 gible partnership taught by early childhood edu-
17 cators who are highly competent, as applicable.

18 “(b) ANNUAL REPORT.—Each eligible partnership
19 that receives a grant under this part shall submit to the
20 Secretary and make publicly available, at such time and
21 in such manner as the Secretary may require, an annual
22 report including at a minimum—

23 “(1) data on the eligible partnership’s progress
24 on the measures described in subsection (a); and

1 “(2) a description of the challenges the eligible
2 partnership has faced in implementing its grant and
3 how the eligible partnership has addressed or plans
4 to address such challenges.

5 “(c) INFORMATION.—An eligible partnership receiv-
6 ing a grant under this part shall ensure that candidates
7 for admission to educator preparation programs, teachers,
8 school leaders, school superintendents, faculty, and leader-
9 ship at institutions of higher education located in the geo-
10 graphic areas served by the eligible partnership are pro-
11 vided information, including through electronic means,
12 about the activities carried out with funds under this part.

13 “(d) REVISED APPLICATION.—If the Secretary deter-
14 mines that an eligible partnership receiving a grant under
15 this part is not making substantial progress in meeting
16 the purposes, goals, objectives, and measures of the grant,
17 as appropriate, by the end of the third year of a grant
18 under this part, then the Secretary—

19 “(1) shall cancel the grant; and

20 “(2) may use any funds returned or available
21 because of such cancellation under paragraph (1)
22 to—

23 “(A) increase other grant awards under
24 this part; or

1 “(B) award new grants to other eligible
2 partnerships under this part.

3 “(e) TECHNICAL ASSISTANCE, EVALUATION, AND
4 DISSEMINATION.—The Secretary shall reserve not more
5 than 2 percent of the funds appropriated under section
6 202(g) for a fiscal year—

7 “(1) to provide, directly or through grants, con-
8 tracts, or cooperative agreements, technical assist-
9 ance by qualified experts on using practices ground-
10 ed in scientifically valid research to improve the out-
11 comes of projects funded under this part;

12 “(2) acting through the Director of the Insti-
13 tute for Education Sciences, to—

14 “(A) develop performance measures, in-
15 cluding the measures described in subsection
16 (a) and evaluate the activities funded under sec-
17 tion 202 by these performance measures by ap-
18 plying the same measures to each project fund-
19 ed under section 202;

20 “(B) report the findings of the evaluation
21 to the authorizing committees and make pub-
22 licly available on the website of the Department;
23 and

24 “(C) identify best practices and dissemi-
25 nate research on best practices that scientif-

1 ically valid research indicates are the most suc-
2 cessful in improving the quality of educator
3 preparation programs, including through re-
4 gional educational laboratories and comprehen-
5 sive centers (as authorized under the Education
6 Sciences Reform Act of 2002).

7 “(f) EVALUATION TO BE MADE PUBLICLY AVAIL-
8 ABLE.—Each eligible partnership receiving a grant under
9 this part shall complete and make publicly available, not
10 later than 90 days after the grant period for such eligible
11 partnership ends, an evaluation based on the evaluation
12 plan described under subsection (a).

13 “(g) DEVELOPMENT OF PERFORMANCE MEAS-
14 URES.—The Secretary shall develop performance meas-
15 ures described in subsection (e) prior to awarding grants
16 under this part. The Secretary shall ensure that such
17 measures are made available to potential applicants prior
18 to seeking applications for grants under this part.

19 **“PART B—STATE INNOVATION IN EDUCATOR**
20 **PREPARATION**

21 **“SEC. 206. EDUCATOR PREPARATION PROGRAM REFORM**
22 **GRANTS.**

23 “(a) DEFINITIONS.—In this section:

24 “(1) EDUCATOR PREPARATION PROGRAM AC-
25 COUNTABILITY AND IMPROVEMENT SYSTEM.—The

1 term ‘Educator Preparation Program Accountability
2 and Improvement System’ means a system that as-
3 sses all educator preparation programs within a
4 State, establishes performance levels for educator
5 preparation programs, and informs the interventions
6 for low-performing educator preparation programs.
7 The minimum requirements for such a system shall
8 include—

9 “(A) defining at least 4 performance levels
10 that differentiate the performance of educator
11 preparation programs based on data required in
12 subparagraph (D);

13 “(B) administering satisfaction surveys to
14 employers of recent program graduates;

15 “(C) administering satisfaction surveys to
16 recent program graduates;

17 “(D) assessing all such educator prepara-
18 tion programs on multiple measures that, at a
19 minimum, shall include—

20 “(i) for teacher preparation pro-
21 grams—

22 “(I) a statewide measure of
23 teacher impact on student learning for
24 recent program graduates who are

1 employed as full-time teachers as
2 demonstrated through either—

3 “(aa) the percentage of re-
4 cent program graduates in each
5 evaluation rating category for
6 States that have statewide teach-
7 er evaluation systems if such
8 evaluation systems contain the
9 impact on student achievement,
10 multiple measures, and more
11 than 2 rating categories; or

12 “(bb) for States that do not
13 have a statewide teacher evalua-
14 tion system meeting the require-
15 ments in item (aa), the percent-
16 age of recent program graduates
17 who demonstrate evidence of im-
18 proved student growth that is
19 limited to evidence-based or ex-
20 ternally-validated measures;

21 “(II) the number and percentage
22 of recent program graduates employed
23 as full time teachers who are identi-
24 fied as well-prepared by their employ-

1 ers in the surveys described in sub-
2 paragraph (B);

3 “(III) the number and percent-
4 age of recent graduates employed as
5 full-time teachers who identify them-
6 selves as being well-prepared in sur-
7 veys described in subparagraph (C);

8 “(IV) the number and percentage
9 of teachers who graduated from teach-
10 er preparation programs and who are
11 still teaching in full-time positions 3
12 years and 5 years after initial place-
13 ment as a teacher; and

14 “(V) the number and percentage
15 of teachers who graduated from the
16 educator preparation program in the
17 most recent academic year who are
18 teaching in full-time positions;

19 “(ii) for school leader preparation pro-
20 grams—

21 “(I) a statewide measure of
22 school leader impact on student learn-
23 ing for recent program graduates who
24 are employed as full-time school lead-
25 ers as demonstrated through either—

1 “(aa) the percentage of re-
2 cent program graduates in each
3 evaluation rating category for
4 States that have statewide school
5 leader evaluation systems that in-
6 clude the impact on student
7 achievement, multiple measures,
8 and more than 2 rating cat-
9 egories; or

10 “(bb) for States that do not
11 have school leader evaluation sys-
12 tems that meet the requirements
13 of item (aa), the percentage of
14 recent program graduates who
15 demonstrate evidence of improved
16 student achievement and growth
17 that is limited to evidence-based
18 or externally-validated measures;

19 “(II) evidence of training school
20 leaders to provide strong instructional
21 leadership and support to teachers
22 and other staff;

23 “(III) the number and percent-
24 age of recent program graduates em-
25 ployed as full time school leaders who

1 are identified as well-prepared in the
2 surveys described in subparagraph
3 (B);

4 “(IV) the number and percentage
5 of recent program graduates employed
6 as school leaders who, based on sur-
7 veys described in subparagraph (C),
8 described themselves as prepared to
9 be effective school leaders;

10 “(V) the number and percentage
11 of school leaders who graduated from
12 the educator preparation program in
13 the most recent academic year who
14 are employed as school leaders; and

15 “(VI) the number and percentage
16 of school leaders who graduated from
17 programs and are still serving in a
18 school leadership role 3 years and 5
19 years after initial placement as a
20 school leader;

21 “(iii) for all educator preparation pro-
22 grams—

23 “(I) evidence of meaningful col-
24 laboration with high-need local edu-
25 cational agencies to ensure the educa-

1 tor preparation programs are pre-
2 paring educators to meet the work-
3 force needs of high-need local edu-
4 cational agencies and to ensure that
5 high-need local educational agencies
6 have a role in the design of the teach-
7 er or school leader candidate edu-
8 cation offered at educator preparation
9 programs; and

10 “(II) the number and percentage
11 of graduates who are working as full-
12 time teachers or school leaders in
13 high-need schools after 3 years;

14 “(E) using the same metrics and weights
15 to determine the performance level of all educa-
16 tor preparation programs in the State;

17 “(F) public reporting of performance levels
18 on a program by program basis based on the
19 measures described in subparagraph (D);

20 “(G) distribution of educator preparation
21 program performance information to all local
22 educational agencies and school boards in the
23 State;

1 “(H) interventions for programs identified
2 as low performing pursuant to subparagraph
3 (A), including—

4 “(i) for programs identified as low
5 performing for 1 year, requiring such pro-
6 grams to conduct a needs assessment and
7 develop and implement an improvement
8 plan based on that needs assessment;

9 “(ii) for programs identified as low
10 performing for 3 consecutive years, requir-
11 ing such programs to lose eligibility for
12 TEACH grants under subpart 9 of part A
13 of title IV and continue to implement an
14 improvement plan; and

15 “(iii) for programs identified as low
16 performing for 4 consecutive years, requir-
17 ing the State to terminate the ability of
18 such program to operate; and

19 “(I) for programs identified in the lowest
20 performing level for 1 or more years under sub-
21 paragraph (A), an automatic designation as a
22 low performing program under section 212.

23 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-
24 tity’ means—

25 “(A) a State; or

1 “(B) a consortium of States.

2 “(b) PROGRAM AUTHORIZED.—

3 “(1) EDUCATOR PREPARATION PROGRAM RE-
4 FORM GRANTS.—The Secretary shall award grants
5 to eligible entities to enable such entities to reform
6 and improve educator preparation programs.

7 “(2) DURATION.—

8 “(A) IN GENERAL.—A grant awarded
9 under this section shall be not more than 5
10 years in duration.

11 “(B) NUMBER OF GRANTS.—A State shall
12 not receive, directly or as part of a consortium,
13 more than 1 grant under this section for any
14 grant period.

15 “(C) REQUIREMENTS FOR ADDITIONAL
16 FUNDING.—Before receiving funding for the
17 third or any subsequent year of the grant, the
18 eligible entity receiving the grant shall dem-
19 onstrate to the Secretary that the eligible entity
20 is—

21 “(i) making progress in implementing
22 the plan under subsection (c)(1)(A) at a
23 rate that the Secretary determines will re-
24 sult in full implementation of the plan dur-
25 ing the remainder of the grant period; and

1 “(ii) making progress, as measured by
2 the performance measures established by
3 the Secretary under subsection (h), at a
4 rate that the Secretary determines will re-
5 sult in reaching the measures and achiev-
6 ing the objectives of the grant, during the
7 remainder of the grant period.

8 “(D) SUBSTANTIAL PROGRESS.—

9 “(i) IN GENERAL.—If the Secretary
10 determines that an eligible entity receiving
11 a grant under this section is not making
12 substantial progress in meeting the objec-
13 tives of the grant, as appropriate, by the
14 end of the third year of the grant under
15 this section, then the Secretary may, after
16 notice and an opportunity for a hearing in
17 accordance with chapter 5 of title 5,
18 United States Code—

19 “(I) withhold funds provided
20 under the grant under this section for
21 failure to comply substantially with
22 the requirements of this section; or

23 “(II) take actions to recover
24 funds provided under the grant if the
25 entity uses grant funds for an unal-

1 lowable expense, or otherwise fails to
2 discharge its responsibility to properly
3 account for grant funds.

4 “(ii) USE OF RECOVERED OR UNUSED
5 FUNDS.—Any funds recovered or withheld
6 under clause (i) shall—

7 “(I) be credited to the appropria-
8 tions account from which amounts are
9 available to make grants under this
10 section; and

11 “(II) remain available until ex-
12 pended for any purpose of such ac-
13 count authorized by law that relates
14 to the program under this section.

15 “(E) RESERVATION OF FUNDS.—From
16 amounts made available to carry out this sec-
17 tion for a fiscal year, the Secretary may reserve
18 not more than 5 percent to carry out activities
19 related to technical assistance, outreach and
20 dissemination, and evaluation.

21 “(c) APPLICATION AND SELECTION CRITERIA.—

22 “(1) APPLICATION.—An eligible entity that de-
23 sires to receive a grant under this section shall sub-
24 mit to the Secretary an application at such time, in
25 such manner, and accompanied by such information

1 as the Secretary may require. At a minimum, each
2 such application shall include—

3 “(A) a plan to implement the required ac-
4 tivities in subsection (e)(1) statewide, including
5 a description of its plan to support educator
6 preparation programs to make the necessary re-
7 forms and improvements required under this
8 section;

9 “(B) an assurance that the eligible entity
10 will use the Educator Preparation Program Ac-
11 countability and Improvement System to reward
12 high-performing educator preparation programs
13 and identify and improve low-performing educa-
14 tor preparation programs and the specific cri-
15 teria the eligible entity will use to identify low-
16 performing and high-performing educator prep-
17 aration programs;

18 “(C) evidence of the steps the State has
19 taken and will take to eliminate statutory, regu-
20 latory, procedural, or other barriers to facilitate
21 the full implementation of the State plans
22 under subparagraph (A);

23 “(D) a comprehensive and coherent plan
24 for using funds under this section, and other
25 Federal, State, and local funds to develop state-

1 wide reforms and improvements to educator
2 preparation programs;

3 “(E) evidence of collaboration between the
4 eligible entity, State standards boards for
5 teacher or school leader certification, local edu-
6 cational agencies, educator preparation pro-
7 grams, teachers, school leaders, and other key
8 stakeholders within the State in developing the
9 plan under subparagraph (A), including the de-
10 sign of the Education Preparation Program Ac-
11 countability and Improvement System;

12 “(F) a commitment to participate in the
13 reporting provisions under subsection (f) and
14 the evaluation of the activities carried out under
15 this section, as described in subsection (h); and

16 “(G) a description of the eligible entity’s
17 plan to regularly review the success of activities
18 undertaken as part of the grant and continu-
19 ously improve such activities.

20 “(2) SELECTION CRITERIA.—In awarding
21 grants under this section, the Secretary shall con-
22 sider—

23 “(A) the extent to which the eligible entity
24 has the capacity to implement the activities de-
25 scribed in subsection (e);

1 “(B) the extent to which the eligible entity
2 has a demonstrated record of effectiveness or
3 an evidence-based plan for reforming educator
4 preparation programs; and

5 “(C) the likelihood of the eligible entity
6 sustaining the reforms and improvements re-
7 quired under the grant, once the grant has
8 ended and the eligible entity’s plan for sus-
9 taining the reforms and improvements after the
10 grant has ended.

11 “(d) AWARDING GRANTS.—In awarding grants under
12 this section, the Secretary shall give priority to an eligible
13 entity with—

14 “(1) data systems in place to link the results of
15 teacher or school leader evaluation systems for re-
16 cent program graduates back to the educator prepa-
17 ration programs from which they graduated;

18 “(2) statewide teacher or school leader evalua-
19 tion systems based on multiple measures, that in-
20 clude student growth; and

21 “(3) strong partnerships between educator
22 preparation programs and high-need local edu-
23 cational agencies.

24 “(e) ACTIVITIES.—

1 onstrate subject matter mastery and mas-
2 tery of effective classroom management,
3 and for entities that prepare school lead-
4 ers, ensure that all school leader can-
5 didates demonstrate mastery of school
6 management techniques, including strate-
7 gies for creating a positive learning envi-
8 ronment that conveys high expectations for
9 all students and equitably implementing
10 school discipline policies;

11 “(vi) ensure that all teachers and
12 school leaders develop teaching skills and
13 school leadership skills, respectively; and

14 “(vii) are aligned with research-based
15 professional teaching or leadership stand-
16 ards.

17 “(B) Design and implement an Educator
18 Preparation Program Accountability and Im-
19 provement System and require all educator
20 preparation programs to be included in such
21 system.

22 “(C) Require all educator preparation pro-
23 grams to regularly communicate with the in-
24 State local educational agencies they predomi-
25 nantly serve to ascertain the agencies’ educator

1 workforce needs and whether the educator prep-
2 aration programs are meeting the workforce
3 needs and whether recent program graduates
4 have the skills needed to be effective.

5 “(D) Require all educator preparation pro-
6 grams to utilize satisfaction surveys of recent
7 program graduates that are conducted by the
8 States to improve educator preparation pro-
9 grams.

10 “(E) Require all educator preparation pro-
11 grams to utilize satisfaction surveys of employ-
12 ers that are conducted by the States to ascer-
13 tain employer satisfaction with recent program
14 graduates of educator preparation programs.

15 “(F) Ensure statewide data systems, in-
16 cluding the Educator Preparation Program Ac-
17 countability and Improvement System, do not
18 publicly report personally identifiable informa-
19 tion of educators or elementary school or sec-
20 ondary school students, comply with section 444
21 of the General Education Provisions Act ((20
22 U.S.C. 1232g), commonly known as the ‘Family
23 Educational Rights and Privacy Act of 1974’),
24 and share with educator preparation programs
25 the aggregate data on—

1 “(i) the aggregate impact their recent
2 program graduates have on student
3 achievement as demonstrated through
4 teacher or school leader evaluation results
5 of their program graduates;

6 “(ii) retention of their program grad-
7 uates, including at—

8 “(I) 3 years after initial place-
9 ment as a teacher or school leader;
10 and

11 “(II) 5 years after initial place-
12 ment as a teacher or school leader;
13 and

14 “(iii) the number and percentage of
15 recent program graduates hired into full-
16 time positions as teachers or school leaders
17 within 1 year of certification or licensure.

18 “(G) Report publicly on the aggregate per-
19 formance of each educator preparation program
20 operating in the State, including aggregate data
21 on the measures described in subparagraph (F),
22 and ensure that key stakeholders such as appli-
23 cants to teacher preparation programs or school
24 leader preparation programs, school administra-

1 tors, and school board members, receive these
2 performance results.

3 “(H) Redesign certification and licensing
4 exams to ensure that such exams are aligned
5 with the State’s challenging academic content
6 standards and challenging student academic
7 achievement standards required under section
8 1111(b) of the Elementary and Secondary Edu-
9 cation Act of 1965, educator performance as-
10 sessments, and educator evaluation systems.

11 “(I) Utilize data collected, as described in
12 subsection (a)(1), in program approval, pro-
13 gram re-approval, program improvement, and
14 program closures processes.

15 “(J) Require all educator preparation pro-
16 grams within the State to offer a high-quality
17 clinical training to educator candidates.

18 “(2) REQUIRED USES OF FUNDS FOR CON-
19 SORTIA GRANTEES.—Each eligible entity that re-
20 ceives a grant under this section and is a consortium
21 of States shall use the grant funds to carry out the
22 uses of funds under paragraph (1) and each of the
23 following:

24 “(A) Develop consistent program quality
25 and accountability indicators across State lines.

1 “(B) Develop consistent measures for iden-
2 tifying educator preparation programs as low
3 performing.

4 “(C) Develop systems for the sharing of
5 the data required under the Educator Prepara-
6 tion Program Accountability and Improvement
7 System across State lines that complies with all
8 relevant Federal and State privacy laws, includ-
9 ing section 444 of the General Education Provi-
10 sions Act ((20 U.S.C. 1232g), commonly known
11 as the ‘Family Educational Rights and Privacy
12 Act of 1974’).

13 “(3) PERMISSIVE USES OF FUNDS.—Each eligi-
14 ble entity that receives a grant under this section
15 may use the grant funds (after meeting all the re-
16 quired uses of funds under paragraph (1) and, as
17 applicable, paragraph (2)) to do the following:

18 “(A) Incentivize educator preparation pro-
19 grams to pursue programmatic accreditation.

20 “(B) Improve diversity of teacher or school
21 leader candidates in educator preparation pro-
22 grams.

23 “(C) Develop partnerships between high-
24 need local educational agencies and educator
25 preparation entities to provide high-quality in-

1 duction programs and mentoring programs for
2 new educators.

3 “(D) Provide subgrants for educator devel-
4 opment. In this subparagraph, the term ‘educa-
5 tor’ means specialized instructional support per-
6 sonnel, or other staff member who provides or
7 directly supports instruction, such as a school
8 librarian, counselor, or paraprofessional.

9 “(E) Include, in the subgrants provided
10 under subparagraph (D), the following activi-
11 ties:

12 “(i) Implementing curriculum changes
13 that improve, evaluate, and assess how well
14 educators develop instructional skills.

15 “(ii) Preparing educators to use em-
16 pirically based practice and scientifically
17 valid research, where applicable.

18 “(iii) Providing pre-service clinical
19 training.

20 “(iv) Creating induction programs for
21 new educators.

22 “(v) Aligning recruitment and admis-
23 sions goals and priorities with the hiring
24 objectives with local educational agencies

1 in the State, including high-need local edu-
2 cational agencies.

3 “(f) REPORTING.—An eligible entity that receives a
4 grant under this section shall submit to the Secretary and
5 make publicly available, at such time and in such manner
6 as the Secretary may require, an annual report, including,
7 at a minimum—

8 “(1) data on the eligible entity’s progress on
9 the performance measures established by the Sec-
10 retary under subsection (h);

11 “(2) a description of the challenges the eligible
12 entity has faced in implementing its plan under this
13 section, and how the eligible entity has addressed or
14 plans to address such challenges; and

15 “(3) data on educator preparation programs in
16 the State recruiting and selecting candidates who
17 are members of groups underrepresented in the
18 teaching profession.

19 “(g) SUPPLEMENT, NOT SUPPLANT.—Grant funds
20 provided under this section shall be used to supplement,
21 and not supplant, any other Federal, State, or local funds
22 otherwise available to carry out the activities described in
23 this section.

1 “(h) RESEARCH, EVALUATION, AND DISSEMINA-
2 TION.—The Secretary, acting through the Director of the
3 Institute of Education Sciences, shall—

4 “(1) develop performance measures to evaluate
5 the effectiveness of the activities carried out under
6 this grant program; and

7 “(2) identify best practices and disseminate re-
8 search on best practices.

9 “(i) DEVELOPMENT OF PERFORMANCE MEAS-
10 URES.—The Secretary shall establish performance meas-
11 ures described under subsection (h) prior to awarding
12 grants under this section. The Secretary shall ensure that
13 such measure are made available to potential applicants
14 prior to seeking applications for grants under this section.

15 “(j) TEACHER OR SCHOOL LEADER PRIVACY.—No
16 State or local educational agency shall be required to pub-
17 licly report information in compliance with this section in
18 a case in which the results would reveal personally identifi-
19 able information about an individual teacher or school
20 leader.

21 “(k) CONSTRUCTION.—Nothing in this section shall
22 be construed to alter or otherwise affect the rights, rem-
23 edies, and procedures afforded school or school district
24 employees under Federal, State or local laws (including
25 applicable regulators or court orders) or under the terms

1 of collective bargaining agreements, memoranda of under-
2 standing, or other agreements between such employees
3 and their employers.

4 “(l) REPORT TO CONGRESS.—Not later than 5 years
5 after the date of enactment of the Higher Education Af-
6 fordability Act, the Secretary shall submit a report to the
7 Committee on Health, Education, Labor, and Pensions of
8 the Senate, the Committee on Appropriations of the Sen-
9 ate, the Committee on Education and the Workforce of
10 the House of Representatives, and the Committee on Ap-
11 propriations of the House of Representatives on lessons
12 learned through programs funded with grants awarded
13 under this section and shall make such report publicly
14 available.

15 “(m) AUTHORIZATION OF APPROPRIATIONS.—There
16 are authorized to be appropriated to carry out this section
17 such sums as may be necessary for fiscal year 2015 and
18 each of the 5 succeeding fiscal years.

19 **“PART C—EDUCATOR PREPARATION PROGRAM**
20 **REPORTING AND IMPROVEMENT**

21 **“SEC. 210. INFORMATION ON EDUCATOR PREPARATION**
22 **PROGRAMS.**

23 “(a) INSTITUTIONAL AND PROGRAM REPORT CARDS
24 ON THE QUALITY OF EDUCATOR PREPARATION.—

1 “(1) REPORT CARD.—Each institution of higher
2 education that conducts a traditional educator prep-
3 aration program or alternative routes to State cer-
4 tification or licensure program and that enrolls stu-
5 dents receiving Federal assistance under this Act
6 and each educator preparation entity that is not
7 based at an institution of higher education and that
8 receives Federal assistance shall report annually to
9 the State and the general public, in a uniform and
10 comprehensible manner that conforms with the defi-
11 nitions and methods established by the Secretary,
12 the following, in the aggregate for each institution
13 and entity and disaggregated by program within
14 each institution and entity:

15 “(A) GOALS AND ASSURANCES.—For the
16 most recent year for which the information is
17 available for the institution or entity—

18 “(i) whether the goals set under sec-
19 tion 211 have been met; and

20 “(ii) if the goals under section 211
21 have not been met, a description of the
22 steps the program is taking to improve its
23 performance in meeting such goals.

24 “(B) PASS RATES AND SCALED SCORES.—
25 For the most recent year for which the informa-

1 tion is available for those program participants
2 who took the assessments used for teacher or
3 school leader certification or licensure by the
4 State in which the program is located and are
5 enrolled in the traditional educator preparation
6 program or alternative routes to State certifi-
7 cation or licensure program, for each of such
8 assessments—

9 “(i) the percentage of all program
10 participants who have taken the assess-
11 ment who have passed such assessment
12 compared to the average passage rate per-
13 centage in the State on such assessment;

14 “(ii) the percentage of all program
15 participants who have taken the assess-
16 ment who passed such assessment on the
17 first time taking the assessment compared
18 to the first-time average passage rate in
19 the State on such assessment;

20 “(iii) the percentage of program par-
21 ticipants who have taken such assessment
22 and enrolled in the traditional teacher or
23 school leader preparation program or alter-
24 native routes to State certification or licen-
25 sure program, as applicable;

1 “(iv) the average scaled score for all
2 program participants who have taken such
3 assessment, as compared to the passing
4 score required by the State on such assess-
5 ment;

6 “(v) the average scaled score for all
7 program participants who have taken such
8 assessment for the first time compared to
9 the average scaled score for programs in
10 the State; and

11 “(vi) if applicable, the percentage of
12 all program participants who have taken
13 and passed a teacher performance assess-
14 ment compared to the average passage rate
15 for all programs in the State on such as-
16 sessment.

17 “(C) CANDIDATE INFORMATION.—For the
18 most recent academic year for which data is
19 available—

20 “(i) the median cumulative grade
21 point average of admitted program partici-
22 pants compared to the institution or entity
23 as a whole;

24 “(ii) the median score on standardized
25 entrance examinations of admitted pro-

1 gram participants compared to the institu-
2 tion or entity as a whole, as applicable;

3 “(iii) in the aggregate and
4 disaggregated by race, ethnicity, gender,
5 and Pell Grant recipient status, the num-
6 ber of program participants who—

7 “(I) enrolled in the program; and

8 “(II) completed or graduated
9 from the program in 100 percent of
10 normal time and 150 percent of nor-
11 mal time; and

12 “(iv) the total number of program
13 participants who have been certified or li-
14 censed as teachers or school leaders,
15 disaggregated by race, ethnicity, gender,
16 Pell Grant recipient status, subject and
17 area of certification or licensure.

18 “(D) PROGRAM INFORMATION.—For the
19 most recent academic year for which data is
20 available—

21 “(i) the percentage of enrolled pro-
22 gram participants who participated in a
23 clinical training;

1 “(ii) the number of hours of clinical
2 training required for program participants;
3 and

4 “(iii) the percentage of program par-
5 ticipants graduating from or completing
6 the program who obtained at minimum 50
7 percent of clinical training in high-need
8 schools.

9 “(E) ACCREDITATION AND APPROVAL.—
10 Whether the program is accredited by a special-
11 ized accrediting agency recognized by the Sec-
12 retary for accreditation of professional educator
13 preparation programs and whether the program
14 is approved by the State.

15 “(F) DESIGNATION AS LOW-PER-
16 FORMING.—Whether the program has been des-
17 ignated as low performing by the State under
18 section 212.

19 “(G) EDUCATOR TRAINING.—A list of the
20 activities that prepare—

21 “(i) general education and special
22 education teachers and other educators to
23 effectively teach students with disabilities
24 effectively, including training related to
25 participation as a member of individualized

1 education program teams, as defined in
2 section 614(d)(1)(B) of the Individuals
3 with Disabilities Education Act, and to ef-
4 fectively teach students who are English
5 learners; and

6 “(ii) school leaders to effectively de-
7 velop a shared vision for high achievement
8 and college and career readiness for all
9 students, including creating structures and
10 staffing to meet the needs of all students,
11 in particular students with disabilities and
12 English learners.

13 “(2) FINES.—The Secretary may impose a fine
14 not to exceed \$27,500 on an institution of higher
15 education or educator preparation entity that is not
16 based at an institution of higher education for fail-
17 ure to provide the information described in this sub-
18 section in a timely or accurate manner.

19 “(3) RULE OF CONSTRUCTION.—Nothing in
20 this section shall be construed to prevent a State
21 from collecting and reporting additional data indica-
22 tors regarding teacher preparation programs.

23 “(4) SPECIAL RULE.—In the case of an institu-
24 tion of higher education, or educator preparation en-
25 tity that is not based at an institution of higher edu-

1 cation, that conducts a traditional educator prepara-
2 tion program or alternative routes to State certifi-
3 cation or licensure program and has fewer than 10
4 program participants in a program, the institution
5 or entity shall collect and publish information, as re-
6 quired under paragraph (1) over a 3-year period.

7 “(5) PROTECTION FOR TEACHER OR LEADER
8 IDENTITY AND DATA VALIDITY.—The Secretary, in
9 consultation with the Commissioner of the National
10 Center for Education Statistics, shall ensure that
11 data collected under paragraph (1) and subsection
12 (b) is collected in a way to protect the privacy of
13 teacher or school leader candidates, as well as teach-
14 ers or school leaders, and to ensure there is suffi-
15 cient data quality to ensure the validity of conclu-
16 sions to be drawn from the data collection.

17 “(b) STATE REPORT CARD ON THE QUALITY OF ED-
18 UCATOR PREPARATION.—

19 “(1) IN GENERAL.—Each State that receives
20 funds under this Act shall provide to the Secretary,
21 and make widely available to the general public and
22 to all local educational agencies located within the
23 State, including by sending information about the
24 State report card to every local educational agency
25 in the State, in a uniform and comprehensible man-

1 ner that conforms with the definitions and methods
2 established by the Secretary, an annual State report
3 card on the quality of educator preparation in the
4 State, both for traditional educator preparation pro-
5 grams and for alternative routes to State certifi-
6 cation or licensure programs, which shall include not
7 less than the following:

8 “(A) All information reported under sub-
9 section (a)(1), for the State as a whole, and for
10 each educator preparation program located
11 within the State.

12 “(B) For the most recent year for which
13 the information is available for each educator
14 preparation program located within the State—

15 “(i) the number and percentage of re-
16 cent program graduates hired into full-
17 time positions as teachers or school leaders
18 within 1 year of certification or licensure,
19 in the aggregate and reported separately
20 by—

21 “(I) teachers in high-need subject
22 areas or fields;

23 “(II) high-need schools; and

24 “(III) certification or licensure
25 type;

1 “(ii) for teacher preparation pro-
2 grams, the number and percentage of re-
3 cent program graduates hired into full-
4 time positions as teachers who served for
5 periods of not less than 3 academic years
6 after their initial placement in a teacher
7 position, in the aggregate and reported
8 separately by—

9 “(I) teachers in high-need subject
10 areas or fields;

11 “(II) high-need schools;

12 “(III) certification or licensure
13 type; and

14 “(iii) for school leader preparation
15 programs, the number and percentage of
16 recent program graduates hired into full-
17 time positions as school leaders who served
18 for periods of not less than 3 academic
19 years after their initial placement in a
20 school leader position, in the aggregated
21 and reported separately by—

22 “(I) principals;

23 “(II) assistant principals; and

24 “(III) high-need schools.

1 “(C) For recent program graduates at
2 each educator preparation program in the
3 State—

4 “(i) the percentage of recent program
5 graduates whose elementary and secondary
6 students demonstrate evidence of improved
7 student growth on State teacher or leader
8 evaluation systems, if States have such
9 teacher or leader evaluation systems; and

10 “(ii) the percentage of recent program
11 graduates who are rated highly based on
12 results from State-administered satisfac-
13 tion surveys, as available, and the percent-
14 age of recent program graduates who self-
15 identify as prepared to be effective teach-
16 ers or school leaders based on results from
17 State-administered satisfaction surveys, as
18 available.

19 “(D) Any educator preparation program
20 that has a first-time passage rate for all test
21 takers from the program (regardless of whether
22 or not they are considered program graduates)
23 on assessments used for teacher or school lead-
24 er certification or licensure below 80 percent.

1 “(E) The total number of teachers cer-
2 tified or licensed in the preceding year in each
3 high-need subject or field, as compared to the
4 number of teachers needed in each high-need
5 subject or field, and the total number of school
6 leaders certified or licensed in the preceding
7 year and serving in a high-need school com-
8 pared to the number of school leaders needed in
9 a high-need school, by elementary schools and
10 secondary schools located within the State.

11 “(2) STATE REPORT CARD DISTRIBUTION AND
12 PUBLICATION.—Each academic year, a State shall—

13 “(A) submit the report card required
14 under paragraph (1) for the State and for each
15 educator preparation program in the State to
16 the Secretary;

17 “(B) publish the State’s and each educator
18 preparation program’s report cards on the
19 website of the State educational agency;

20 “(C) require that each educator prepara-
21 tion program in the State publish the report
22 card required under paragraph (1) on the pro-
23 gram’s website and provide the report card to
24 prospective teacher and school leader candidates

1 as well as teacher and school leader candidates
2 accepted for admission; and

3 “(D) provide the report card required
4 under paragraph (1) to each local educational
5 agency in the State.

6 “(3) LOW-PERFORMING PROGRAMS.—Each
7 State receiving funds under this Act shall provide—

8 “(A) the State’s criteria for assessing the
9 performance of educator preparation programs
10 in the State, including the measures described
11 in section 212(a);

12 “(B) a list of all programs identified as
13 low performing under section 212, and an iden-
14 tification of those programs at risk of being
15 placed on such list, including a specification of
16 the factors that led to each program’s identi-
17 fication;

18 “(C) for States that do not identify any
19 programs as low performing under section 212
20 or at risk of being classified as low performing,
21 a description of the reliability and validity of
22 the measures used to assess program perform-
23 ance and evidence that each program met the
24 State’s criteria for assessing performance of

1 teacher preparation programs and school leader
2 preparation programs; and

3 “(D) for States that do not identify any
4 programs as low performing under section 212
5 or at risk of being classified as low performing,
6 an explanation of why programs that have first-
7 time passage rates under 80 percent on assess-
8 ments used for teacher or school leader certifi-
9 cation or licensure are not identified as low-per-
10 forming by the State.

11 “(4) PROHIBITION AGAINST CREATING A NA-
12 TIONAL LIST.—The Secretary shall not create a na-
13 tional list or ranking of States, institutions, or
14 schools using the scaled scores provided under this
15 subsection.

16 “(c) DATA QUALITY.—The Secretary shall prescribe
17 regulations to ensure the reliability, validity, integrity, and
18 accuracy of the data submitted pursuant to this section.

19 “(d) REPORT OF THE SECRETARY ON THE QUALITY
20 OF EDUCATOR PREPARATION.—

21 “(1) REPORT CARD.—The Secretary shall annu-
22 ally provide to the authorizing committees, and pub-
23 lish and make widely available, a report card on
24 teacher and school leader qualifications and prepara-
25 tion in the United States, including all the informa-

1 tion reported in subsection (b)(1). Such report shall
2 identify States which received a grant under this
3 part as part of an eligible partnership.

4 “(2) REPORT TO CONGRESS.—The Secretary
5 shall prepare and submit a report to the authorizing
6 committees and make such report publicly available
7 that contains the following:

8 “(A) A comparison of States’ efforts to im-
9 prove the quality of the current and future edu-
10 cator force, including a list of those States that
11 did not identify any programs as low per-
12 forming under section 212, or at risk for being
13 identified as low performing, and an assessment
14 of the reliability and validity of the criteria used
15 to by such States to evaluate program perform-
16 ance.

17 “(B) A comparison of eligible partnerships’
18 efforts to improve the quality of the current
19 and future educator force.

20 “(C) The national mean and median scaled
21 scores and pass rate on any standardized test
22 that is used in more than one State for teacher
23 or school leader certification or licensure.

24 “(3) SPECIAL RULE.—In the case of a teacher
25 preparation program or school leader preparation

1 program with fewer than 10 graduates in a pro-
2 gram, the Secretary shall collect and publish, and
3 make publicly available, the information required
4 under subsection (b)(1) taken over a 3-year period.

5 “(e) COORDINATION.—The Secretary, to the extent
6 practicable, shall coordinate the information collected and
7 published under this part among States for individuals
8 who took State teacher certification or licensure assess-
9 ments in a State other than the State in which the indi-
10 vidual received the individual’s most recent degree.

11 **“SEC. 211. GOALS FOR MEETING THE NEEDS OF EDUCATOR**
12 **SHORTAGE AREAS.**

13 “(a) ANNUAL GOALS.—Each institution of higher
14 education that offers a traditional educator preparation
15 program (including programs that offer any ongoing pro-
16 fessional development programs) or alternative routes to
17 State certification or licensure program, and that enrolls
18 students receiving Federal assistance under this Act, and
19 each non-institution of higher education-based educator
20 preparation entity receiving Federal assistance shall set
21 annual quantifiable goals for increasing the number of
22 prospective educators trained in educator shortage areas
23 designated by the Secretary or by the State educational
24 agency, including mathematics, science, special education,
25 and instruction of English learners.

1 “(b) ASSURANCES.—Each institution described in
2 subsection (a) shall provide assurances to the Secretary
3 that—

4 “(1) training provided to prospective educators
5 responds to the identified needs of the local edu-
6 cational agencies or States where the institution’s
7 graduates are likely to teach or lead, based on past
8 hiring and recruitment trends;

9 “(2) training provided to prospective educators
10 is closely linked with the needs of schools and the in-
11 structional decisions new teachers or school leaders
12 face in the classroom and school;

13 “(3) prospective special education teachers re-
14 ceive course work in core academic subjects and re-
15 ceive training in providing instruction in core aca-
16 demic subjects;

17 “(4) general education teachers receive training
18 in providing instruction to diverse populations, in-
19 cluding children with disabilities, English learners,
20 and children from low-income families; and

21 “(5) prospective educators receive training on
22 how to effectively meet the needs of urban and rural
23 schools, as applicable.

24 “(c) RULE OF CONSTRUCTION.—Nothing in this sec-
25 tion shall be construed to require an institution to create

1 a new educator preparation area of concentration or de-
2 gree program or adopt a specific curriculum in complying
3 with this section.

4 **“SEC. 212. STATE IDENTIFICATION OF LOW-PERFORMING**
5 **PROGRAMS.**

6 “(a) STATE ASSESSMENT.—In order to receive funds
7 under this Act, a State shall conduct an assessment to
8 identify low-performing educator preparation programs in
9 the State and to assist such programs through the provi-
10 sion of technical assistance. Each such State shall provide
11 the Secretary with an annual list of low-performing educa-
12 tor preparation programs and an identification of those
13 programs at risk of being placed on such list, as applica-
14 ble. Such assessment shall be described in the report
15 under section 210(b). Levels of performance shall be de-
16 termined by the State and shall include, at minimum—

17 “(1) measures of candidates’ academic
18 strength, such as median cumulative grade point
19 averages or median standardized entrance examina-
20 tion scores of admitted students;

21 “(2) first-time passage rates and scaled scores
22 on assessments used for teacher or school leader cer-
23 tification or licensure by the State;

24 “(3) the number of hours of clinical training re-
25 quired for program candidates;

1 “(4) programs’ progress towards achieving
2 goals set under section 211(a);

3 “(5) employment outcomes for recent program
4 graduates, including job placement rates and reten-
5 tion rates, particularly in high-need schools;

6 “(6) recent program graduates’ results from
7 teacher or leader evaluations; and

8 “(7) results of satisfaction surveys, as applica-
9 ble.

10 “(b) **TERMINATION OF ELIGIBILITY.**—Any educator
11 preparation program from which the State has withdrawn
12 the State’s approval, or terminated the State’s financial
13 support, due to the low performance of the program based
14 upon the State assessment described in subsection (a)—

15 “(1) shall be ineligible for any funding for pro-
16 fessional development activities awarded by the De-
17 partment;

18 “(2) may not be permitted to accept or enroll
19 any student who receives aid under title IV in the
20 institution’s educator preparation program;

21 “(3) shall provide transitional support, includ-
22 ing remedial services if necessary, for students en-
23 rolled at the institution at the time of termination
24 of financial support or withdrawal of approval; and

1 “(4) shall be reinstated upon demonstration of
2 improved performance, as determined by the State.

3 “(c) **NEGOTIATED RULEMAKING.**—If the Secretary
4 develops any regulations implementing subsection (b)(2),
5 the Secretary shall submit such proposed regulations to
6 a negotiated rulemaking process, which shall include rep-
7 resentatives of States, institutions of higher education,
8 and educational and student organizations.

9 “(d) **APPLICATION OF THE REQUIREMENTS.**—The
10 requirements of this section shall apply to both traditional
11 educator preparation programs and alternative routes to
12 State certification and licensure programs.

13 **“SEC. 213. GENERAL PROVISIONS.**

14 “(a) **METHODS.**—The Secretary shall ensure that
15 States, institutions of higher education, and educator
16 preparation entities, use fair and equitable methods in re-
17 porting under this part and that the reporting methods
18 do not reveal personally identifiable information.

19 “(b) **SPECIAL RULE.**—For each State that does not
20 use content assessments as a means of ensuring that all
21 teachers teaching in core academic subjects within the
22 State are highly qualified, as required under section 1119
23 of the Elementary and Secondary Education Act of 1965,
24 in accordance with the State plan submitted or revised
25 under section 1111 of such Act , and that each person

1 employed as a special education teacher in the State who
2 teaches elementary school or secondary school is highly
3 qualified by the deadline, as required under section
4 612(a)(14)(C) of the Individuals with Disabilities Edu-
5 cation Act, the Secretary shall—

6 “(1) to the extent practicable, collect data com-
7 parable to the data required under this part from
8 States, local educational agencies, institutions of
9 higher education, or other entities that administer
10 such assessments to teachers or prospective teachers;
11 and

12 “(2) notwithstanding any other provision of this
13 part, use such data to carry out requirements of this
14 part related to assessments, pass rates, and scaled
15 scores.

16 “(c) RELEASE OF INFORMATION TO EDUCATOR
17 PREPARATION PROGRAMS.—

18 “(1) IN GENERAL.—For the purpose of improv-
19 ing teacher and school leader preparation programs,
20 a State that receives funds under this Act, or that
21 participates as a member of a partnership, consor-
22 tium, or other entity that receives such funds, shall
23 provide to an educator preparation program any and
24 all pertinent education-related information that—

1 “(A) may enable the educator preparation
2 program to evaluate the effectiveness of the
3 program’s graduates or the program itself; and

4 “(B) is possessed, controlled, or accessible
5 by or through the State.

6 “(2) DATA REQUIRED TO BE SHARED.—In ad-
7 dition to the information described in paragraph (1),
8 the State shall share with each educator preparation
9 program in the State, and to the extent practicable,
10 with educator preparation programs in other States
11 whose program graduates are teaching in the State,
12 data from teacher or school leader evaluation re-
13 sults, including any information necessary to com-
14 plete subsections (a) and (b) of section 210.

15 “(3) PRIVACY.—The information and data re-
16 quired under paragraphs (1) and (2) to be shared
17 shall—

18 “(A) include aggregate elementary and sec-
19 ondary academic achievement, without revealing
20 personally identifiable information about an in-
21 dividual student, for students who have been
22 taught by graduates of the educator prepara-
23 tion program, as available; and

24 “(B) comply with section 444 of the Gen-
25 eral Education Provisions Act (20 U.S.C.

1 “(vi) a Predominantly Black Institu-
2 tion (as defined in section 318);

3 “(vii) an Asian American and Native
4 American Pacific Islander-serving institu-
5 tion (as defined in section 320(b)); or

6 “(viii) a Native American-serving,
7 nontribal institution (as defined in section
8 319);

9 “(B) a consortium of institutions described
10 in subparagraph (A); or

11 “(C) an institution described in subpara-
12 graph (A), or a consortium described in sub-
13 paragraph (B), in partnership with any other
14 institution of higher education, but only if the
15 center of excellence established under section
16 215 is located at an institution described in
17 subparagraph (A).

18 “(2) SCIENTIFICALLY BASED READING RE-
19 SEARCH.—The term ‘scientifically based reading re-
20 search’ has the meaning given such term in section
21 1208 of the Elementary and Secondary Education
22 Act of 1965.

1 **“SEC. 215. AUGUSTUS F. HAWKINS CENTERS OF EXCEL-**
2 **LENCE.**

3 “(a) PROGRAM AUTHORIZED.—From the amounts
4 appropriated to carry out this part, the Secretary is au-
5 thorized to award competitive grants to eligible institu-
6 tions to establish centers of excellence.

7 “(b) USE OF FUNDS.—Grants provided by the Sec-
8 retary under this subpart shall be used to ensure that cur-
9 rent and future teachers are highly qualified by carrying
10 out 1 or more of the following activities:

11 “(1) Implementing reforms within teacher prep-
12 aration programs to ensure that such programs are
13 preparing teachers who are highly qualified, are able
14 to understand scientifically valid research, and are
15 able to use advanced technology effectively in the
16 classroom, including use of instructional techniques
17 to improve student academic achievement, by—

18 “(A) retraining or recruiting faculty; and

19 “(B) designing (or redesigning) teacher
20 preparation programs that—

21 “(i) prepare teachers to serve in low-
22 performing schools and close student
23 achievement gaps, and that are based on
24 rigorous academic content, scientifically
25 valid research (including scientifically
26 based reading research and mathematics

1 research, as it becomes available), and
2 challenging State academic content stand-
3 ards and student academic achievement
4 standards; and

5 “(ii) promote strong teaching skills.

6 “(2) Providing sustained and high-quality
7 preservice clinical training, including the mentoring
8 of prospective teachers by exemplary teachers, sub-
9 stantially increasing interaction between faculty at
10 institutions of higher education and new and experi-
11 enced teachers, school leaders, and other administra-
12 tors at elementary schools or secondary schools, and
13 providing support, including preparation time, for
14 such interaction.

15 “(3) Developing and implementing initiatives to
16 promote retention of highly qualified teachers and
17 school leaders, including minority teachers and
18 school leaders, including programs that provide—

19 “(A) teacher or school leader mentoring
20 from exemplary teachers or school leaders, re-
21 spectively; or

22 “(B) induction and support for teachers
23 and school leaders during their first 3 years of
24 employment as teachers or school leaders, re-
25 spectively.

1 “(4) Awarding scholarships based on financial
2 need to help students pay the costs of tuition, room,
3 board, and other expenses of completing a teacher
4 preparation program, not to exceed the cost of at-
5 tendance.

6 “(5) Disseminating information on effective
7 practices for teacher preparation and successful
8 teacher certification and licensure assessment prepa-
9 ration strategies.

10 “(6) Activities authorized under section 202.

11 “(c) APPLICATION.—Any eligible institution desiring
12 a grant under this subpart shall submit an application to
13 the Secretary at such a time, in such a manner, and ac-
14 companied by such information as the Secretary may re-
15 quire.

16 “(d) MINIMUM GRANT AMOUNT.—The minimum
17 amount of each grant under this subpart shall be
18 \$500,000.

19 “(e) LIMITATION ON ADMINISTRATIVE EXPENSES.—
20 An eligible institution that receives a grant under this sub-
21 part may use not more than 2 percent of the funds pro-
22 vided to administer the grant.

23 “(f) REGULATIONS.—The Secretary shall prescribe
24 such regulations as may be necessary to carry out this
25 subpart.

1 **“Subpart 2—Preparing General Education Teachers**
2 **to More Effectively Educate Students With Dis-**
3 **abilities**

4 **“SEC. 216. TEACH TO REACH GRANTS.**

5 “(a) AUTHORIZATION OF PROGRAM.—

6 “(1) IN GENERAL.—The Secretary is authorized
7 to award grants, on a competitive basis, to eligible
8 partnerships to improve the preparation of general
9 education teacher candidates to ensure that such
10 teacher candidates possess the knowledge and skills
11 necessary to effectively instruct students with dis-
12 abilities in general education classrooms.

13 “(2) DURATION OF GRANTS.—A grant under
14 this section shall be awarded for a period of not
15 more than 5 years.

16 “(3) NON-FEDERAL SHARE.—An eligible part-
17 nership that receives a grant under this section shall
18 provide not less than 25 percent of the cost of the
19 activities carried out with such grant from non-Fed-
20 eral sources, which may be provided in cash or in
21 kind.

22 “(b) DEFINITION OF ELIGIBLE PARTNERSHIP.—In
23 this section, the term ‘eligible partnership’ means a part-
24 nership that—

25 “(1) shall include—

1 “(A) 1 or more departments or programs
2 at an institution of higher education—

3 “(i) that prepare elementary or sec-
4 ondary general education teachers;

5 “(ii) that have a program of study
6 that leads to an undergraduate degree, a
7 master’s degree, or completion of a
8 postbaccalaureate program required for
9 teacher certification; and

10 “(iii) the graduates of which are high-
11 ly qualified;

12 “(B) a department or program of special
13 education at an institution of higher education;

14 “(C) a department or program at an insti-
15 tution of higher education that provides degrees
16 in core academic subjects; and

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

19 “(2) may include a department or program of
20 mathematics, earth or physical science, foreign lan-
21 guage, or another department at the institution that
22 has a role in preparing teachers.

23 “(c) ACTIVITIES.—An eligible partnership that re-
24 ceives a grant under this section—

25 “(1) shall use the grant funds to—

1 “(A) develop or strengthen an under-
2 graduate, postbaccalaureate, or master’s teach-
3 er preparation program by integrating special
4 education strategies into the general education
5 curriculum and academic content;

6 “(B) provide teacher candidates partici-
7 pating in the program under subparagraph (A)
8 with skills related to—

9 “(i) response to intervention, positive
10 behavioral interventions and supports, dif-
11 ferentiated instruction, and data driven in-
12 struction;

13 “(ii) universal design for learning;

14 “(iii) determining and utilizing accom-
15 modations for instruction and assessments;

16 “(iv) collaborating with special edu-
17 cators, related services providers, and par-
18 ents, including participation in individual-
19 ized education program development and
20 implementation; and

21 “(v) appropriately utilizing technology
22 and assistive technology for students with
23 disabilities; and

24 “(C) provide extensive clinical training for
25 participants described in subparagraph (B) with

1 mentoring and induction program support
2 throughout the program that continues during
3 the first 2 years of full-time teaching; and

4 “(2) may use grant funds to develop and ad-
5 minister alternate assessments of students with dis-
6 abilities.

7 “(d) APPLICATION.—An eligible partnership seeking
8 a grant under this section shall submit an application to
9 the Secretary at such time, in such manner, and con-
10 taining such information as the Secretary may require.
11 Such application shall include—

12 “(1) a self-assessment by the eligible partner-
13 ship of the existing teacher preparation program at
14 the institution of higher education and needs related
15 to preparing general education teacher candidates to
16 instruct students with disabilities; and

17 “(2) an assessment of the existing personnel
18 needs for general education teachers who instruct
19 students with disabilities, performed by the local
20 educational agency in which most graduates of the
21 teacher preparation program are likely to teach after
22 completion of the program under subsection (c)(1).

23 “(e) PEER REVIEW.—The Secretary shall convene a
24 peer review committee to review applications for grants
25 under this section and to make recommendations to the

1 Secretary regarding the selection of grantees. Members of
2 the peer review committee shall be recognized experts in
3 the fields of special education, teacher preparation, and
4 general education and shall not be in a position to benefit
5 financially from any grants awarded under this section.

6 “(f) EVALUATIONS.—

7 “(1) BY THE PARTNERSHIP.—

8 “(A) IN GENERAL.—An eligible partner-
9 ship receiving a grant under this section shall
10 conduct an evaluation at the end of the grant
11 period to determine—

12 “(i) the effectiveness of the general
13 education teachers who completed a pro-
14 gram under subsection (e)(1) with respect
15 to instruction of students with disabilities
16 in general education classrooms; and

17 “(ii) the systemic impact of the activi-
18 ties carried out by such grant on how each
19 institution of higher education that is a
20 member of the partnership prepares teach-
21 ers for instruction in elementary schools
22 and secondary schools.

23 “(B) REPORT TO THE SECRETARY.—Each
24 eligible partnership performing an evaluation

1 under subparagraph (A) shall report the find-
2 ings of such evaluation to the Secretary.

3 “(2) REPORT BY THE SECRETARY.—Not later
4 than 180 days after the last day of the grant period
5 under this section, the Secretary shall make avail-
6 able to Congress and the public the findings of the
7 evaluations submitted under paragraph (1), and in-
8 formation on best practices related to effective in-
9 struction of students with disabilities in general edu-
10 cation classrooms.

11 **“PART E—GENERAL PROVISIONS**

12 **“SEC. 217. LIMITATIONS.**

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

21 “(b) NO CHANGE IN STATE CONTROL ENCOURAGED
22 OR REQUIRED.—Nothing in this title shall be construed
23 to encourage or require any change in a State’s treatment
24 of any private, religious, or home school, whether or not

1 a home school is treated as a private school or home school
2 under State law.

3 “(c) NATIONAL SYSTEM OF TEACHER CERTIFI-
4 CATION OR LICENSURE PROHIBITED.—Nothing in this
5 title shall be construed to permit, allow, encourage, or au-
6 thorize the Secretary to establish or support any national
7 system of teacher certification or licensure.

8 “(d) RULE OF CONSTRUCTION.—Nothing in this title
9 shall be construed to alter or otherwise affect the rights,
10 remedies, and procedures afforded to the employees of
11 local educational agencies under Federal, State, or local
12 laws (including applicable regulations or court orders) or
13 under the terms of collective bargaining agreements,
14 memoranda of understanding, or other agreements be-
15 tween such employees and their employers.

16 “(e) TEACHER OR SCHOOL LEADER PRIVACY.—No
17 State, institution of higher education, or local educational
18 agency shall be required to publicly report information in
19 compliance with this title in a case in which the results
20 would reveal personally identifiable information about an
21 individual teacher or school leader.”.

22 **TITLE III—INSTITUTIONAL AID**

23 **SEC. 301. RULE OF CONSTRUCTION.**

24 Section 301 (20 U.S.C. 1051) is amended—

1 (1) in the section heading by adding “; **RULE**
2 **OF CONSTRUCTION**” after “**FINDINGS AND PUR-**
3 **POSES**”; and

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

5 “(c) **RULE OF CONSTRUCTION.**—Nothing in this Act
6 shall be construed to restrict an institution from using
7 funds provided under a section of this title for activities
8 and uses that were authorized under such section on the
9 day before the date of enactment of the Higher Education
10 Affordability Act.”.

11 **SEC. 302. PROGRAM PURPOSE.**

12 Section 311 (20 U.S.C. 1057) is amended—

13 (1) by striking subsection (c) and inserting the
14 following:

15 “(c) **AUTHORIZED ACTIVITIES.**—Grants awarded
16 under this section shall be used for 1 or more of the fol-
17 lowing activities:

18 “(1) The purchase, rental, or lease of edu-
19 cational resources.

20 “(2) The construction, maintenance, renovation,
21 or joint use and improvement of classrooms, librar-
22 ies, laboratories, or other instructional facilities, in-
23 cluding the integration of computer technology into
24 institutional facilities to create smart buildings.

1 “(3) Support of faculty exchanges, faculty de-
2 velopment, and faculty fellowships to assist members
3 of the faculty in attaining advanced degrees in their
4 field of instruction.

5 “(4) Student support services, including sup-
6 porting distance education, the development and im-
7 provement of academic programs, tutoring, coun-
8 seling, school-sanctioned travel, and financial lit-
9 eracy for students and families.

10 “(5) Improving funds management, administra-
11 tive management, and the acquisition of equipment
12 for use in strengthening funds management.

13 “(6) Maintaining financial stability through es-
14 tablishing or developing a contributions development
15 office or endowment fund.

16 “(7) Other activities proposed in the application
17 submitted pursuant to section 391 that—

18 “(A) contribute to carrying out the pur-
19 poses of the program assisted under this sec-
20 tion; and

21 “(B) are approved by the Secretary as part
22 of the review and acceptance of such applica-
23 tion.”; and

24 (2) in subsection (d)—

1 (A) in paragraph (2), by inserting “75 per-
2 cent of” after “equal to or greater than”; and

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

4 “(4) SCHOLARSHIP.—An eligible institution
5 that uses grant funds provided under this part to es-
6 tablish or increase an endowment fund may use the
7 interest proceeds from such endowment to provide
8 scholarships to students for the purposes of attend-
9 ing such institution.”.

10 **SEC. 303. DURATION OF GRANT.**

11 Section 313 (20 U.S.C. 1059) is amended by adding
12 at the end the following:

13 “(e) REQUIREMENT FOR ADDITIONAL FUNDING.—

14 “(1) IN GENERAL.—The Secretary shall not
15 award grant funds for the fourth or fifth year of a
16 grant under this part unless the Secretary deter-
17 mines that the grantee is making progress in imple-
18 menting the activities described in the grantee’s ap-
19 plication under section 391 at a rate that will result
20 in the full implementation of such activities before
21 the end of the grant period.

22 “(2) CONSIDERATION OF DATA AND INFORMA-
23 TION.—The Secretary shall consider any data or in-
24 formation provided to the Department by grantees
25 for the continued receipt of grants under this title

1 under paragraph (1) that is considered in accord-
2 ance with regulations issued by the Secretary before
3 the date of enactment of the Higher Education Af-
4 fordability Act. Any requirements the Secretary de-
5 velops for institutions in accordance with regulations
6 issued by the Secretary after the date of enactment
7 of the Higher Education Affordability Act to carry
8 out this subsection shall take into account the capac-
9 ity and resources of institutions to comply with such
10 requirements.”.

11 **SEC. 304. AMERICAN INDIAN TRIBALLY CONTROLLED COL-**
12 **LEGES AND UNIVERSITIES.**

13 Section 316 (20 U.S.C. 1059e) is amended—

14 (1) in subsection (c)—

15 (A) by striking subparagraphs (A) through
16 (N) and inserting the following:

17 “(A) The activities described in section
18 311(c).

19 “(B) Academic instruction in disciplines in
20 which Indians are underrepresented and in-
21 struction in tribal governance or tribal public
22 policy.

23 “(C) Establishing or enhancing a program
24 of teacher education designed to qualify stu-
25 dents to teach in elementary schools or sec-

1 ondary schools, with a particular emphasis on
2 teaching Indian children and youth, that shall
3 include, as part of such program, preparation
4 for teacher certification.

5 “(D) Establishing community outreach
6 programs that encourage Indian elementary
7 school and secondary school students to develop
8 the academic skills and the interest to pursue
9 postsecondary education.”;

10 (B) by striking paragraph (2);

11 (C) by redesignating paragraph (3) as
12 paragraph (2); and

13 (i) in paragraph (2), as redesignated
14 by subparagraph (C)—

15 (ii) by inserting “not less than 75 per-
16 cent of” after “in an amount equal to”;
17 and

18 (iii) by adding at the end the fol-
19 lowing:

20 “(D) SCHOLARSHIP.—A Tribal College or
21 University that uses grant funds under this sec-
22 tion to establish or increase an endowment fund
23 may use the interest proceeds from such endow-
24 ment to provide scholarships to students for the

1 purposes of attending such Tribal College or
2 University.”; and

3 (2) in subsection (d)—

4 (A) by striking paragraph (1); and

5 (B) by redesignating paragraphs (2), (3),
6 and (4), as paragraphs (1), (2), and (3), re-
7 spectively.

8 **SEC. 305. ALASKA NATIVE AND NATIVE HAWAIIAN-SERVING**
9 **INSTITUTIONS.**

10 Section 317(c) (20 U.S.C. 1059d(c)) is amended—

11 (1) in paragraph (1)—

12 (A) by striking “AUTHORIZED ACTIVI-
13 TIES.—” in the subsection heading and all that
14 follows through “Grants awarded under this
15 section shall” and inserting “AUTHORIZED AC-
16 TIVITIES.—Grants awarded under this section
17 shall”; and

18 (B) by inserting “Such activities may in-
19 clude the activities described in section 311(e).”
20 after “capacity to serve Alaska Natives or Na-
21 tive Hawaiians.”; and

22 (2) by striking paragraph (2).

23 **SEC. 306. PREDOMINANTLY BLACK INSTITUTIONS.**

24 Section 318(d) (20 U.S.C. 1059e(d)) is amended—

1 (1) in paragraph (2)(A), by striking “para-
2 graphs (1) through (12)” and inserting “paragraphs
3 (1) through (7)”;

4 (2) in paragraph (3)(B), by inserting “75 per-
5 cent of” after “equal to or greater than”.

6 **SEC. 307. NATIVE AMERICAN-SERVING NONTRIBAL INSTI-
7 TUTIONS.**

8 Section 319(c) (20 U.S.C. 1059f(c)) is amended—

9 (1) in paragraph (1)—

10 (A) by striking “AUTHORIZED ACTIVI-
11 TIES.—” in the subsection heading and all that
12 follows through “Grants awarded under this
13 section shall” and inserting “AUTHORIZED AC-
14 TIVITIES.—Grants awarded under this section
15 shall”; and

16 (B) by inserting “Such activities may in-
17 clude the activities described in section 311(e).”
18 after “serve Native Americans and low-income
19 individuals.”; and

20 (2) by striking paragraph (2).

21 **SEC. 308. ASIAN AMERICAN AND NATIVE AMERICAN PA-
22 CIFIC ISLANDER-SERVING INSTITUTIONS.**

23 Section 320(c)(2) (20 U.S.C. 1059g(c)(2)) is amend-
24 ed by striking subparagraphs (A) through (N) and insert-
25 ing the following:

1 “(A) the activities described in section
2 311(c);

3 “(B) academic instruction in disciplines in
4 which Asian Americans and Native American
5 Pacific Islanders are underrepresented;

6 “(C) conducting research and data collec-
7 tion for Asian American and Native American
8 Pacific Islander populations and subpopula-
9 tions; and

10 “(D) establishing partnerships with com-
11 munity-based organizations serving Asian
12 Americans and Native American Pacific Island-
13 ers.”.

14 **SEC. 309. NATIVE AMERICAN EDUCATION TUITION COST**
15 **SHARE.**

16 Part A of title III of the Higher Education Act of
17 1965 (20 U.S.C. 1057 et seq.) is amended by inserting
18 after section 319 the following:

19 **“SEC. 319A. NATIVE AMERICAN EDUCATION TUITION COST**
20 **SHARE.**

21 “(a) AMOUNT OF PAYMENT.—

22 “(1) IN GENERAL.—Subject to paragraphs (2)
23 and (3), for fiscal year 2015 and each succeeding
24 fiscal year, the Secretary shall pay to any eligible
25 college an amount equal to 40 percent of the total

1 amount of charges for tuition for such year, and the
2 State shall pay 60 percent of such charges for such
3 year, for all Native American Indian students who—

4 “(A) are not residents of the State in
5 which the college they attend is located; and

6 “(B) are enrolled in the college for the aca-
7 demic year ending immediately prior to the be-
8 ginning of such fiscal year.

9 “(2) ELIGIBLE COLLEGES.—For purposes of
10 this section, an eligible college is any institution of
11 higher education serving Native American Indian
12 students that provides tuition-free education to such
13 students, as mandated by Federal law, with the sup-
14 port of the State in which the college is located, in
15 fulfillment of a condition under which the State or
16 college received its original grant of land and facili-
17 ties from the United States.

18 “(b) TREATMENT OF PAYMENT.—Any amounts re-
19 ceived by an eligible college under this section shall be
20 treated as a reimbursement from the State in which the
21 college is located, and shall be considered as provided in
22 fulfillment of any Federal mandate upon the State to
23 admit Native American Indian students free of charge of
24 tuition.

1 “(c) RULE OF CONSTRUCTION.—Nothing in this sec-
2 tion shall be construed to relieve any State from any man-
3 date the State may have under Federal law to reimburse
4 a college for each academic year—

5 “(1) with respect to Native American Indian
6 students enrolled in the college who are not residents
7 of the State in which the college is located, any
8 amount of charges for tuition for such students for
9 such academic year that exceeds the amount re-
10 ceived under this section for such academic year;
11 and

12 “(2) with respect to Native American Indian
13 students enrolled in the college who are residents of
14 the State in which the college is located, an amount
15 equal to the charges for tuition for such students for
16 such academic year.

17 “(d) DEFINITION.—In this section, the term ‘Native
18 American Indian student’ means an Indian pupil (as such
19 term has been defined for purposes of Federal laws that
20 impose a mandate upon a State or college to provide tui-
21 tion-free education to Native American Indian students in
22 fulfillment of a condition under which the State or college
23 received its original grant of land and facilities from the
24 United States).”.

1 **SEC. 310. GRANTS TO INSTITUTIONS.**

2 Section 323 (20 U.S.C. 1062) is amended—

3 (1) in subsection (a), by striking paragraphs
4 (1) through (15) and inserting the following:

5 “(1) The purchase, rental, or lease of edu-
6 cational resources.

7 “(2) The construction, maintenance, renovation,
8 or joint use and improvement of classrooms, librar-
9 ies, laboratories, or other instructional facilities, in-
10 cluding the integration of computer technology into
11 institutional facilities to create smart buildings.

12 “(3) Support of faculty exchanges, faculty de-
13 velopment, and faculty fellowships to assist members
14 of the faculty in attaining advanced degrees in their
15 field of instruction.

16 “(4) Student academic and support services, in-
17 cluding supporting distance education (including
18 through the purchase or rental of telecommuni-
19 cations technology equipment or services), the devel-
20 opment and improvement of academic programs and
21 curricula, tutoring, counseling, school-sanctioned
22 travel, and financial literacy for students and fami-
23 lies.

24 “(5) Improving funds management, administra-
25 tive management, and the acquisition of technology,

1 services and equipment for use in strengthening
2 funds and administrative management.

3 “(6) Maintaining financial stability through es-
4 tablishing or developing a contributions development
5 office or endowment fund.

6 “(7) Initiatives to improve the educational out-
7 comes of African American males.

8 “(8) Other activities proposed in the application
9 submitted pursuant to section 325 that—

10 “(A) contribute to carrying out the pur-
11 poses of the program assisted under this sec-
12 tion; and

13 “(B) are approved by the Secretary as part
14 of the review and acceptance of such applica-
15 tion.”; and

16 (2) in subsection (b)—

17 (A) in paragraph (2), by inserting “75 per-
18 cent of” after “equal to or greater than”; and

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

20 “(4) SCHOLARSHIP.—An institution that uses
21 grant funds provided under this part to establish or
22 increase an endowment fund may use the interest
23 proceeds from such endowment to provide scholar-
24 ships to students for the purposes of attending such
25 institution.”.

1 **SEC. 311. ALLOTMENTS TO INSTITUTIONS.**

2 Section 324(c) (20 U.S.C. 1063(c)) is amended by
3 striking “5 years” and inserting “6 years”.

4 **SEC. 312. PROFESSIONAL OR GRADUATE INSTITUTIONS.**

5 Section 326 (20 U.S.C. 1063b) is amended by strik-
6 ing subsection (c) and inserting the following:

7 “(c) USES OF FUNDS.—

8 “(1) IN GENERAL.—A grant under this section
9 may be used for 1 or more of the following activities:

10 “(A) The purchase, rental, or lease of edu-
11 cational resources.

12 “(B) The construction, maintenance, ren-
13 ovation, or joint use and improvement of class-
14 rooms, libraries, laboratories, or other instruc-
15 tional facilities, including the integration of
16 computer technology into institutional facilities
17 to create smart buildings.

18 “(C) Support of faculty exchanges, faculty
19 development, and faculty fellowships to assist
20 members of the faculty in attaining advanced
21 degrees in their field of instruction.

22 “(D) Student academic support services,
23 including supporting distance education (includ-
24 ing through the purchase or rental of tele-
25 communications technology equipment or serv-
26 ices), the development and improvement of aca-

1 demic programs, tutoring, counseling, school-
2 sanctioned travel, distance education, and fi-
3 nancial literacy for students and families.

4 “(E) Improving funds management, ad-
5 ministrative management, and the acquisition
6 of technology, services, and equipment for use
7 in strengthening funds and administrative man-
8 agement.

9 “(F) Maintaining financial stability
10 through establishing or developing a contribu-
11 tions development office or endowment fund.

12 “(G) Other activities proposed in the appli-
13 cations submitted pursuant to subsection (d)
14 and section 391 that—

15 “(i) contribute to carrying out the
16 purposes of the program assisted under
17 this section; and

18 “(ii) are approved by the Secretary as
19 part of the review and acceptance of such
20 application.”.

21 **SEC. 313. APPLICATIONS FOR ASSISTANCE.**

22 Section 391(b) (20 U.S.C. 1068(b)) is amended—

23 (1) by redesignating paragraphs (6) through
24 (8) as paragraphs (7) through (9); and

1 (2) by inserting after paragraph (5), the fol-
2 lowing:

3 “(6) provide an assurance that the institution
4 will report to the Secretary on—

5 “(A) the number and percentage of under-
6 graduate students who upon entry into the in-
7 stitution matriculate into a major field of study
8 or other program leading to a postsecondary
9 certificate, an associate’s degree, or a bacca-
10 laureate degree;

11 “(B) student persistence data for the insti-
12 tution’s undergraduates, demonstrating the
13 number and percentage of students who are
14 continuously enrolled in the institution, which
15 shall be measured in a manner proposed by the
16 institution and approved by the Secretary; and

17 “(C) data on the number and percentage
18 of undergraduate students making satisfactory
19 progress, as defined in accordance with section
20 484(c).”.

21 **SEC. 314. LIMITATIONS ON FEDERAL INSURANCE FOR**
22 **BONDS ISSUED BY THE DESIGNATED BOND-**
23 **ING AUTHORITY.**

24 Section 344(a) (20 U.S.C. 1066c(a)) is amended—

1 (1) in the matter preceding paragraph (1), by
2 striking “\$1,100,000,000” and inserting
3 “\$3,000,000,000”;

4 (2) in paragraph (1), by striking
5 “\$733,333,333” and inserting “\$2,088,000,000”;
6 and

7 (3) in paragraph (2), by striking
8 “\$366,666,667” and inserting “\$912,000,000”.

9 **SEC. 315. AUTHORIZATION OF APPROPRIATIONS.**

10 Section 399(a) (20 U.S.C. 1068h(a)) is amended—

11 (1) in paragraph (1)—

12 (A) in subparagraph (A), by striking
13 “\$135,000,000 for fiscal year 2009” and in-
14 serting “such sums as may be necessary for fis-
15 cal year 2015”;

16 (B) in subparagraph (B), by striking
17 “\$30,000,000 for fiscal year 2009” and insert-
18 ing “such sums as may be necessary for fiscal
19 year 2015”;

20 (C) in subparagraph (C), by striking
21 “\$15,000,000 for fiscal year 2009” and insert-
22 ing “such sums as may be necessary for fiscal
23 year 2015”;

24 (D) in subparagraph (D), by striking
25 “\$75,000,000 for fiscal year 2009” and insert-

1 ing “such sums as may be necessary for fiscal
2 year 2015”;

3 (E) in subparagraph (E), by striking
4 “\$25,000,000 for fiscal year 2009” and insert-
5 ing “such sums as may be necessary for fiscal
6 year 2015”; and

7 (F) in subparagraph (F), by striking
8 “\$30,000,000 for fiscal year 2009” and insert-
9 ing “such sums as may be necessary for fiscal
10 year 2015”;

11 (2) in paragraph (2)—

12 (A) in subparagraph (A), by striking
13 “\$375,000,000 for fiscal year 2009” and in-
14 serting “such sums as may be necessary for fis-
15 cal year 2015”; and

16 (B) in subparagraph (B), by striking
17 “\$125,000,000 for fiscal year 2009” and in-
18 serting “such sums as may be necessary for fis-
19 cal year 2015”;

20 (3) in paragraph (3), by striking “\$10,000,000
21 for fiscal year 2009” and inserting “such sums as
22 may be necessary for fiscal year 2015”;

23 (4) in paragraph (4)—

24 (A) in subparagraph (A), by striking
25 “\$185,000 for fiscal year 2009” and inserting

1 “such sums as may be necessary for fiscal year
2 2015”; and

3 (B) in subparagraph (B), by striking “fis-
4 cal year 2009” and inserting “fiscal year
5 2015”; and

6 (5) in paragraph (5)—

7 (A) in subparagraph (A), by striking
8 “\$12,000 for fiscal year 2009” and inserting
9 “such sums as may be necessary for fiscal year
10 2015”; and

11 (B) in subparagraph (B), by striking “fis-
12 cal year 2009” and inserting “fiscal year
13 2015”.

14 **TITLE IV—STUDENT ASSISTANCE**

15 **PART A—GRANTS TO STUDENTS**

16 **Subpart 1—Federal Pell Grants**

17 **SEC. 401. YEAR-ROUND FEDERAL PELL GRANTS; EXTEN-**

18 **SION OF FEDERAL PELL GRANT INFLATION**

19 **ADJUSTMENTS.**

20 Section 401 (20 U.S.C. 1070a) is amended—

21 (1) in subsection (a)(1), by striking “through
22 fiscal year 2017” and inserting “through fiscal year
23 2020”;

24 (2) in subsection (b)—

1 (A) in paragraph (2)(A)(ii), by striking
2 “paragraph (7)(B)” and inserting “paragraph
3 (9)(B)”;

4 (B) by redesignating paragraphs (5)
5 through (7) as paragraphs (7) through (9), re-
6 spectively;

7 (C) by inserting after paragraph (4) the
8 following:

9 “(5)(A) The purpose of this paragraph is to establish
10 a year-round Federal Pell Grant program to allow eligible
11 students to accelerate the time needed to earn a degree.

12 “(B) In this paragraph, the term ‘eligible student’
13 means a student who—

14 “(i) has received a Federal Pell Grant for an
15 award year and is enrolled in a program of study for
16 1 or more additional payment periods during the
17 same award year that are not otherwise covered by
18 the student’s Federal Pell Grant;

19 “(ii) continues to meets all eligibility require-
20 ments to receive a Federal Pell Grant under this
21 section; and

22 “(iii) attends an institution of higher education
23 on not less than a half-time basis.

24 “(C) Notwithstanding any other provision of this sub-
25 section, the Secretary shall award an additional Federal

1 (I) in the clause heading, by
2 striking “2017–2018” and inserting
3 “2020–2021”; and

4 (II) in the matter preceding sub-
5 clause (I), by striking “2017–2018”
6 and inserting “2020–2021”; and

7 (ii) in clause (iii)—

8 (I) by striking “2018–2019” and
9 inserting “2021–2022”; and

10 (II) by striking “2017–2018”
11 and inserting “2020–2021”; and

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

13 “(k) NOTIFICATION OF PELL GRANT ELIGIBILITY.—

14 “(1) IN GENERAL.—Each eligible institution
15 shall notify each student enrolled in the institution
16 who is receiving a Federal Pell Grant of the stu-
17 dent’s remaining period of eligibility for a Federal
18 Pell Grant in accordance with subsection (c)(5), at
19 the times required under paragraph (2) and (3).

20 “(2) FREQUENCY OF NOTIFICATIONS.—An eli-
21 gible institution shall provide the notification de-
22 scribed in paragraph (1) to a student receiving a
23 Federal Pell Grant—

24 “(A) not less than once a year while the
25 student is enrolled in the institution; and

1 “(B) in the case of a student with 2 years,
2 or less, of Federal Pell Grant eligibility remain-
3 ing, not less than once a semester (or its equiv-
4 alent) while the student is enrolled in the insti-
5 tution.

6 “(3) PELL GRANT RECIPIENTS WHO ARE BOR-
7 ROWERS.—In the case of a student who is receiving
8 a Federal Pell Grant who is also a borrower of a
9 loan made, insured, or guaranteed under part B
10 (other than a loan made pursuant to section 428C
11 or a loan made on behalf of a student pursuant to
12 section 428B) or made under part D (other than a
13 Federal Direct Consolidation Loan or a Federal Di-
14 rect PLUS loan made on behalf of a student), the
15 requirement described in paragraph (1) shall be car-
16 ried out in accordance with the notification and
17 counseling requirements described in section
18 485(n).”.

19 **SEC. 401A. COLLEGE OPPORTUNITY AND GRADUATION**
20 **BONUS DEMONSTRATION PROGRAM.**

21 Subpart 1 of part A of title IV (20 U.S.C. 1070a
22 et seq.) is amended by adding at the end the following:

1 **“SEC. 401B. COLLEGE OPPORTUNITY AND GRADUATION**
2 **BONUS DEMONSTRATION PROGRAM.**

3 “(a) **DEMONSTRATION PROGRAM AUTHORITY.**—The
4 Secretary is authorized to establish a demonstration pro-
5 gram—

6 “(1) to reward eligible institutions of higher
7 education that enroll and graduate a significant
8 number of low- and moderate-income students on
9 time; and

10 “(2) to encourage institutions of higher edu-
11 cation to improve their performance in enrolling and
12 graduating a significant number of low- and mod-
13 erate-income students on time.

14 “(b) **GRANTS.**—The Secretary shall carry out the
15 demonstration program described in paragraph (1) by
16 awarding grants to eligible institutions of higher education
17 in not more than 5 eligible States selected in accordance
18 with subsection (c) that the Secretary determines have a
19 strong record of supporting, reforming, and improving the
20 performance of the State’s public higher education sys-
21 tems in order to make college more affordable and in-
22 crease college access and success, especially for low-income
23 students.

24 “(c) **ELIGIBLE STATES.**—The Secretary shall select
25 eligible States based on the extent to which a State has—

1 “(1) invested, and continues to invest, signifi-
2 cantly in public higher education, resulting in a
3 lower net price for low-income students, as compared
4 to the net price for such students in other States;

5 “(2) adopted policy reforms to ensure seamless
6 transitions into higher education and among public
7 institutions of higher education, such as dual enroll-
8 ment and guaranteed credit transfers;

9 “(3) allocated State financial aid primarily on
10 the basis of need, and

11 “(4) met other criteria, as determined by the
12 Secretary.

13 “(d) INSTITUTIONAL ELIGIBILITY.—The Secretary
14 shall establish criteria for the eligibility of institutions that
15 are located in eligible States on the basis of—

16 “(1) the percentage of the institution’s grad-
17 uating class that is comprised of Pell Grant recipi-
18 ents;

19 “(2) the institution’s graduation rate;

20 “(3) the institution’s average net price; and

21 “(4) other criteria, as determined by the Sec-
22 retary.

23 “(e) USES OF FUNDS.—Each eligible institution of
24 higher education that receives a grant under this section
25 shall use the grant funds to support reforms to further

1 increase college access and success for low-and moderate-
2 income students, by making key investments and adopting
3 best practices, such as—

4 “(1) awarding additional need-based financial
5 aid;

6 “(2) enhancing academic and student support
7 services;

8 “(3) improving student learning and other out-
9 comes while reducing costs;

10 “(4) using technology to scale and enhance im-
11 provements; and

12 “(5) establishing or expanding accelerated
13 learning opportunities.

14 “(f) AMOUNT OF GRANT FUNDS.—

15 “(1) IN GENERAL.—Each eligible institution of
16 higher education that receives a grant under this
17 section shall receive annual grant funds in an
18 amount equal to—

19 “(A) the number of Pell Grant recipients
20 who graduate from the institution on time (de-
21 fined as an amount of time equal to or less
22 than 100 percent of program length based on
23 full-time enrollment status) in the previous aca-
24 demic year; multiplied by

1 “(B) a per-student base amount, which
2 shall be determined by the Secretary and shall
3 be based on the type of institution receiving the
4 grant (such as whether the institution provides
5 a 2-year program or a 4-year program).

6 “(2) ADDITIONAL PER-STUDENT FUNDS.—In
7 addition to the amount of grant funds awarded
8 under paragraph (1), the Secretary shall award eligi-
9 ble institutions that graduate a number of Pell
10 Grant recipients in excess of a certain threshold
11 number established by the Secretary, a per-student
12 bonus amount (in excess of the per student base
13 amount described in paragraph (1)(B)) for each ad-
14 ditional Pell Grant recipient who graduates from the
15 institution that is in excess of that threshold.

16 “(g) SUPPLEMENT NOT SUPPLANT.—Funds made
17 available under this section shall be used to supplement,
18 and not supplant—

19 “(1) other State funds that eligible States
20 would otherwise expend to carry out activities under
21 this section to improve college affordability and
22 graduate additional low-income and moderate-income
23 students; and

24 “(2) other institutional funds that eligible insti-
25 tutions receiving a grant under this section would

1 otherwise expend to carry out activities under this
2 section to improve college affordability and graduate
3 additional low-income and moderate-income stu-
4 dents.

5 “(h) EVALUATION.—Not later than 3 years after the
6 enactment of this section, the Secretary shall prepare and
7 submit to Congress a report that contains an evaluation
8 of the effectiveness of the pilot program under this section
9 in improving college access and success for low-income and
10 moderate-income students.

11 “(i) AUTHORIZATION OF APPROPRIATIONS.—There
12 are authorized to be appropriated to carry out this section
13 such sums as may be necessary for fiscal year 2015 and
14 each of the five succeeding fiscal years.”.

15 **Subpart 2—Early Awareness of College Financing**

16 **Options**

17 **SEC. 403. FEDERAL TRIO PROGRAMS AUTHORIZATION.**

18 Section 402A(g) (20 U.S.C. 1070a–11(g)) is amend-
19 ed by striking “\$900,000,000” and all that follows
20 through “years.” and inserting “such sums as may be nec-
21 essary for fiscal year 2015 and each of the five succeeding
22 fiscal years.”.

1 **SEC. 404. POSTBACCALAUREATE ACHIEVEMENT PROGRAM**
2 **AUTHORIZATION.**

3 Section 402E(g) (20 U.S.C. 1070a–15(g)) is amend-
4 ed by striking “each of the fiscal years 2009 through
5 2014” and inserting “fiscal year 2015 and each of the
6 five succeeding fiscal years”.

7 **SEC. 405. GAINING EARLY AWARENESS AND READINESS**
8 **FOR UNDERGRADUATE PROGRAMS AUTHOR-**
9 **IZATION.**

10 Section 404H (20 U.S.C. 1070a–28) is amended by
11 striking “\$400,000,000” and all that follows through the
12 period at the end and inserting “such sums as may be
13 necessary for fiscal year 2015 and each of the five suc-
14 ceeding fiscal years”.

15 **SEC. 405A. EARLY AWARENESS OF COLLEGE FINANCING**
16 **OPTIONS.**

17 Subpart 2 of part A of title IV (20 U.S.C. 1070a–
18 11 et seq.) is amended by adding at the end the following:

19 **“CHAPTER 3—EARLY AWARENESS OF**
20 **COLLEGE FINANCING OPTIONS**

21 **“SEC. 405A. EARLY AWARENESS OF COLLEGE FINANCING**
22 **OPTIONS.**

23 “(a) PURPOSE.—The purpose of this section is to es-
24 tablish a demonstration program that explores the effec-
25 tiveness of early notification of postsecondary financial aid
26 options and the cost of postsecondary education.

1 “(b) GRANTS AUTHORIZED; DURATION.—

2 “(1) GRANTS AUTHORIZED.—From amounts
3 appropriated under subsection (l) and not reserved
4 under paragraph (3), and beginning after the first
5 postsecondary education information form described
6 in subsection (h) has been developed, the Secretary
7 is authorized to award grants to 15 State edu-
8 cational agencies to enable such agencies to pay the
9 expenses, including the expenses of local educational
10 agencies in the State, for providing information in a
11 cost-effective way to students in grades 8 through
12 12 in order to—

13 “(A) increase student awareness of, and
14 access to, postsecondary education; and

15 “(B) increase the likelihood that those stu-
16 dents will apply for postsecondary financial aid
17 and attend an institution of higher education.

18 “(2) DURATION.—A grant awarded under this
19 section shall be awarded for a 3-year period.

20 “(3) RESERVATION OF FUNDS.—From amounts
21 made available to carry out this section for a fiscal
22 year, the Secretary may reserve not more than 1
23 percent to award a grant to the Bureau of Indian
24 Education, to enable the Bureau to carry out the

1 purposes of this section with respect to schools oper-
2 ated or funded by the Bureau.

3 “(c) STATE EDUCATIONAL AGENCY APPLICA-
4 TIONS.—

5 “(1) IN GENERAL.—Each State educational
6 agency desiring to participate in the demonstration
7 program under this section shall submit an applica-
8 tion to the Secretary at such time and in such man-
9 ner as the Secretary may require.

10 “(2) CONTENTS.—Each application described in
11 paragraph (1) shall include—

12 “(A) a commitment to utilize the postsec-
13 ondary education information form described in
14 subsection (h) (referred to in this section as the
15 ‘information form’), including the provision of
16 State-specific grant aid information, as de-
17 scribed in subsection (h)(1)(G);

18 “(B) a description of how the State edu-
19 cational agency plans to disseminate the infor-
20 mation form to every school serving grades 8
21 through 12 in the State;

22 “(C) an assurance that the State edu-
23 cational agency will fully cooperate with the on-
24 going evaluation of the demonstration program;
25 and

1 “(D) such other information as the Sec-
2 retary may require.

3 “(d) SELECTION CONSIDERATIONS.—In selecting
4 State educational agencies to participate in the dem-
5 onstration program under this section, the Secretary shall
6 consider—

7 “(1) the number and quality of State edu-
8 cational agency applications received;

9 “(2) the geographic diversity of applicants; and

10 “(3) a State educational agency’s—

11 “(A) financial responsibility;

12 “(B) administrative capability; and

13 “(C) ability to ensure that the activities
14 carried out under the demonstration program
15 serve all students in grades 8 through 12 in the
16 State.

17 “(e) SELECTION PRIORITY.—In selecting State edu-
18 cational agencies to participate in the demonstration pro-
19 gram under this section, the Secretary shall give priority
20 to those States that have a high percentage of students
21 who are eligible for free and reduced priced lunches under
22 the Richard B. Russell National School Lunch Act (42
23 U.S.C. 1751 et seq.) or who are, or come from families
24 that are, eligible for benefits under another means-tested
25 Federal benefit program as defined in section 479(d)(2).

1 “(f) ACTIVITIES.—Each State educational agency re-
2 ceiving a grant under this section shall carry out the fol-
3 lowing activities:

4 “(1) Make the information form available to
5 every school in the State that serves students in
6 grades 8 through 12 so that such schools can dis-
7 tribute the form to each student in grades 8 through
8 12, not less than once each school year, utilizing the
9 most useful, effective, and relevant modes of commu-
10 nication, including through technology.

11 “(2) Develop a statewide public awareness cam-
12 paign, using a variety of media, to inform students
13 about the cost of postsecondary education and the
14 availability of financial aid.

15 “(3) Ensure that local educational agencies
16 serving students who receive the information form
17 will participate in the evaluation of the demonstra-
18 tion program, and that data from such local edu-
19 cational agencies will be made available in accord-
20 ance with the requirements of section 444 of the
21 General Education Provisions Act (20 U.S.C.
22 1232g) (commonly known as the ‘Family Edu-
23 cational Rights and Privacy Act of 1974’).

24 “(4) Conduct annual surveys of a representative
25 sample of students who receive the information

1 form, both before the receipt of such form and after
2 the receipt of such form, to determine the short-term
3 and long-term effects of the information form, in-
4 cluding—

5 “(A) such students’ knowledge about the
6 cost of postsecondary education and financial
7 aid options;

8 “(B) the likelihood of such students apply-
9 ing for financial aid, attending an institution of
10 higher education, and enrolling in Advanced
11 Placement, International Baccalaureate, dual
12 enrollment, or early college high school pro-
13 grams; and

14 “(C) any other information the State edu-
15 cational agency determines relevant.

16 “(g) DEVELOPMENT OF AN INITIAL FORM.—

17 “(1) INITIAL DEVELOPMENT.—Not later than
18 90 days after the date of enactment of the Higher
19 Education Affordability Act, the Secretary, in con-
20 sultation with the heads of relevant Federal agencies
21 and representatives of higher education mentors, ad-
22 missions staff from institutions of higher education,
23 financial aid staff, student and parent focus groups
24 (including students and parents from low-income
25 families), consumer advocates, and secondary school

1 guidance counselors, shall complete the development
2 of an initial model form of postsecondary education
3 information (referred to in this subsection as the
4 ‘initial form’).

5 “(2) CONSUMER TESTING PROCESS.—The Sec-
6 retary shall—

7 “(A) submit the initial form for consumer
8 testing that is in accordance with section 483C
9 and includes the representatives described in
10 paragraph (1); and

11 “(B) not later than 60 days after the con-
12 clusion of the consumer testing under subpara-
13 graph (A), use the results of the consumer test-
14 ing of the initial form in the development of a
15 final information form described in subsection
16 (h).

17 “(h) POSTSECONDARY EDUCATION INFORMATION
18 FORM.—

19 “(1) IN GENERAL.—The Secretary shall de-
20 velop, using the best available evidence and research,
21 an information form that the Secretary shall update
22 annually and distribute to all State educational
23 agencies that receive a grant under this section. The
24 information form shall contain, at a minimum, the
25 following information:

1 “(A) Information about Federal Pell
2 Grants, including—

3 “(i) the maximum amount of a Fed-
4 eral Pell Grant for the award year in
5 which the form will be disbursed to stu-
6 dents, as determined under clauses (i) and
7 (ii) of section 401(b)(2)(A), which shall be
8 the most visually prominent figure on the
9 information form; and

10 “(ii) information about when, and
11 how, a student may apply for a Federal
12 Pell Grant.

13 “(B) Information on—

14 “(i) Federal student financial aid op-
15 tions, including a description of all avail-
16 able Federal grants (including Federal
17 supplemental educational opportunity
18 grants under subpart 3), loans (including
19 loans under parts D and E), work study
20 assistance under part C, and scholarships
21 for postsecondary education; and

22 “(ii) the application processes for such
23 grants, loans, assistance, and scholarships.

24 “(C) Information about Federal tax credits
25 available for higher education expenses.

1 “(D) Links to the application for the Free
2 Application for Federal Student Aid described
3 in section 483 and Federal student aid
4 websites.

5 “(E) A link to the Department’s College
6 Affordability and Transparency Center website,
7 including a link to a webpage providing infor-
8 mation about net price calculators, or a suc-
9 cessor website with similar information.

10 “(F) Information about fee waivers for ap-
11 plications for institutions of higher education
12 that may be available to qualified students.

13 “(G) A State-specific section, in which
14 each State educational agency shall include in-
15 formation on State grants for postsecondary
16 education.

17 “(2) DISTRIBUTION OF FINAL FORM.—The Sec-
18 retary shall make the final information form de-
19 scribed in this subsection available to all State edu-
20 cational agencies that receive a grant under this sec-
21 tion.

22 “(i) STATE REPORT.—Each State educational agency
23 receiving a grant under this section shall use results from
24 the surveys described in subsection (f)(4), and other perti-

1 nent information, to submit an annual report to the Sec-
2 retary that includes the following:

3 “(1) A description of the delivery method by
4 which the information form was given to students,
5 and a measurement of the reach of such delivery
6 method.

7 “(2) The number of students who report being
8 encouraged to pursue higher education by the activi-
9 ties carried out under the grant program.

10 “(3) A description of the barriers to the effec-
11 tiveness of the grant program.

12 “(4) An assessment of the cost-effectiveness of
13 the grant program in improving access to higher
14 education.

15 “(5) An identification of outcomes related to
16 postsecondary education attendance, including
17 whether a student who received the information form
18 reported being more likely, as compared to before
19 having received such form—

20 “(A) to enroll in Advanced Placement,
21 International Baccalaureate, dual enrollment, or
22 early college high school programs;

23 “(B) in the case of a student in grade 12,
24 to submit an application to an institution of
25 higher education;

1 “(C) to take the Preliminary SAT/National
2 Merit Scholarship Qualifying Test (PSAT/
3 NMSQT), SAT, or ACT; and

4 “(D) in the case of a student in grade 12,
5 to file a Free Application for Federal Student
6 Aid described in section 483.

7 “(6) The number of students who received the
8 information form and were in grade 12 in the pre-
9 vious year, disaggregated by race, ethnicity, gender,
10 status as an English language learner, status as an
11 economically disadvantaged individual, and status as
12 an individual with a disability (except that such
13 disaggregation shall not be required in a case in
14 which the results would reveal personally identifiable
15 information about an individual student), who—

16 “(A) enrolled in an institution of higher
17 education;

18 “(B) applied for Federal student financial
19 aid; and

20 “(C) received Federal student financial
21 aid.

22 “(7) A description of the impact of the grant
23 program on the parents of students who received the
24 information form.

1 “(j) EVALUATION AND DISSEMINATION OF RE-
2 SEARCH ON BEST PRACTICES.—The Secretary, acting
3 through the Director of the Institute of Education
4 Sciences, shall—

5 “(1) develop performance measures, taking into
6 account the elements that are included in the State
7 report described in subsection (i), for grantees to as-
8 certain outcomes and progress related to the grant
9 program;

10 “(2) evaluate the demonstration program, using
11 both quantitative and qualitative methods, to exam-
12 ine the effectiveness of delivery methods used in dis-
13 seminating the information form to students; and

14 “(3) identify best practices and disseminate re-
15 search on best practices—

16 “(A) to State educational agencies, local
17 educational agencies, elementary school and sec-
18 ondary school guidance counselors, and other
19 interested stakeholders; and

20 “(B) by making such research publicly
21 available on the website of the Institute of Edu-
22 cation Sciences.

23 “(k) IMPLEMENTATION.—

24 “(1) IN GENERAL.—The Secretary shall—

1 “(A) upon completion of the grant period,
2 use the results of the evaluation described in
3 subsection (j) to work with all State educational
4 agencies and with local educational agencies to
5 use the results of the evaluation described in
6 subsection (j) to disseminate the information
7 form described in subsection (h) to every State
8 educational agency; and

9 “(B) in cooperation with States, institu-
10 tions of higher education, organizations involved
11 in college access and student financial aid, em-
12 ployers, and workforce investment boards, make
13 special efforts to provide the information form
14 to individuals who may qualify as independent
15 students, as defined in section 480(d).

16 “(2) STATE EDUCATIONAL AGENCIES.—Not
17 later than 1 year after receiving the first informa-
18 tion form from the Secretary under paragraph (1),
19 each State educational agency that receives assist-
20 ance under part a of title i of the elementary and
21 secondary education Act of 1965 (20 U.S.c. 6301 et
22 seq.) shall ensure that the information form is dis-
23 tributed to all students in grades 8 through 12 in
24 the State.

1 “(l) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to carry out this section
3 such sums as may be necessary for fiscal year 2015 and
4 each of the 2 succeeding fiscal years.”.

5 **SEC. 405B. AWARENESS OF POSTSECONDARY EDUCATION**
6 **FINANCING OPTIONS FOR ADULT LEARNERS.**

7 Subpart 2 of part A of title IV (20 U.S.C. 1070a–
8 11 et seq.), as amended by section 405A, is further
9 amended by adding at the end the following:

10 **“CHAPTER 4—AWARENESS OF POSTSEC-**
11 **ONDARY EDUCATION FINANCING OP-**
12 **TIONS FOR ADULT LEARNERS**

13 **“SEC. 405B. AWARENESS OF POSTSECONDARY EDUCATION**
14 **FINANCING OPTIONS FOR ADULT LEARNERS.**

15 “(a) PURPOSE.—The purpose of this section is to es-
16 tablish a demonstration program that explores the effec-
17 tiveness of notification processes for adult students re-
18 garding postsecondary financial aid options and the cost
19 of postsecondary education.

20 “(b) GRANTS AUTHORIZED; DURATION.—

21 “(1) GRANTS AUTHORIZED.—From amounts
22 appropriated under subsection (l) and beginning
23 after the first information form described in sub-
24 section (h) has been developed, the Secretary is au-
25 thorized to award grants to 15 States to enable such

1 States to pay the expenses of providing information
2 in a cost-effective way to adult students who have
3 received a secondary school diploma or who have
4 been out of secondary school for not less than 3
5 years, in order to—

6 “(A) increase adult student awareness of,
7 and access to, postsecondary education; and

8 “(B) increase the likelihood that adult stu-
9 dents will apply for postsecondary financial aid
10 and attend an institution of higher education.

11 “(2) DURATION.—A grant awarded under this
12 section shall be awarded for a 3-year period.

13 “(c) STATE APPLICATIONS.—

14 “(1) DESIGNATION OF AGENCY.—In order for a
15 State to apply for a grant under this part, the Gov-
16 ernor of the State shall designate one agency as the
17 eligible State agency who will apply for and admin-
18 ister the grant.

19 “(2) APPLICATION PROCESS.—Each State agen-
20 cy designated under paragraph (1) that desires to
21 participate in the demonstration program under this
22 section shall submit an application to the Secretary
23 at such time and in such manner as the Secretary
24 may require.

1 “(3) CONTENTS.—Each application described in
2 paragraph (2) shall include—

3 “(A) a commitment to utilize the postsec-
4 ondary education information form described in
5 subsection (h) (referred to in this section as the
6 ‘adult information form’), including the provi-
7 sion of State-specific grant aid information, as
8 described in subsection (h)(1)(B);

9 “(B) a description of how the State plans
10 to disseminate the information form to—

11 “(i) one-stop centers, as defined in
12 section 3 of the Workforce Innovation and
13 Opportunity Act (29 U.S.C. 3102);

14 “(ii) offices that provide access to
15 public benefits at the State and local lev-
16 els, including unemployment insurance
17 benefits, assistance or benefits provided
18 under the State temporary assistance for
19 needy families program funded under part
20 A of title IV of the Social Security Act (42
21 U.S.C. 601 et seq.) and medical assistance
22 provided under the State Medicaid pro-
23 gram established under title XIX of the
24 Social Security Act (42 U.S.C. 1396 et
25 seq.);

1 “(iii) public libraries;

2 “(iv) 2-year degree-granting institu-
3 tions of higher education, including occu-
4 pational programs at such institutions;

5 “(v) adult education providers, which
6 may include 2-year degree-granting institu-
7 tions of higher education or local edu-
8 cational agencies;

9 “(vi) local boards, as defined in sec-
10 tion 3 of Workforce Innovation and Oppor-
11 tunity Act (29 U.S.C. 3102), and commu-
12 nity-based programs;

13 “(C) an assurance that the State will fully
14 cooperate with the ongoing evaluation of the
15 demonstration program; and

16 “(D) such other information as the Sec-
17 retary may require.

18 “(d) SELECTION CONSIDERATIONS.—In selecting
19 States to participate in the demonstration program under
20 this section, the Secretary shall consider—

21 “(1) the number and quality of State applica-
22 tions received;

23 “(2) the geographic diversity of applicants;

1 “(3)(A) the financial responsibility of the State
2 agency designated by the State to carry out the pro-
3 gram;

4 “(B) the administrative capability of such
5 agency; and

6 “(C) such agency’s ability to ensure that
7 the activities carried out under the grant pro-
8 gram serve the maximum number of adult stu-
9 dents in the State.

10 “(e) SELECTION PRIORITY.—In selecting States to
11 participate in the demonstration program under this sec-
12 tion, the Secretary shall give priority to those States that
13 have a high percentage of adults who are unemployed, un-
14 deremployed, or eligible for benefits under a Federal
15 means-tested program.

16 “(f) ACTIVITIES.—Each State agency receiving a
17 grant under this section shall carry out the following ac-
18 tivities:

19 “(1) Make the information form available to
20 every one-stop center, adult education program, pub-
21 lic library, office that provides access to public bene-
22 fits, 2-year degree-granting institution of higher edu-
23 cation, and community-based program in the State
24 that serves adult students so that such entities can
25 distribute the form to each adult student utilizing

1 services at the entity in the most useful, effective,
2 and relevant modes of communication, including
3 through technology.

4 “(2) Develop a statewide public awareness cam-
5 paign, using a variety of media, to inform adult stu-
6 dents about the value of a postsecondary education,
7 the availability of supports to help them balance
8 work and school, the cost of postsecondary edu-
9 cation, and the availability of financial aid.

10 “(3) Ensure that entities serving adult students
11 who receive the information form will participate in
12 the evaluation of the demonstration program, and
13 that data from such entities will be made available
14 in accordance with the requirements of section 444
15 of the General Education Provisions Act (20 U.S.C.
16 1232) (commonly known as the ‘Family Educational
17 Rights and Privacy Act of 1974’).

18 “(4) Conduct annual surveys of a representative
19 sample of adult students who receive the information
20 form to determine the short-term and long-term ef-
21 fects of the information form, including what those
22 students know about the cost of postsecondary edu-
23 cation and financial aid options, the likelihood of
24 such students applying for financial aid, and attend-

1 ing an institution of higher education, and any other
2 information the State agency determines relevant—

3 “(A) before the receipt of such form; and

4 “(B) after the receipt of such form.

5 “(g) DEVELOPMENT OF AN INITIAL FORM.—

6 “(1) INITIAL DEVELOPMENT.—Not later than
7 90 days after the date of enactment of this Act, the
8 Secretary, in consultation with the heads of relevant
9 Federal agencies and representatives of college ad-
10 missions staff, financial aid staff, adult student
11 focus groups (including students from low-income
12 families), consumer advocates, and adult education
13 program directors, shall complete the development of
14 an initial model form of postsecondary education in-
15 formation (referred to in this subsection as the ‘ini-
16 tial form’).

17 “(2) CONSUMER TESTING PROCESS.—The Sec-
18 retary shall—

19 “(A) submit the initial form for consumer
20 testing in accordance with section 483C that in-
21 cludes the representatives described in para-
22 graph (1); and

23 “(B) not later than 60 days after the con-
24 clusion of the consumer testing under subpara-
25 graph (A), use the results of the consumer test-

1 ing of the initial form in the development of a
2 final information form described in subsection
3 (h).

4 “(h) POSTSECONDARY EDUCATION INFORMATION
5 FORM.—

6 “(1) IN GENERAL.—The Secretary shall de-
7 velop, using the best available evidence and research,
8 an information form that the Secretary shall update
9 annually and distribute to all State agencies that re-
10 ceive a grant under this section. The information
11 form shall contain, at a minimum, the following in-
12 formation:

13 “(A) The information described in sub-
14 paragraphs (A) through (F) of section
15 405A(h)(1).

16 “(B) A State-specific section, in which
17 each State shall include information on State
18 grants for postsecondary education.

19 “(C) Information about the—

20 “(i) individual and societal benefits of
21 postsecondary education;

22 “(ii) importance of academic prepara-
23 tion;

24 “(iii) array of postsecondary options
25 available to adult students in the State, in-

1 cluding availability of programs that can
2 help adults balance work and school; and

3 “(iv) the eligibility of the student for
4 various Federal and State tax benefits and
5 public benefits, such as assistance or bene-
6 fits provided under the State temporary
7 assistance for needy families program
8 funded under part A of title IV of the So-
9 cial Security Act (42 U.S.C. 601 et seq.)
10 and medical assistance provided under the
11 State Medicaid program established under
12 title XIX of the Social Security Act (42
13 U.S.C. 1396 et seq.).

14 “(2) DISTRIBUTION OF FINAL FORM.—The Sec-
15 retary shall make the final information form de-
16 scribed in this subsection available to all States
17 agencies that receive a grant under this section.

18 “(i) STATE REPORT.—Each State agency receiving
19 a grant under this section shall use results from the sur-
20 veys described in subsection (f)(4), and other pertinent in-
21 formation, to submit an annual report to the Secretary
22 including the following:

23 “(1) A description of the delivery method by
24 which the information form was given to students,

1 and a measurement of the reach of such delivery
2 method.

3 “(2) The number of students who report being
4 encouraged to pursue postsecondary education by
5 the activities carried out under the grant program.

6 “(3) A description of the barriers to the effec-
7 tiveness of the grant program.

8 “(4) An assessment of the cost-effectiveness of
9 the grant program in improving access to postsec-
10 ondary education.

11 “(5) An identification of outcomes related to
12 postsecondary education attendance, including
13 whether a student who received the information form
14 reported being more likely, as compared to before
15 having received such form—

16 “(A) to submit an application to an insti-
17 tution of higher education;

18 “(B) to take the SAT or ACT; and

19 “(C) to file a Free Application for Federal
20 Student Aid described in section 483.

21 “(6) The number of students who received the
22 information form, disaggregated by race, ethnicity,
23 gender, status as an English language learner, sta-
24 tus as an economically disadvantaged individual, and
25 status as an individual with a disability, (except that

1 such disaggregation shall not be required in a case
2 in which the results would reveal personally identifi-
3 able information about an individual student) who—

4 “(A) enrolled in an institution of higher
5 education;

6 “(B) applied for Federal student financial
7 aid; and

8 “(C) received Federal student financial
9 aid.

10 “(7) A description of the impact of the grant
11 program on the children of students who received
12 the information form.

13 “(j) EVALUATION AND DISSEMINATION OF RE-
14 SEARCH ON BEST PRACTICES.—The Secretary, acting
15 through the Director of the Institute of Education
16 Sciences, shall—

17 “(1) develop performance measures, taking into
18 account the elements that are included in the State
19 report described in subsection (i), for grantees to as-
20 certain outcomes and progress related to the grant
21 program;

22 “(2) evaluate the demonstration program, using
23 both quantitative and qualitative methods, to exam-
24 ine the effectiveness of delivery methods used in dis-
25 seminating the information form to students; and

1 “(3) identify best practices and disseminate re-
2 search on best practices—

3 “(A) to States, State agencies admin-
4 istering a grant under this section, local edu-
5 cational agencies, community colleges, adult
6 education programs, local workforce develop-
7 ment boards, and other interested stakeholders;
8 and

9 “(B) by making such research publicly
10 available on the website of the Institute of Edu-
11 cation Sciences.

12 “(k) IMPLEMENTATION.—

13 “(1) IN GENERAL.—The Secretary shall—

14 “(A) upon completion of the grant period,
15 use the results of the evaluation described in
16 subsection (j) to work with all States to use the
17 results of the evaluation described in subsection
18 (j) to disseminate the information form to the
19 most appropriate agency in each State; and

20 “(B) in cooperation with States, institu-
21 tions of higher education, organizations involved
22 in postsecondary education access and student
23 financial aid, employers, and workforce develop-
24 ment boards, make special efforts to provide the
25 information form to individuals who may qual-

1 ify as independent students, as defined in sec-
2 tion 480(d).

3 “(2) STATE AGENCIES.—Not later than 1 year
4 after receiving the first information form from the
5 Secretary under paragraph (1), each State that re-
6 ceives assistance under this Act shall ensure that the
7 State agency receiving the information form under
8 paragraph (1)(A) distributes the information form to
9 all adult students, to the maximum extent prac-
10 ticable.

11 “(1) AUTHORIZATION OF APPROPRIATIONS.—There
12 are authorized to be appropriated to carry out this section
13 such sums as may be necessary for fiscal year 2015 and
14 each of the following 2 fiscal years.”.

15 **Subpart 3—Federal Supplemental Education**
16 **Opportunity Grants**

17 **SEC. 407. AUTHORIZATION OF APPROPRIATIONS.**

18 Section 413A(b)(1) (20 U.S.C. 1070b(b)(1)) is
19 amended by striking “2009” and inserting “2015”.

20 **SEC. 408. INSTITUTIONAL SHARE OF FEDERAL SUPPLE-**
21 **MENTAL EDUCATIONAL OPPORTUNITY**
22 **GRANTS.**

23 Section 413C(a)(2) (20 U.S.C. 1070b–2(a)(2)) is
24 amended by striking “75 percent” and inserting “50 per-
25 cent”.

1 **SEC. 409. FEDERAL SUPPLEMENTAL EDUCATIONAL OPPOR-**
2 **TUNITY GRANTS ALLOCATION OF FUNDS.**

3 Section 413D (20 U.S.C. 1070b-3) is amended—

4 (1) by striking subsection (a) and inserting the
5 following:

6 “(a) ALLOCATION BASED ON PREVIOUS ALLOCA-
7 TION.—

8 “(1) IN GENERAL.—From the amount appro-
9 priated pursuant to section 413A(b), for each fiscal
10 year, the Secretary shall allocate to each eligible in-
11 stitution an amount equal to not less than 90 per-
12 cent and not more than 110 percent of the amount
13 that the eligible institution received under this sub-
14 section and subsection (b) (as such subsections were
15 in effect with respect to allocations for such fiscal
16 year) for the previous fiscal year for which that in-
17 stitution received funds under this section.

18 “(2) RATABLE REDUCTION.—If the amount ap-
19 propriated for any fiscal year is less than the
20 amount required to be allocated to all institutions
21 under paragraph (1), then the amount of the alloca-
22 tion to each such institution shall be ratably re-
23 duced.

24 “(3) NO PREVIOUS ALLOCATION.—In the case
25 of an institution that has not received a previous al-
26 location under this section, the Secretary shall allo-

1 cate funds under this section solely on the basis of
2 the need determination described under subsection
3 (c).”; and

4 (2) in subsection (c)—

5 (A) in paragraph (2), by striking “To de-
6 termine the need of an institution’s eligible un-
7 dergraduate students,” and inserting “Until
8 such time as the Secretary establishes a revised
9 method to determine the need of an institu-
10 tion’s eligible undergraduate students, in ac-
11 cordance with paragraph (5),”; and

12 (B) by adding at the end the following:

13 “(5) Not later than 1 year after the date of en-
14 actment of the Higher Education Affordability Act,
15 the Secretary shall establish a revised method for
16 determining the need of an institution’s eligible un-
17 dergraduate students, as described in paragraph (2),
18 which shall take into account the number of low-
19 and moderate-income students that an eligible insti-
20 tution serves. The Secretary shall promulgate any
21 regulations necessary to carry out the revised meth-
22 ods of determining an eligible institution’s need
23 under this subsection.”.

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

2 **“SEC. 415F. AMERICAN DREAM GRANTS.**

3 “(a) DREAMER STUDENTS.—

4 “(1) IN GENERAL.—In this section, the term
5 ‘Dreamer student’ means an individual who—

6 “(A) was younger than 16 years of age on
7 the date on which the individual initially en-
8 tered the United States;

9 “(B) has provided, to the applicable State,
10 a list of each secondary school that the student
11 attended in the United States; and

12 “(C)(i) has earned a high school diploma
13 or the recognized equivalent of such diploma
14 from a secondary school, has obtained a high
15 school equivalency diploma in the United
16 States, or is scheduled to complete the require-
17 ments for such a diploma or equivalent before
18 the next academic year begins;

19 “(ii) has acquired a degree from an institu-
20 tion of higher education or has completed not
21 less than 2 years in a program for a bacca-
22 laureate degree or higher degree at an institu-
23 tion of higher education in the United States
24 and has made satisfactory progress, as defined

1 in section 484(c), in the program of study dur-
2 ing such time period; or

3 “(iii) has served in the uniformed services,
4 as defined in section 101 of title 10, United
5 States Code, for not less than 4 years and, if
6 discharged, received an honorable discharge.

7 “(2) HARDSHIP EXCEPTION.—The Secretary
8 shall issue regulations that direct when a State shall
9 waive the requirement of subparagraph (A) or (B),
10 or both, of paragraph (1) for an individual to qualify
11 as a Dreamer student under such paragraph, if the
12 individual—

13 “(A) demonstrates compelling cir-
14 cumstances for the inability to satisfy the re-
15 quirement of such subparagraph (A) or (B), or
16 both; and

17 “(B) satisfies the requirement of para-
18 graph (1)(C).

19 “(b) GRANTS TO STATES.—

20 “(1) RESERVATION FOR ADMINISTRATION.—
21 From the amounts appropriated to carry out this
22 section for each fiscal year, the Secretary may re-
23 serve not more than 1 percent of such amounts to
24 administer this section.

1 “(2) GRANTS AUTHORIZED TO ELIGIBLE
2 STATES.—From the amounts appropriated to carry
3 out this section for each fiscal year and not reserved
4 under paragraph (1), the Secretary shall award
5 grants, through allotments under paragraph (4), to
6 eligible States to enable the eligible States to carry
7 out the activities described in clauses (i) and (ii) of
8 paragraph (3)(A).

9 “(3) ELIGIBLE STATE.—In this section, the
10 term ‘eligible State’ means a State that—

11 “(A) increases access and affordability to
12 higher education for students by—

13 “(i) offering in-State tuition for
14 Dreamer students; or

15 “(ii) expanding in-State financial aid
16 to Dreamer students; and

17 “(B) submits an application to the Sec-
18 retary that contains an assurance that—

19 “(i) notwithstanding any other provi-
20 sion of law, the State will not discriminate
21 in awarding student financial assistance or
22 determining who is eligible for in-State tui-
23 tion, against a Dreamer student who re-
24 sides in the State, if the student otherwise
25 qualifies for the assistance or tuition; and

1 “(ii) for fiscal year 2015 and each of
2 the 4 succeeding fiscal years, the State will
3 maintain State support for public institu-
4 tions of higher education located in the
5 State (not including support for capital
6 projects, research and development, or tui-
7 tion and fees paid by students) at not less
8 than the level of such support for fiscal
9 year 2013, increased by a percentage equal
10 to the estimated percentage increase in the
11 Consumer Price Index (as such term is de-
12 fined in section 478(f)) between December
13 2013 and the December preceding the fis-
14 cal year for which the determination under
15 this clause is being made.

16 “(4) ALLOTMENTS.—The Secretary shall allot
17 the amount appropriated to carry out this section
18 for each fiscal year and not reserved under para-
19 graph (1) among the eligible States in proportion to
20 the number of Dreamer students enrolled at least
21 half-time in postsecondary education who reside in
22 the State for the most recent fiscal year for which
23 satisfactory data are available, compared to the
24 number of such students who reside in all eligible
25 States for such fiscal year.

1 **PART B—FEDERAL FAMILY EDUCATION LOAN**
2 **PROGRAM**

3 **SEC. 421. SIMPLIFICATION OF INCOME-BASED REPAYMENT**
4 **OPTIONS FOR FEDERALLY INSURED STU-**
5 **DENT LOANS.**

6 (a) AMENDMENT REPLACING INCOME-SENSITIVE RE-
7 PLACEMENT.—Section 427(a)(2)(H) (20 U.S.C.
8 1077(a)(2)(H)) is amended—

9 (1) by striking “graduated or income-sensitive
10 repayment schedule” and inserting “graduated re-
11 payment schedule or income-based repayment sched-
12 ule under section 493C”; and

13 (2) by striking “in accordance with the regula-
14 tions of the Secretary” and inserting “in accordance
15 with section 493C and regulations issued by the Sec-
16 retary”.

17 (b) EFFECTIVE DATE RELATING TO TERMINATION
18 OF INCOME-SENSITIVE REPAYMENT.—The amendments
19 made by subsection (a) shall take effect on the date that
20 is 1 year after the date of enactment of this Act.

21 **SEC. 422. IMPROVEMENTS TO MILITARY LOAN DEFERMENT;**
22 **CLARIFICATION OF SCRA PROTECTIONS; SIM-**
23 **PLIFICATION OF INCOME-BASED REPAYMENT**
24 **OPTIONS.**

25 (a) AMENDMENTS.—Section 428 (20 U.S.C. 1078) is
26 amended—

1 (1) in subsection (b)—

2 (A) in paragraph (1)—

3 (i) in subparagraph (D), by striking
4 “may, following a default by the borrower,
5 be subject to income contingent repayment
6 in accordance with subsection (m)” and in-
7 serting “may, following a default by the
8 borrower, be subject to income-based re-
9 payment in accordance with subsection (m)
10 and section 493C(d)”;

11 (ii) in subparagraph (E)(i), by strik-
12 ing “standard, graduated” and all that fol-
13 lows and inserting “standard, graduated,
14 income-based, or extended repayment
15 schedule (as described in paragraph (9)),
16 established by the lender in accordance
17 with the regulations of the Secretary”; and

18 (iii) in subparagraph (M)—

19 (I) by redesignating clause (iv) as
20 clause (v);

21 (II) in clause (iii), by striking
22 “the borrower—” and all that follows
23 through “described in subclause (I) or
24 (II); or” and inserting “the borrower
25 is performing eligible military service,

1 and for the 180-day period following
2 the demobilization date for such eligi-
3 ble military service;” and

4 (III) by inserting after clause
5 (iii) the following:

6 “(iv) not in excess of 180 days after
7 the effective movement date listed on the
8 military orders of a borrower’s spouse if
9 that spouse is a member of the Armed
10 Forces who has received military orders for
11 a permanent change of station; or” and

12 (B) in paragraph (9)(A)(iii), by inserting
13 “and an income-sensitive repayment plan shall
14 be available only for borrowers who have se-
15 lected or been required to use such a plan be-
16 fore the date that is 1 year after the date of en-
17 actment of the Higher Education Affordability
18 Act” before the semicolon at the end;

19 (2) in subsection (d), by striking “section 207
20 of the Servicemembers Civil Relief Act (50 U.S.C.
21 App. 527)” and inserting “the Servicemembers Civil
22 Relief Act (50 U.S.C. App. 501 et seq.)”; and

23 (3) by striking subsection (m) and inserting the
24 following:

25 “(m) INCOME-BASED REPAYMENT.—

1 “(1) AUTHORITY OF SECRETARY TO RE-
2 QUIRE.—The Secretary may require borrowers who
3 have defaulted on loans made under this part that
4 are assigned to the Secretary under subsection
5 (c)(8) to repay those loans under an income-based
6 repayment plan, under terms and conditions estab-
7 lished by the Secretary that are the same, or similar
8 to, the terms and conditions established under such
9 section.

10 “(2) LOANS FOR WHICH INCOME-BASED REPAY-
11 MENT MAY BE REQUIRED.—A loan made under this
12 part may be required to be repaid under this sub-
13 section if the note or other evidence of the loan has
14 been assigned to the Secretary pursuant to sub-
15 section (c)(8).”.

16 (b) RULEMAKING REGARDING TERMINATION OF IN-
17 COME CONTINGENT AND INCOME-SENSITIVE REPAYMENT
18 PLANS.—By not later than 1 year after the date of enact-
19 ment of this Act, the Secretary of Education shall promul-
20 gate a final rule ending all eligibility for income contingent
21 and income-sensitive repayment plans for loans made
22 under part B or D of title IV of the Higher Education
23 Act of 1965 unless the borrowers have selected, and re-
24 mained continuously enrolled in, such payment plans be-
25 fore the date that is 1 year after the date of enactment

1 of this Act, in accordance with the amendments made by
2 this Act.

3 (c) EFFECTIVE DATE REGARDING INCOME CONTIN-
4 GENT AND INCOME-SENSITIVE REPAYMENT PLANS.—The
5 amendments made by clauses (i) and (ii) of subparagraph
6 (A), and subparagraph (B), of paragraph (1), and by
7 paragraph (3), of subsection (a) shall take effect on the
8 date that is 1 year after the date of enactment of this
9 Act.

10 **SEC. 423. SIMPLIFICATION OF INCOME-BASED REPAYMENT**
11 **OPTIONS FOR FEDERAL CONSOLIDATION**
12 **LOANS.**

13 (a) AMENDMENTS.—Section 428C of such Act (20
14 U.S.C. 1078–3) is amended—

15 (1) by striking subclause (V) of subsection
16 (a)(3)(B)(i) and inserting the following:

17 “(V) an individual may obtain a subse-
18 quent consolidation loan under section 455(g)
19 only—

20 “(aa) for the purposes of obtaining in-
21 come-based repayment under section 493C,
22 and only if the loan has been submitted to
23 the guaranty agency for default aversion or
24 if the loan is already in default;

1 “(bb) for the purposes of using the
2 public service loan forgiveness program
3 under section 455(m); or

4 “(cc) for the purpose of using the no
5 accrual of interest for active duty service
6 members benefit offered under section
7 455(o).”;

8 (2) in subsection (b)—

9 (A) by striking subparagraph (E) of para-
10 graph (1) and inserting the following:

11 “(E) that the lender shall—

12 “(i) offer an income-based repayment
13 schedule, established by the lender in ac-
14 cordance with section 493C and regula-
15 tions promulgated by the Secretary, to the
16 borrower of any consolidation loan made
17 by the lender on or after July 1, 1994, and
18 before July 1, 2010; and

19 “(ii) only in the case of any borrower
20 who has selected, before the date that is 1
21 year after the date of enactment of the
22 Higher Education Affordability Act, an in-
23 come-sensitive repayment schedule, in ac-
24 cordance with regulations promulgated by
25 the Secretary and as in effect on the day

1 before the date that is 1 year before such
2 date of enactment, continue to offer such
3 borrower the income-sensitive repayment
4 schedule until the borrower selects an al-
5 ternative repayment schedule;” and

6 (B) in paragraph (5), by inserting “(if
7 such borrower has selected an income contin-
8 gent repayment schedule before the date that is
9 1 year after the date of enactment of the High-
10 er Education Affordability Act)” after “income
11 contingent repayment under part D of this
12 title”; and

13 (3) in subsection (c)—

14 (A) in the matter preceding clause (i) of
15 paragraph (2)(A), by inserting “, except that an
16 income-sensitive repayment schedule shall only
17 be available to borrowers who have selected
18 such schedule before the date that is 1 year
19 after the date of enactment of the Higher Edu-
20 cation Affordability Act” after “regulations of
21 the Secretary”; and

22 (B) in paragraph (3)(B), by inserting “for
23 borrowers who have selected income contingent
24 repayment before the date that is 1 year after

1 the date of enactment of the Higher Education
2 Affordability Act” after “subsection (b)(5)”.

3 (b) EFFECTIVE DATE FOR TERMINATION OF IN-
4 COME-SENSITIVE OR INCOME CONTINGENT REPAYMENT
5 PLANS.—The amendments made by subsection (a) shall
6 take effect on the date that is 1 year after the date of
7 enactment of this Act.

8 **SEC. 424. REASONABLE COLLECTION COSTS AND REHABILI-**
9 **TATION PAYMENTS.**

10 Section 428F (20 U.S.C. 1078–6) is amended—

11 (1) in subsection (a)—

12 (A) by striking item (aa) of paragraph
13 (1)(D)(i)(II) and inserting the following:

14 “(aa) charge to the borrower
15 an amount that is reasonable and
16 that does not exceed the bona
17 fide collection costs associated
18 with such loan that are actually
19 incurred in collecting the debt
20 against the borrower, which
21 amount shall not exceed 16 per-
22 cent of the outstanding principal
23 and interest at the time of the
24 loan sale; and”;

25 (B) by striking paragraph (5); and

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

2 “(d) DETERMINATION OF REASONABLE AND AF-
3 FORDABLE.—

4 “(1) IN GENERAL.—For purposes of this sec-
5 tion, a monthly payment shall be reasonable and af-
6 fordable based upon the borrower’s total financial
7 circumstances if the payment is the equivalent of a
8 monthly payment amount determined for a borrower
9 under the income-based repayment plan under sec-
10 tion 493C, except that in no cases shall the monthly
11 payment under this section be less than \$5.

12 “(2) APPEALS PROCESS.—The Secretary shall
13 establish a clear and accessible process for appealing
14 the monthly payment amount determined as reason-
15 able and affordable under this section in any case
16 where a borrower believes that the borrower’s
17 monthly payment amount is incorrect, or that the
18 amount calculated for the borrower under paragraph
19 (1) is based on incorrect information or is unreason-
20 able based on the borrower’s total circumstances.”.

21 **SEC. 425. FFEL LOAN FORGIVENESS FOR CERTAIN AMER-
22 ICAN INDIAN EDUCATORS.**

23 Section 428J(c) (20 U.S.C. 1078–10(c)) is amended
24 by adding at the end the following:

1 “(4) AMERICAN INDIAN TEACHERS IN LOCAL
2 EDUCATIONAL AGENCIES WITH A HIGH PERCENTAGE
3 OF AMERICAN INDIAN STUDENTS.—Notwithstanding
4 the amount specified in paragraph (1) and the re-
5 quirements under subparagraphs (A) and (B) of
6 subsection (b)(1), the aggregate amount that the
7 Secretary shall repay under this section shall be not
8 more than \$17,500 in the case of a borrower who—

9 “(A) has been employed as a full-time
10 teacher for 5 consecutive complete school years
11 in a local educational agency described in sec-
12 tion 7112(b) of the Elementary and Secondary
13 Education Act of 1965 or in a school operated
14 or funded by the Bureau of Indian Education;
15 and

16 “(B) is a member of an Indian tribe (as
17 defined in section 4 of the Indian Self-Deter-
18 mination and Education Assistance Act (25
19 U.S.C. 450b)).”.

20 **SEC. 426. REAUTHORIZATION OF APPROPRIATIONS FOR**
21 **CERTAIN LOAN FORGIVENESS PROGRAMS.**

22 (a) LOAN FORGIVENESS FOR SERVICE IN AREAS OF
23 NATIONAL NEEDS.—Section 428K(h) (20 U.S.C. 1078–
24 11(h)) is amended by striking “2009” and inserting
25 “2015”.

1 (b) LOAN REPAYMENT FOR CIVIL LEGAL ASSIST-
2 ANCE ATTORNEYS.—Section 428L(i) (20 U.S.C. 1078–
3 11(i)) is amended by striking “\$10,000,000” and all that
4 follows through the period at the end and inserting “such
5 sums as may be necessary for fiscal year 2015 and each
6 of the five succeeding fiscal years.”.

7 **SEC. 427. IMPROVEMENTS TO CREDIT REPORTING FOR**
8 **FEDERAL STUDENT LOANS.**

9 Section 430A (20 U.S.C. 1080A) is amended—

10 (1) by redesignating subsections (d) through (f)
11 as subsections (e) through (g), respectively; and

12 (2) by inserting after subsection (c) the fol-
13 lowing:

14 “(d) TREATMENT OF REHABILITATION AND INCOME-
15 BASED REPAYMENT AND INCOME CONTINGENT REPAY-
16 MENT PLANS.—

17 “(1) NECESSARY STEPS.—The Secretary and
18 each guaranty agency, eligible lender, and subse-
19 quent holder of a loan shall take all necessary steps
20 to ensure that information furnished under this sec-
21 tion about a loan covered by Federal loan insurance
22 pursuant to this part or covered by a guaranty
23 agreement pursuant to section 428, or a loan made
24 under part D, is reported in a manner that reflects
25 the unique attributes of a Federal student loan

1 under this title. The necessary steps required shall
2 include—

3 “(A) furnishing consumer reporting agen-
4 cies with information about a loan’s delin-
5 quency, default, post-default performance, reha-
6 bilitation, and post-rehabilitation performance,
7 as applicable, in a manner that ensures the en-
8 tire loan history is reported as a single open ac-
9 count for the duration of the borrower’s finan-
10 cial obligation;

11 “(B) reporting a payment as paid as
12 agreed if the payment made—

13 “(i) satisfies the terms of the bor-
14 rower’s income-based repayment plan
15 under section 493C or any income contin-
16 gent repayment plan authorized under sec-
17 tion 455(e); or

18 “(ii) is a reasonable and affordable
19 payment made by a borrower subject to
20 section 428F that meet the requirements
21 of such section; and

22 “(C) for purposes of payments under an
23 income-based repayment plan under section
24 493C or any income contingent repayment plan
25 authorized under section 455(e), any additional

1 steps that the Secretary determines necessary,
2 through rulemaking or published guidance,
3 based on the results of the study performed
4 under section 1018 of the Higher Education Af-
5 fordability Act.

6 “(2) APPLICATION TO AGENTS AND CONTRAC-
7 TORS.—The requirements of paragraph (1) shall
8 apply to any person furnishing information about
9 loan performance on behalf of the Secretary, a guar-
10 anty agency, eligible lender, or subsequent holder of
11 a loan, including third party student loan servicers
12 or collectors.”.

13 **SEC. 428. REDUCED DUPLICATION IN STUDENT LOAN SERV-**
14 **ICING.**

15 Section 432(l)(4) (20 U.S.C. 1082(l)(4)) is amended
16 by striking “simplifying and standardizing” and inserting
17 “simplifying, standardizing, and reducing duplication in”.

18 **SEC. 429. IMPROVED DETERMINATION OF COHORT DE-**
19 **FAULT RATES; PUBLICATION OF DEFAULT**
20 **PREVENTION PLAN.**

21 Section 435 (20 U.S.C. 1085) is amended—

22 (1) in subsection (a)—

23 (A) in paragraph (2), by adding at the end
24 the following:

1 “(E) In any case where the Secretary has de-
2 termined that the institution has engaged in default
3 manipulation, the Secretary—

4 “(i) shall recalculate the cohort default
5 rate for the institution under this section using
6 corrected data and information, for all fiscal
7 years for which the default manipulation has
8 occurred; and

9 “(ii) using the recalculated cohort default
10 rate, shall redetermine under subsection (a)(2)
11 whether the institution is ineligible to partici-
12 pate in a program under this title.”; and

13 (B) in paragraph (7)(A), by adding at the
14 end the following:

15 “(iii) SUMMARY OF DEFAULT PRE-
16 VENTION PLAN.—Upon receiving technical
17 assistance from the Secretary under clause
18 (ii), each institution subject to this sub-
19 paragraph shall—

20 “(I) prepare a summary of the
21 plan described under clause (i) that is
22 directed to a student audience;

23 “(II) make the summary publicly
24 available; and

1 “(III) provide the summary to
2 students at the institution.”; and

3 (2) in subsection (m)(3), by striking “through
4 the use of” and all that follows through the period
5 at the end and inserting “through default manipula-
6 tion.”.

7 **SEC. 430. IMPROVED DISABILITY DETERMINATIONS.**

8 (a) IN GENERAL.—Section 437(a) (20 U.S.C.
9 1087(a)) is amended—

10 (1) in the matter preceding subparagraph (A)
11 of paragraph (1), by striking “Notwithstanding any
12 other provision of this subsection,” and inserting
13 “Except as provided in paragraph (4),”;

14 (2) by striking paragraph (2) and inserting the
15 following:

16 “(2) SERVICE-CONNECTED DISABILITY DETER-
17 MINATIONS.—

18 “(A) IN GENERAL.—A borrower who has
19 been determined by the Secretary of Veterans
20 Affairs or Secretary of Defense to be unemploy-
21 able due to a service-connected condition and
22 who provides documentation of such determina-
23 tion to the Secretary of Education, shall be con-
24 sidered permanently and totally disabled for the
25 purpose of discharging such borrower’s loans

1 under this subsection, and such borrower shall
2 not be required to present additional docu-
3 mentation for purposes of this subsection.

4 “(B) DETERMINATION BY THE SECRETARY
5 OF VETERANS AFFAIRS OR THE SECRETARY OF
6 DEFENSE.—

7 “(i) IN GENERAL.—A borrower who
8 has been assigned a disability rating of
9 100 percent (or a combination of ratings
10 equaling 100 percent or more) by the Sec-
11 retary of Veterans Affairs or the Secretary
12 of Defense for a service-connected dis-
13 ability (as defined in section 101 of title
14 38, United States Code) and who provides
15 documentation of such rating to the Sec-
16 retary of Education, shall be considered
17 permanently and totally disabled for the
18 purpose of discharging such borrower’s
19 loans under this subsection, and such bor-
20 rower shall not be required to present any
21 additional documentation for purposes of
22 this subsection.

23 “(ii) RATING OF DISABILITY.—A dis-
24 ability rating described in clause (i), or
25 similar determination of unemployability

1 by the Secretary of Veterans Affairs or the
2 Secretary of Defense, transmitted in ac-
3 cordance with clause (iii) shall be consid-
4 ered sufficient documentation for purposes
5 of this subsection.

6 “(iii) TRANSFER OF INFORMATION.—
7 Not later than 180 days after the date of
8 enactment of the Higher Education Afford-
9 ability Act, the Secretary, in coordination
10 with the Secretary of Defense and the Sec-
11 retary of Veteran Affairs, shall create a
12 system through which the applicable dis-
13 ability ratings (or alternative means of
14 transmitting a determination of
15 unemployability) shall be automatically
16 transmitted from the Department of De-
17 fense or the Department of Veterans Af-
18 fairs, as the case may be, to the Depart-
19 ment of Education and shall satisfy the
20 documentation requirement described in
21 this subparagraph. The Secretary shall
22 have the authority to enter into any agree-
23 ments necessary to implement the require-
24 ments of this subparagraph.

1 “(II) the number of such applica-
2 tions that were approved; and

3 “(III) the number of loan dis-
4 charges that were completed under
5 this subsection.

6 “(ii) A summary of the reasons why
7 the Secretary reinstated the obligation of,
8 and resumed collection on, loans dis-
9 charged under this subsection.

10 “(iii) The data described in subclauses
11 (I) through (III) of clause (i), and clause
12 (ii), for each of the following:

13 “(I) Borrowers applying for, and
14 borrowers receiving, loan discharges
15 under paragraph (2)(A).

16 “(II) Borrowers applying for, and
17 borrowers receiving, loan discharges
18 under paragraph (2)(B).

19 “(III) Borrowers applying for,
20 and borrowers receiving, loan dis-
21 charges under paragraph (3).

22 “(iv) Any other information the Sec-
23 retary determines is necessary.

24 “(B) REPORT.—The Secretary shall annu-
25 ally report to Congress, and make publicly

1 available, the information described in subpara-
2 graph (A).”.

3 (b) REPORTS.—

4 (1) PLAN.—Not later than 90 days after the
5 date of the enactment of this Act, the Secretary of
6 Education shall submit to the appropriate commit-
7 tees of Congress a report that includes a plan to
8 carry out the activities described under section
9 437(a)(2)(B)(iii) of the Higher Education Act of
10 1965 (20 U.S.C. 1087(a)(2)(B)(iii)), as amended by
11 this section.

12 (2) FOLLOW-UP REPORT.—If the Secretary of
13 Education has not carried out the activities de-
14 scribed under section 437(a)(2)(B)(iii) of the Higher
15 Education Act of 1965, as amended by this section,
16 by the date that is 1 year after the date of enact-
17 ment of this Act, the Secretary of Education shall
18 submit to the appropriate committees of Congress,
19 by such date, a report that includes an explanation
20 of why those activities have not been implemented.

21 **SEC. 431. TREATMENT OF BORROWERS FALSELY CER-**
22 **TIFIED AS ELIGIBLE TO BORROW DUE TO**
23 **IDENTITY THEFT.**

24 Section 437(c)(1) (20 U.S.C. 1087(c)(1)) is amended
25 by striking “of a crime”.

1 **PART C—FEDERAL WORK-STUDY PROGRAMS**

2 **SEC. 441. AUTHORIZATION OF APPROPRIATIONS.**

3 Section 441(b) (42 U.S.C. 2751(b)) is amended by
4 striking “2009” and inserting “2015”.

5 **SEC. 442. FEDERAL WORK STUDY ALLOCATION OF FUNDS.**

6 Section 442 (42 U.S.C. 2752) is amended—

7 (1) by striking subsection (a) and inserting the
8 following:

9 “(a) ALLOCATION BASED ON PREVIOUS ALLOCA-
10 TION.—

11 “(1) IN GENERAL.—From the amount appro-
12 priated pursuant to section 441(b), for each fiscal
13 year, the Secretary shall allocate to each eligible in-
14 stitution an amount equal to not less than 90 per-
15 cent and not more than 110 percent of the amount
16 that the eligible institution received under this sub-
17 section and subsection (b) (as such subsections were
18 in effect with respect to allocations for such fiscal
19 year) for the previous fiscal year for which that in-
20 stitution received funds under this section.

21 “(2) RATABLE REDUCTION.—If the amount ap-
22 propriated for any fiscal year is less than the
23 amount required to be allocated to all institutions
24 under paragraph (1), then the amount of the alloca-
25 tion to each such institution shall be ratably re-
26 duced.

1 “(3) NO PREVIOUS ALLOCATION.—In the case
2 of an institution that has not received a previous al-
3 location under this section, the Secretary shall allo-
4 cate funds under this section solely on the basis of
5 the self-help need determination described under
6 subsection (c).”; and

7 (2) in subsection (c)—

8 (A) in paragraph (2), by striking “To de-
9 termine the self-help need of an institution’s eli-
10 gible undergraduate students,” and inserting
11 “Until such time as the Secretary establishes a
12 revised method to determine the self-help need
13 of an institution’s eligible undergraduate stu-
14 dents, in accordance with paragraph (5),”;

15 (B) in paragraph (3), by striking “To de-
16 termine the self-help need of an institution’s eli-
17 gible graduate and professional students,” and
18 inserting “Until such time as the Secretary es-
19 tablishes a revised method to determine the
20 self-help need of an institution’s eligible grad-
21 uate and professional students, in accordance
22 with paragraph (5),”; and

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

24 “(5) Not later than 1 year after the date of en-
25 actment of the Higher Education Affordability Act,

1 the Secretary shall establish revised methods for de-
2 termining the self-help need of an institution's eligi-
3 ble undergraduate students, as described in para-
4 graph (2), and eligible graduate and professional
5 students, as described in paragraph (3), which shall
6 take into account the number of low- and moderate-
7 income students that an eligible institution serves.
8 The Secretary shall promulgate any regulations nec-
9 essary to carry out the revised methods of deter-
10 mining an eligible institution's self-help need under
11 this subsection.”.

12 **SEC. 443. INSTITUTIONAL SHARE OF FEDERAL WORK**
13 **STUDY FUNDS.**

14 Section 443(b)(5) (42 U.S.C. 2753(b)(5)) is amended
15 by striking “75 percent” and inserting “50 percent” each
16 place the term appears.

17 **SEC. 444. ADDITIONAL FUNDS TO CONDUCT COMMUNITY**
18 **SERVICE WORK-STUDY PROGRAMS.**

19 Section 447(b)(4) (42 U.S.C. 2756a(b)(4)) is amend-
20 ed by striking “2009” and inserting “2015”.

21 **SEC. 445. WORK COLLEGES.**

22 Section 448(f) (42 U.S.C. 2756b(f)) is amended by
23 striking “2009” and inserting “2015”.

1 **PART D—FEDERAL DIRECT LOAN PROGRAM**

2 **SEC. 451. ELIMINATION OF ORIGINATION FEES AND OTHER**
3 **AMENDMENTS TO TERMS AND CONDITIONS**
4 **OF LOANS.**

5 (a) AMENDMENTS.—Section 455 (20 U.S.C. 1087e)
6 is amended—

7 (1) by repealing subsection (c);

8 (2) in subsection (d)—

9 (A) in paragraph (1)(D), by inserting “or
10 to any borrower who has not selected the in-
11 come contingent repayment plan before the date
12 that is 1 year after the date of enactment of the
13 Higher Education Affordability Act” before the
14 semicolon at the end; and

15 (B) in paragraph (5)—

16 (i) by striking subparagraph (A) and
17 inserting the following:

18 “(A) pay collection costs in an amount
19 that is reasonable and that does not exceed the
20 bona fide collection costs associated with such
21 student loan that are actually incurred in col-
22 lecting the debt against the borrower; and”;
23 and

24 (ii) in subparagraph (B), by striking
25 “income contingent repayment plan” and

1 inserting “income-based repayment plan,
2 as provided in 493C”;

3 (3) in subsection (e)—

4 (A) in paragraph (1), by striking “The
5 Secretary may” and inserting “With respect to
6 borrowers who have selected, or been required
7 to use, an income contingent repayment plan
8 before the date that is 1 year after the date of
9 enactment of the Higher Education Afford-
10 ability Act, the Secretary may”;

11 (B) in paragraph (3), by inserting “before
12 the date that is 1 year after the date of enact-
13 ment of the Higher Education Affordability
14 Act” after “income contingent repayment”;

15 (C) by striking paragraph (6); and

16 (D) by redesignating paragraph (7) as
17 paragraph (6);

18 (4) in subsection (f)(2)—

19 (A) in subparagraph (C), by striking “the
20 borrower—” and all that follows through “de-
21 scribed in clause (i) or (ii); or” and inserting
22 “the borrower is performing eligible military
23 service, and for the 180-day period following
24 the demobilization date for such eligible mili-
25 tary service;”;

1 (B) by redesignating subparagraph (D) as
2 subparagraph (E); and

3 (C) by inserting after subparagraph (C)
4 the following:

5 “(D) any period not in excess of 180 days
6 after the effective movement date listed on the
7 military orders of a borrower’s spouse if that
8 spouse is a member of the Armed Forces who
9 has received military orders for a permanent
10 change of station; or”;

11 (5) by striking subsection (h) and inserting the
12 following:

13 “(h) BORROWER CLAIMS AND DEFENSES.—

14 “(1) IN GENERAL.—Notwithstanding any other
15 provision of State or Federal law, a borrower, re-
16 gardless of the account status of the borrower’s loan,
17 may assert as an affirmative claim or defense
18 against repayment, any act or omission of an insti-
19 tution of higher education attended by the borrower
20 that would give rise to a cause of action against the
21 institution under this Act, other Federal law, or ap-
22 plicable State law, except that in no event may a
23 borrower recover from the Secretary, in any action
24 arising from or relating to a loan made under this

1 part, an amount in excess of the amount such bor-
2 rower has repaid on such loan.

3 “(2) EXERCISE BY SECRETARY.—The Secretary
4 may elect to carry out the authority under this sub-
5 section on behalf of a group of multiple borrowers
6 if the Secretary determines that the group has been
7 harmed by the same act, omission, or practice.”;

8 (6) in subsection (m)—

9 (A) by redesignating paragraphs (3) and
10 (4) as paragraphs (4) and (5), respectively; and

11 (B) by inserting after paragraph (2) the
12 following:

13 “(3) LUMP SUM PAYMENT.—For purposes of
14 this subsection, if a borrower has enrolled in a re-
15 payment plan described in paragraph (1)(A) and
16 makes a lump sum payment through a student loan
17 repayment program under section 2171 of title 10,
18 United States Code, or a similarly structured eligible
19 repayment program (as determined by the Sec-
20 retary), the Secretary will treat the borrower as hav-
21 ing made a number of qualifying payments equal to
22 the lesser of—

23 “(A) the number, rounded to the nearest
24 whole number, equal to the quotient of—

1 “(i) such lump sum payment; divided
2 by

3 “(ii) the monthly payment amount
4 that the borrower would have otherwise
5 made under the repayment plan described
6 in paragraph (1)(A) selected by the bor-
7 rower; or

8 “(B) 12 payments.”; and

9 (7) in subsection (o)—

10 (A) by striking paragraph (1) and insert-
11 ing the following:

12 “(1) IN GENERAL.—Notwithstanding any other
13 provision of this part and in accordance with para-
14 graphs (2) and (4), the Secretary shall not charge
15 interest on a loan made to a borrower under this
16 part for which the first disbursement is made on or
17 after October 1, 2008 during the period in which a
18 borrower who is performing eligible military service
19 is serving in an area of hostilities in which service
20 qualifies for special pay under section 310 of title
21 37, United States Code.”;

22 (B) by striking paragraph (3) and insert-
23 ing the following:

1 “(3) IMPLEMENTATION OF ACCRUAL OF INTER-
2 EST PROVISION FOR MEMBERS OF THE ARMED
3 FORCES.—

4 “(A) IN GENERAL.—The Secretary of Edu-
5 cation shall enter into any necessary agree-
6 ments, including agreements with the Commis-
7 sioner of the Internal Revenue Service and the
8 Secretary of Defense—

9 “(i) to ensure that interest does not
10 accrue for eligible military borrowers, in
11 accordance with this subsection; and

12 “(ii) to obtain or provide any informa-
13 tion necessary to implement clause (i)
14 without requiring a request from the bor-
15 rower.

16 “(B) REPORTS.—

17 “(i) PLAN.—Not later than 90 days
18 after the date of enactment of the Higher
19 Education Affordability Act, the Secretary
20 shall submit to the appropriate committees
21 of Congress a report that includes a plan
22 to implement the accrual of interest provi-
23 sion described in subparagraph (A).

24 “(ii) FOLLOW-UP REPORT.—If the
25 Secretary has not implemented the accrual

1 of interest provision described in subpara-
2 graph (A) by the date that is 1 year after
3 the date of enactment of the Higher Edu-
4 cation Affordability Act, the Secretary
5 shall submit, by such date, a report that
6 includes an explanation of why such provi-
7 sion has not been implemented.”; and

8 (C) in paragraph (4), by striking “who
9 qualifies as an eligible military borrower under
10 this subsection” and inserting “described in
11 paragraph (1)”.

12 (b) EFFECTIVE DATES.—

13 (1) REPEAL OF LOAN FEES.—The amendment
14 made by subsection (a)(1) shall apply with respect to
15 loans made under part D of title IV of the Higher
16 Education Act of 1965 (20 U.S.C. 1087a et seq.) for
17 which the first disbursement of principal is made,
18 or, in the case of a Federal Direct Consolidation
19 Loan made under such part, the application is re-
20 ceived, on or after July 1, 2014.

21 (2) TERMINATING INCOME CONTINGENT REPAY-
22 MENT.—The amendments made by subparagraphs
23 (A) and (B)(ii) of paragraph (2), and paragraph (3),
24 of subsection (a) shall take effect on the date that
25 is 1 year after the date of enactment of this Act.

1 **SEC. 452. IMPROVED STUDENT LOAN SERVICING AND DEBT**
2 **COLLECTION PRACTICES.**

3 (a) AMENDMENTS.—Section 456 (20 U.S.C. 1087f)
4 is amended by adding at the end the following:

5 “(c) LIMITATION ON CONTRACTS FOR THE SERV-
6 ICING OF LOANS.—

7 “(1) IN GENERAL.—A contract entered into
8 under this section for the servicing of loans made or
9 purchased under this part shall include—

10 “(A) a provision that prohibits the servicer
11 from marketing to a borrower of a loan which
12 the servicer services, a financial product or
13 service while the borrower is enrolled in an in-
14 stitution of higher education;

15 “(B) a provision that, after the borrower is
16 no longer enrolled in an institution of higher
17 education, the servicer may only market a fi-
18 nancial product or service to the borrower
19 through an opt-in rather than an opt-out sys-
20 tem; and

21 “(C) a provision that, to the extent prac-
22 ticable, the servicer shall clearly disclose in any
23 written material or correspondence sent or
24 made available to the borrower (including cor-
25 respondence and disclosures on the website of
26 the servicer) that the material or correspond-

1 ence is in relation to a Department of Edu-
2 cation loan.

3 “(2) NO PREDISPUTE ARBITRATION
4 CLAUSES.—A contract entered into under this sec-
5 tion for the servicing of loans made or purchased
6 under this part shall include a provision that any
7 rights and remedies available to borrowers against
8 the servicer may not be waived by any agreement,
9 policy, or form, including by a predispute arbitration
10 agreement.

11 “(d) STUDY OF DIRECT LOAN DEBT COLLECTION.—

12 “(1) IN GENERAL.—The Secretary shall con-
13 duct a study to determine whether it is efficient and
14 effective to contract with private entities under this
15 section for the collection of loans made or purchased
16 under this part that are in default.

17 “(2) EVALUATION METHOD.—For purposes of
18 the study described in paragraph (1), the Secretary
19 shall evaluate efficiency and effectiveness in terms
20 of—

21 “(A) the cost incurred by the Federal Gov-
22 ernment for the collections of defaulted loans
23 under this part through contracts under this
24 section, and such cost in comparison with the
25 costs of other methods by which debt owed to

1 the Federal Government are collected or recov-
2 ered, including the collection of any unpaid
3 Federal income taxes;

4 “(B) the consumer protections provided to
5 the borrower who has defaulted on a loan under
6 this part through the collections process;

7 “(C) the impact of the collections process
8 for defaulted loans under this part on the integ-
9 rity of the loan program carried out under this
10 part; and

11 “(D) borrower experience, as determined
12 through borrower surveys.

13 “(3) RECOVERY COSTS.—

14 “(A) IN GENERAL.—As part of the study
15 conducted under this subsection, the Secretary
16 shall calculate the average recovery cost, per
17 dollar recovered, through the collection of de-
18 faulted loans made under this part, in the ag-
19 gregate for all borrowers of defaulted loans and
20 disaggregated for the following categories of
21 borrowers of defaulted loans:

22 “(i) Veterans with a service-connected
23 disability (as defined in section 101 of title
24 38, United States Code).

1 “(ii) Individuals who are entitled to
2 benefits under section 223 of the Social
3 Security Act (42 U.S.C. 423).

4 “(iii) Individuals who are allowed an
5 earned income tax credit pursuant to sec-
6 tion 32 of the Internal Revenue Code of
7 1986.

8 “(iv) Recipients of assistance under
9 the supplemental nutrition assistance pro-
10 gram established under the Food and Nu-
11 trition Act of 2008 (7 U.S.C. 2011 et
12 seq.).

13 “(B) CONSULTATION.—The Secretary
14 shall consult with the Secretary of the Treas-
15 ury, the Administrator of the Social Security
16 Administration, the Secretary of Veterans Af-
17 fairs, and the Secretary of Agriculture, as ap-
18 propriate, in order to identify individuals in the
19 categories described in clauses (i) through (iv)
20 of subparagraph (A) and to calculate the aver-
21 age recovery cost per dollar recovered for each
22 category of borrowers.

23 “(4) ADDITIONAL INFORMATION REGARDING
24 COSTS.—The Secretary may directly carry out collec-
25 tion activities for a subset of defaulted loans under

1 this part, instead of awarding contracts under sub-
2 section (b)(2) for such activities, if the Secretary de-
3 termines it would better inform the study required
4 under paragraph (1).

5 “(5) REPORT.—By not later than the date that
6 is 1 year after the date of enactment of the Higher
7 Education Affordability Act, the Secretary shall pre-
8 pare and submit to the authorizing committees a re-
9 port that includes the findings of the study con-
10 ducted under paragraph (1).

11 “(e) CERTIFICATION NECESSARY FOR CONTINUED
12 PRIVATE DEBT COLLECTIONS.—

13 “(1) CERTIFICATION.—Not later than 1 year
14 after the date of enactment of the Higher Education
15 Affordability Act, the Secretary shall submit to the
16 authorizing committees, and make available to the
17 public—

18 “(A) a certification that the Secretary has
19 determined, based on the results of the study
20 conducted under subsection (d), that—

21 “(i) the use of private entities for the
22 collection of defaulted loans made or pur-
23 chased under this part is necessary to
24 maintain the integrity of the loan program
25 carried out under this part;

1 “(ii) the collection costs paid to such
2 private entities under the contracts author-
3 ized by this section, in the aggregate and
4 for each category of borrowers described in
5 subsection (d)(3)(A), are reasonable; and

6 “(iii) expending funds for such collec-
7 tion costs is in the best financial interest
8 of the United States; or

9 “(B) a notification that the Secretary will
10 not issue the certification described in subpara-
11 graph (A).

12 “(2) PROHIBITION OF CONTRACTS FOR PRIVATE
13 DEBT COLLECTIONS WITHOUT CERTIFICATION.—
14 Notwithstanding subsection (b)(2), beginning on the
15 date that is 1 year after the date of enactment of
16 the Higher Education Affordability Act, the Sec-
17 retary shall not enter into any contract with a pri-
18 vate entity under this section for the collection of de-
19 faulted loans made or purchased under this part if
20 the Secretary did not issue the certification de-
21 scribed in paragraph (1)(A) by such date.

22 “(f) TERMINATION OF CONTRACTS.—

23 “(1) TERMINATION.—The Secretary shall ter-
24 minate any contract with an entity for the collection
25 of defaulted loans made or purchased under this

1 part if the entity, an affiliate of that entity, or a
2 service provider of the entity is found to have com-
3 mitted a violation of—

4 “(A) the prohibition on unfair, deceptive,
5 or abusive acts or practices under section 1031
6 of the Consumer Financial Protection Act of
7 2010 (12 U.S.C. 5531), including the regula-
8 tions promulgated under such section, relating
9 to the services performed pursuant to a con-
10 tract under this section; or

11 “(B) the Fair Debt Collection Practices
12 Act (15 U.S.C. 1692 et seq.), including the reg-
13 ulations promulgated under such Act, relating
14 to the services performed pursuant to a con-
15 tract under this section.

16 “(2) PROHIBITION ON ADDITIONAL CON-
17 TRACTS.—If the Secretary terminates a contract
18 with an entity under paragraph (1), such entity—

19 “(A) shall not be eligible to participate in
20 the next award cycle for contracts relating to
21 the collection of defaulted loans made or pur-
22 chased under this part that follows the date of
23 termination of the contract; and

24 “(B) shall not be eligible to receive any
25 new contract relating to the collection of such

1 defaulted loans during the 2-year period begin-
2 ning on the date of termination.

3 “(3) IDENTIFICATION OF OTHER VIOLA-
4 TIONS.—

5 “(A) IN GENERAL.—In any case where the
6 Secretary obtains evidence that any person or
7 entity has engaged in debt collection practices
8 described in paragraph (1) that may constitute
9 a violation of Federal law, the Secretary shall
10 transmit such evidence to the Director of the
11 Bureau of Consumer Financial Protection for
12 further proceedings under the appropriate law.

13 “(B) RULE OF CONSTRUCTION.—Nothing
14 in this paragraph shall be construed to affect
15 any other authority provided to the Secretary to
16 disclose information to a Federal agency.”.

17 (b) STUDY AND REPORT ON SPECIALTY SERVICING
18 CONTRACTS.—

19 (1) IN GENERAL.—The Secretary of Education,
20 in consultation with the Director of the Bureau of
21 Consumer Financial Protection and the Secretary of
22 the Treasury, shall—

23 (A) conduct a study as to whether spe-
24 cialty servicing contracts in the Federal Direct
25 Loan Program under part D of title IV of the

1 Higher Education Act of 1965 (20 U.S.C.
2 1087a et seq.) could better serve varying seg-
3 ments of student loan borrowers, and, in par-
4 ticular, the unique needs of borrowers in delin-
5 quency or experiencing partial financial hard-
6 ship and the allocation of servicer resources to
7 assist such borrower segment; and

8 (B) not later than 180 days after the date
9 of enactment of this Act, submit a report to the
10 Committee on Health, Education, Labor, and
11 Pensions and the Committee on Banking,
12 Housing, and Urban Affairs of the Senate, and
13 the Committee on Education and the Workforce
14 and the Committee on Financial Services of the
15 House of Representatives, on the study de-
16 scribed in subparagraph (A).

17 (2) SPECIALTY SERVICING CONTRACT.—In this
18 subsection, the term “specialty servicing contract”
19 means a contract—

20 (A) entered into pursuant to section 456 of
21 the Higher Education Act of 1965 (20 U.S.C.
22 1087f) for the servicing of loans made or pur-
23 chased under part D of title IV of such Act (20
24 U.S.C. 1087a et seq.) that provides for serv-

1 icing loans for a distinct and specified subset of
2 borrowers; and

3 (B) that may be compensated at a greater
4 level for such services, as determined appro-
5 priate by the Secretary of Education.

6 (c) REPORT ON SERVICER COMPENSATION.—

7 (1) IN GENERAL.—The Secretary of Education,
8 in consultation with the Director of the Bureau of
9 Consumer Financial Protection and the Secretary of
10 the Treasury, shall conduct a report—

11 (A) on the compensation and incentive
12 structure for servicers of loans made, insured,
13 or guaranteed under title IV of the Higher
14 Education Act of 1965 (20 U.S.C. 1070 et
15 seq.) and whether servicers adequately encour-
16 age repayment, as well as the use of alternative
17 repayment options and discharge where appro-
18 priate; and

19 (B) that includes an analysis of the criteria
20 utilized by the Department of Education in de-
21 termining performance-based allocation of ac-
22 count volume in entering into contracts for
23 servicing of loans made or purchased under
24 part D of title IV of the Higher Education Act
25 of 1965 (20 U.S.C. 1087a et seq.), and the ef-

1 fectiveness of those metrics in promoting repay-
2 ment.

3 (2) COMMENTS FROM THE PUBLIC.—In con-
4 ducting the report under paragraph (1), the Sec-
5 retary of Education, in consultation with the Direc-
6 tor of the Bureau of Consumer Financial Protection
7 and the Secretary of the Treasury, shall seek and
8 take comments from the public.

9 (3) PROCEDURES TO IMPLEMENT REC-
10 COMMENDATIONS.—If the report conducted under
11 paragraph (1) includes recommendations on meas-
12 ures to improve the incentive structure, the report
13 shall also include the procedures to implement such
14 recommendations.

15 (4) PUBLICATION.—The report conducted
16 under paragraph (1) shall be published not later
17 than 180 days after the date of enactment of this
18 Act.

19 (d) REPORT AND PLAN ON FFEL SERVICING.—

20 (1) IN GENERAL.—Not later than 180 days
21 after the date of enactment of this Act, the Sec-
22 retary of Education, in consultation with the Direc-
23 tor of the Bureau of Consumer Financial Protection
24 and the Secretary of the Treasury, shall publish a
25 report that identifies whether the public has ade-

1 quate visibility into the market of loan servicing
2 under part B of title IV of the Higher Education
3 Act of 1965 (20 U.S.C. 1071 et seq.) to adequately
4 assess the performance of such servicing under such
5 part, including—

6 (A) the utilization of alternative repayment
7 plans;

8 (B) the distribution of delinquent and de-
9 faulted loan balances; and

10 (C) loan performance by institution type.

11 (2) PLAN.—If the Secretary of Education, in
12 consultation with the Director of the Bureau of Con-
13 sumer Financial Protection and the Secretary of the
14 Treasury, determines that the public does not have
15 enough visibility into the market of loan servicing, as
16 described in paragraph (1), the Secretary of Edu-
17 cation, in consultation with the Director of the Bu-
18 reau of Consumer Financial Protection and the Sec-
19 retary of the Treasury, shall establish a plan to dis-
20 close such information necessary to provide for such
21 visibility.

22 (e) REPORT ON SERVICING CHALLENGES.—The Sec-
23 retary of Education shall periodically issue a report, at
24 times determined appropriate by the Secretary, about the
25 challenges borrowers face in the servicing of their student

1 loans, impediments to the efficient and effective servicing
2 of loans under title IV of the Higher Education Act of
3 1965 (20 U.S.C. 1070 et seq.), and any changes, including
4 protections for consumers, that should be considered to
5 improve postsecondary education loan servicing for all bor-
6 rowers, servicers, taxpayers, and the Department of Edu-
7 cation.

8 **SEC. 453. FUNDS FOR ADMINISTRATIVE EXPENSES.**

9 Section 458(a) (20 U.S.C. 1087h(a)) is amended—

10 (1) in paragraph (3)—

11 (A) in the paragraph heading, by striking
12 “2007 THROUGH 2014” and inserting “2015
13 THROUGH 2020”; and

14 (B) by striking “2007 through 2014” and
15 inserting “2015 through 2020”;

16 (2) in paragraph (4), by striking “2007
17 through 2014” and inserting “2015 through 2020”;
18 and

19 (3) in paragraph (5), by striking “paragraph
20 (3)” and inserting “paragraph (4)”.

21 **SEC. 454. FEDERAL DIRECT LOAN FORGIVENESS FOR CER-**
22 **TAIN AMERICAN INDIAN EDUCATORS.**

23 Section 460(c) (20 U.S.C. 1087j(c)) is amended by
24 adding at the end the following:

1 “(4) AMERICAN INDIAN TEACHERS IN LOCAL
2 EDUCATIONAL AGENCIES WITH A HIGH PERCENTAGE
3 OF AMERICAN INDIAN STUDENTS.—Notwithstanding
4 the amount specified in paragraph (1) and the re-
5 quirements under subparagraphs (A) and (B) of
6 subsection (b)(1), the aggregate amount that the
7 Secretary shall cancel under this section shall be not
8 more than \$17,500 in the case of a borrower who—

9 “(A) has been employed as a full-time
10 teacher for 5 consecutive complete school years
11 in a local educational agency described in sec-
12 tion 7112(b) of the Elementary and Secondary
13 Education Act of 1965 or in a school operated
14 or funded by the Bureau of Indian Education;
15 and

16 “(B) is a member of an Indian tribe (as
17 defined in section 4 of the Indian Self-Deter-
18 mination and Education Assistance Act (25
19 U.S.C. 450b)).”.

20 **PART E—FEDERAL PERKINS LOANS**

21 **SEC. 461. APPROPRIATIONS AUTHORIZED.**

22 Section 461(b) (20 U.S.C. 1087aa) is amended—

23 (1) in paragraph (1), by striking
24 “\$300,000,000” and all that follows through the pe-
25 riod at the end and by inserting “such sums as may

1 be necessary for fiscal year 2015 and each of the
2 five succeeding fiscal years.”; and

3 (2) in paragraph (2), by striking “2015” each
4 place the term appears and inserting “2021”.

5 **SEC. 462. PERKINS ALLOCATION OF FUNDS.**

6 Section 462 (20 U.S.C. 1087bb) is amended—

7 (1) by striking subsection (a) and inserting the
8 following:

9 “(a) ALLOCATION BASED ON PREVIOUS ALLOCA-
10 TION.—

11 “(1) IN GENERAL.—From the amount appro-
12 priated pursuant to section 461(b), for each fiscal
13 year, the Secretary shall allocate to each eligible in-
14 stitution an amount equal to not less than 90 per-
15 cent and not more than 110 percent of the amount
16 that the eligible institution received under this sub-
17 section and subsection (b) (as such subsections were
18 in effect with respect to allocations for such fiscal
19 year) for the previous fiscal year for which that in-
20 stitution received funds under this section.

21 “(2) RATABLE REDUCTION.—If the amount ap-
22 propriated for any fiscal year is less than the
23 amount required to be allocated to all institutions
24 under paragraph (1), then the amount of the alloca-

1 tion to each such institution shall be ratably re-
2 duced.

3 “(3) NO PREVIOUS ALLOCATION.—In the case
4 of an institution that has not received a previous al-
5 location under this section, the Secretary shall allo-
6 cate funds under this section solely on the basis of
7 the self-help need determination described under
8 subsection (c).”; and

9 (2) in subsection (c)—

10 (A) in paragraph (2), by striking “To de-
11 termine the self-help need of an institution’s eli-
12 gible undergraduate students,” and inserting
13 “Until such time as the Secretary establishes a
14 revised method to determine the self-help need
15 of an institution’s eligible undergraduate stu-
16 dents, in accordance with paragraph (5),”;

17 (B) in paragraph (3), by striking “To de-
18 termine the self-help need of an institution’s eli-
19 gible graduate and professional students,” and
20 inserting “Until such time as the Secretary es-
21 tablishes a revised method to determine the
22 self-help need of an institution’s eligible grad-
23 uate and professional students, in accordance
24 with paragraph (5),”; and

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

1 (2) in clause (iii), by striking “the borrower—
2 ” and all that follows through “described in sub-
3 clause (I) or (II);” and inserting “during which the
4 borrower is performing eligible military service, and
5 for the 180-day period following the demobilization
6 date for such eligible military service;”; and

7 (3) by inserting after clause (iii) the following:

8 “(iv) not in excess of 180 days after the ef-
9 fective movement date listed on the military or-
10 ders of a borrower’s spouse if that spouse is a
11 member of the Armed Forces who has received
12 military orders for a permanent change of sta-
13 tion; or”.

14 **SEC. 465. FORGIVENESS OF LOANS FOR ELIGIBLE MILI-**
15 **TARY SERVICE.**

16 Section 465(a)(2)(D) (20 U.S.C. 1087ee(a)(2)(D)) is
17 amended by striking “qualifies for special pay under sec-
18 tion 310 of title 37, United States Code, as an area of
19 hostilities” and inserting “is eligible military service”.

20 **SEC. 466. DISTRIBUTION OF ASSETS FROM STUDENT LOAN**
21 **FUNDS.**

22 Section 466(b) (20 U.S.C. 1087ff(b)) is amended by
23 striking “October 1, 2012” and inserting “October 1,
24 2021”.

1 **PART F—NEED ANALYSIS**

2 **SEC. 471. INCREASED INCOME PROTECTION ALLOWANCE**
3 **FOR DEPENDENT STUDENTS.**

4 (a) AMENDMENT.—Section 475(g)(2)(D) (20 U.S.C.
5 1087oo(g)(2)(D)) is amended to read as follows:

6 “(D) an income protection allowance (or a
7 successor amount prescribed by the Secretary
8 under section 478) of \$8,451 for academic year
9 2015–2016;”.

10 (b) EFFECTIVE DATE.—The amendment made by
11 subsection (a) shall take effect on July 1, 2015.

12 **SEC. 472. INCREASED INCOME PROTECTION ALLOWANCE**
13 **FOR INDEPENDENT STUDENTS WITHOUT DE-**
14 **PENDENTS OTHER THAN A SPOUSE.**

15 (a) AMENDMENT.—Section 476(b)(1)(A)(iv) (20
16 U.S.C. 1087pp(b)(1)(A)(iv)) is amended to read as fol-
17 lows:

18 “(iv) an income protection allowance
19 (or a successor amount prescribed by the
20 Secretary under section 478)—

21 “(I) for single or separated stu-
22 dents, or married students where both
23 are enrolled pursuant to subsection
24 (a)(2), of \$13,135 for academic year
25 2015–2016; and

1 “(II) for married students where
 2 1 is enrolled pursuant to subsection
 3 (a)(2), of \$21,060 for academic year
 4 2015–2016;”.

5 (b) EFFECTIVE DATE.—The amendment made by
 6 subsection (a) shall take effect on July 1, 2015.

7 **SEC. 473. INCREASED INCOME PROTECTION ALLOWANCE**
 8 **FOR INDEPENDENT STUDENTS WITH DE-**
 9 **PENDENTS OTHER THAN A SPOUSE.**

10 (a) AMENDMENT.—Section 477(b)(4) of the Higher
 11 Education Act of 1965 (20 U.S.C. 1087qq(b)(4)) is
 12 amended to read as follows:

13 “(4) INCOME PROTECTION ALLOWANCE.—The
 14 income protection allowance is determined by the fol-
 15 lowing table (or a successor table prescribed by the
 16 Secretary under section 478), for academic year
 17 2015–2016:

“Income Protection Allowance						
Family Size (including student)	Number in College					For each additional subtract:
	1	2	3	4	5	
2	\$33,277	\$27,580				\$4,250
3	41,431	35,761	\$30,078			
4	51,151	45,481	39,825	\$34,114		
5	60,358	54,661	49,005	43,321	\$37,665	
6	70,591	64,908	59,265	53,554	47,898	
For each additional add:	6,000					”.

18 (b) EFFECTIVE DATE.—The amendment made by
 19 this section shall take effect on July 1, 2015.

1 **SEC. 474. UPDATED TABLES AND AMOUNTS FOR INCOME**
2 **PROTECTION ALLOWANCE.**

3 (a) AMENDMENTS.—Section 478(b) of the Higher
4 Education Act of 1965 (20 U.S.C. 1087rr(b)) is amend-
5 ed—

6 (1) in paragraph (1), by striking subparagraphs
7 (A) and (B) and inserting the following:

8 “(A) IN GENERAL.—For each academic
9 year after academic year 2015–2016, the Sec-
10 retary shall publish in the Federal Register a
11 revised table of income protection allowances
12 for the purpose of sections 475(c)(4) and
13 477(b)(4), subject to subparagraphs (B) and
14 (C).

15 “(B) TABLE FOR INDEPENDENT STU-
16 DENTS.—For each academic year after aca-
17 demic year 2015–2016, the Secretary shall de-
18 velop the revised table of income protection al-
19 lowances by increasing each of the dollar
20 amounts contained in the table of income pro-
21 tection allowances under section 477(b)(4)(D)
22 by a percentage equal to the estimated percent-
23 age increase in the Consumer Price Index (as
24 determined by the Secretary) between Decem-
25 ber 2014 and the December next preceding the

1 beginning of such academic year, and rounding
2 the result to the nearest \$10.”; and

3 (2) in paragraph (2), by striking “shall be de-
4 veloped” and all that follows through the period at
5 the end and inserting “shall be developed for each
6 academic year after academic year 2015–2016, by
7 increasing each of the dollar amounts contained in
8 such section for academic year 2015–2016 by a per-
9 centage equal to the estimated percentage increase
10 in the Consumer Price Index (as determined by the
11 Secretary) between December 2014 and the Decem-
12 ber next preceding the beginning of such academic
13 year, and rounding the result to the nearest \$10.”.

14 (b) **EFFECTIVE DATE.**—The amendments made by
15 subsection (a) shall take effect on July 1, 2015.

16 **SEC. 475. PRIOR PRIOR YEAR; DEFINITION OF INDE-**
17 **PENDENT STUDENT.**

18 Section 480 (20 U.S.C. 1087) is amended—

19 (1) by striking subparagraph (B) of subsection
20 (a)(1) and inserting the following:

21 “(B) Notwithstanding section 478(a) and beginning
22 not later than 180 days after the date of enactment of
23 the Higher Education Affordability Act, the Secretary
24 shall provide for the use of data from the second preceding
25 tax year when and to the extent necessary to carry out

1 the simplification of applications (including simplification
2 for a subset of applications) used for the estimation and
3 determination of financial aid eligibility. Such simplifica-
4 tion shall include the sharing of data between the Internal
5 Revenue Service and the Department, pursuant to the
6 consent of the taxpayer.”;

7 (2) in subsection (d)—

8 (A) in paragraph (1)(H)—

9 (i) in the matter preceding clause (i),
10 by striking “during the school year in
11 which the application is submitted as ei-
12 ther an unaccompanied youth” and insert-
13 ing “as either an unaccompanied youth age
14 23 or younger who is”;

15 (ii) in clause (i), by inserting “, or a
16 designee of the liaison” after “Act”; and

17 (iii) in clause (ii), by striking “a pro-
18 gram funded under the Runaway and
19 Homeless Youth Act” and inserting “an
20 emergency or transitional shelter, street
21 outreach program, homeless youth drop-in
22 center, or other program serving homeless
23 youth,”; and

24 (B) by adding at the end the following:

1 “(3) SIMPLIFYING THE DETERMINATION PROC-
2 ESS FOR UNACCOMPANIED YOUTH.—

3 “(A) VERIFICATION.—A financial aid ad-
4 ministrator is not required to verify homeless-
5 ness determinations made by the individuals au-
6 thorized to make such determinations under
7 clause (i), (ii), or (iii) of paragraph (1)(H) in
8 the absence of conflicting information. A docu-
9 mented phone call with, or a written statement
10 from, one of the authorized individuals is suffi-
11 cient verification when needed.

12 “(B) DETERMINATION OF INDEPEND-
13 ENCE.—A financial aid administrator shall con-
14 duct the verification under paragraph (1)(H) if
15 a student does not have, and cannot get, docu-
16 mentation from any of the individuals author-
17 ized to make such determinations under clause
18 (i), (ii), or (iii) of paragraph (1)(H). The finan-
19 cial aid administrator shall make the deter-
20 mination of independence based on the deter-
21 mination of a student as an unaccompanied
22 youth who is a homeless child or youth (as such
23 terms are defined in section 725 of the McKin-
24 ney-Vento Homeless Assistance Act), or as un-

1 accompanied, at risk of homelessness, and self-
2 supporting, which—

3 “(i) shall be distinct from a deter-
4 mination of independence described under
5 paragraph (1)(I); and

6 “(ii) may be based on a documented
7 interview with the student if there is no
8 written documentation available.

9 “(C) DURATION OF DETERMINATION.—A
10 student shall receive a determination under
11 paragraph (1)(H) during the school year in
12 which the student initially submits the applica-
13 tion. If a student is determined to be inde-
14 pendent under paragraph (1)(H), the student
15 shall be presumed to be independent in subse-
16 quent years unless—

17 “(i) the student informs the financial
18 aid office that circumstances have changed;
19 or

20 “(ii) the financial aid administrator
21 has specific conflicting information about
22 the student’s independence.”; and

23 (3) by striking paragraph (5) of subsection (e)
24 and inserting the following:

1 “(5) payments made and services provided
2 under part E of title IV of the Social Security Act,
3 including the value of vouchers for education and
4 training made available under section 477 of such
5 Act, and any payments made directly to youth as
6 part of an extended foster care program pursuant to
7 such part E; and”.

8 **PART G—GENERAL PROVISIONS**

9 **SEC. 481. DEFINITIONS.**

10 Section 481 (20 U.S.C. 1088) is amended—

11 (1) by striking subsection (d);

12 (2) in the subsection heading of subsection (f),
13 by striking “DEFINITION OF”;

14 (3) by redesignating subsections (b), (c), (e),
15 and (f) as subsections (f), (m), (c), and (d), respec-
16 tively, and transferring such subsections to be in al-
17 phabetical order based on subsection designation;

18 (4) by inserting after subsection (a) the fol-
19 lowing:

20 “(b) COMMISSION, BONUS, OR OTHER INCENTIVE
21 PAYMENT.—For purposes of this title, the term ‘commis-
22 sion, bonus, or other incentive payment’ means a sum of
23 money or something of value, other than a fixed salary
24 or wages, paid to or given to a person or an entity for
25 services rendered.”;

1 (5) by inserting after subsection (d), as redesignig-
2 nated and transferred by paragraph (3), the fol-
3 lowing:

4 “(e) ELIGIBLE MILITARY SERVICE.—

5 “(1) IN GENERAL.—The term ‘eligible military
6 service’—

7 “(A) in the case of a member of a regular
8 component of the Armed Forces, means full-
9 time duty in the Armed Forces, other than ac-
10 tive duty for training (as defined in section 101
11 of title 38, United States Code) of 30 days or
12 less;

13 “(B) in the case of a member of the re-
14 serve components of the Armed Forces, means
15 service on active duty under a call or order to
16 active duty under—

17 “(i) section 688, 12302, 12304, or
18 12322 of title 10, United States Code;

19 “(ii) subsection (a), (d), or (g) of sec-
20 tion 12301 of title 10, United States Code;
21 or

22 “(iii) section 712 of title 14, United
23 States Code;

24 “(C) in the case of a member of the Army
25 National Guard of the United States or Air Na-

1 tional Guard of the United States, means, in
2 addition to service described in subparagraph
3 (B), full-time service—

4 “(i) in the National Guard of a State
5 for the purpose of organizing, admin-
6 istering, recruiting, instructing, or training
7 the National Guard; or

8 “(ii) in the National Guard under sec-
9 tion 502(f) of title 32, United States Code,
10 when authorized by the President or the
11 Secretary of Defense for the purpose of re-
12 sponding to a national emergency declared
13 by the President and supported by Federal
14 funds; and

15 “(D) in the case of a servicemember who
16 is a commissioned officer of the Public Health
17 Service or the National Oceanic and Atmos-
18 pheric Administration, active service.

19 “(2) EXCLUSIONS.—The term ‘eligible military
20 service’ does not include any period during which an
21 individual—

22 “(A) was assigned full-time by the Armed
23 Forces to a civilian institution for a course of
24 education that was substantially the same as
25 established courses offered to civilians;

1 “(B) serves as a cadet or midshipman at
2 one of the military service academies of the
3 United States; or

4 “(C) serves under the provisions of section
5 12103(d) of title 10, United States Code, pur-
6 suant to an enlistment in the Army National
7 Guard or the Air National Guard, or as a Re-
8 serve for service in the Army Reserve, Navy Re-
9 serve, Air Force Reserve, Marine Corps Re-
10 serve, or Coast Guard Reserve.”;

11 (6) by inserting after subsection (f), as redesign-
12 nated and transferred by paragraph (3), the fol-
13 lowing:

14 “(g) INSTITUTION AFFILIATE.—For purposes of this
15 title, the term ‘institution affiliate’ means any person or
16 entity that controls, is controlled by, or is under common
17 control with, an institution of higher education.

18 “(h) MILITARY ORDERS.—For purposes of this title,
19 the term ‘military orders’, when used with respect to a
20 member of the Armed Forces, means official military or-
21 ders, or any notification, certification, or verification from
22 the member’s commanding officer, with respect to the
23 member’s current or future military duty status.

24 “(i) REVENUE-SHARING ARRANGEMENT.—For pur-
25 poses of this title, the term ‘revenue-sharing arrangement’

1 means an arrangement between an institution of higher
2 education and third party under which—

3 “(1) the third party provides, exclusively or
4 nonexclusively, educational products or services to
5 prospective students or students attending the insti-
6 tution of higher education; and

7 “(2) the third party or institution of higher
8 education pays a fee or provides other material bene-
9 fits, including revenue- or profit-sharing, to the in-
10 stitution of higher education or third party in con-
11 nection with the educational products or services
12 provided to prospective students or students attend-
13 ing the institution of higher education.

14 “(j) SECURING ENROLLMENTS OR SECURING OR
15 AWARDING FINANCIAL AID.—

16 “(1) IN GENERAL.—For purposes of this title,
17 the term ‘securing enrollments or securing or award-
18 ing financial aid’—

19 “(A) means any activity carried out by a
20 person or entity for the purpose of the admis-
21 sion or matriculation of a student to an institu-
22 tion of higher education or the award of finan-
23 cial aid to a student that occurs at any time
24 until the student has completed the student’s
25 educational program at an institution;

1 “(B) includes contact in any form with a
2 prospective student, such as contact through
3 preadmission or advising activities, scheduling
4 an appointment to visit the enrollment office or
5 any other office of the institution, attendance at
6 such an appointment, or involvement in a pro-
7 spective student’s signing of an enrollment
8 agreement or financial aid application; and

9 “(C) does not include making a payment
10 to a third party for the provision of student
11 contact information for prospective students, as
12 long as such payment is not based on—

13 “(i) any additional conduct or action
14 by the third party or any prospective stu-
15 dent, such as participation in preadmission
16 or advising activities, scheduling an ap-
17 pointment to visit the enrollment office or
18 any other office of the institution or at-
19 tendance at such an appointment, or the
20 signing, or being involved in the signing, of
21 a prospective student’s enrollment agree-
22 ment or financial aid application; or

23 “(ii) the number of students (cal-
24 culated at any point in time of an edu-
25 cational program) who apply for enroll-

1 ment, are awarded financial aid, or are en-
2 rolled for any period of time, including
3 through completion of an educational pro-
4 gram.

5 “(k) SERVICE PROVIDER.—For purposes of this title,
6 the term ‘service provider’ means any State, person, or
7 entity that enters into a contract with an eligible institu-
8 tion to administer any aspect of the institution’s participa-
9 tion in any program under this title, including—

10 “(1) securing enrollments or securing or award-
11 ing financial aid;

12 “(2) student performance in educational
13 coursework;

14 “(3) student graduation;

15 “(4) job placement of students; or

16 “(5) any other academic facet of a student’s en-
17 rollment in an institution of higher education.

18 “(l) STUDENT DEFAULT RISK.—For purposes of this
19 title, the term ‘student default risk’ means a risk that is
20 reflected as a percentage that is calculated by taking an
21 institution’s 3-year cohort default rate, as defined in sec-
22 tion 435(m), for the most recent fiscal year available, and
23 multiplying it by the percentage of students enrolled at
24 such institution receiving a Federal student loan author-
25 ized under this title during the previous academic year.”.

1 **SEC. 482. STANDARD NOTIFICATION FORMAT FOR DELIN-**
2 **QUENT BORROWERS; EXPLANATION OF BEN-**
3 **EFITS OF FEDERAL LOANS.**

4 Part G of title IV (20 U.S.C. 1088 et seq.) is amend-
5 ed by inserting after section 483 the following:

6 **“SEC. 483A. STANDARD NOTIFICATION FORMAT FOR DELIN-**
7 **QUENT BORROWERS; EXPLANATION OF BEN-**
8 **EFITS OF FEDERAL LOANS.**

9 “(a) STANDARD NOTIFICATION FORMAT FOR DELIN-
10 QUENT BORROWERS.—

11 “(1) IN GENERAL.—The Secretary, in consulta-
12 tion with the Director of the Bureau of Consumer
13 Financial Protection, shall develop and submit for
14 consumer testing in accordance with section 483C, a
15 standard format to be used to notify, by writing and
16 by telephone, any borrower who is delinquent, or at
17 risk of becoming delinquent, on loans made, insured,
18 or guaranteed under part B or D of the borrower’s
19 repayment options, including deferment, forbear-
20 ance, the income-based repayment plan available
21 under section 493C, loan forgiveness opportunities,
22 and, if applicable, the possibility for loan discharge.

23 “(2) CONTENTS.—To the extent practicable,
24 the information provided through the standard for-
25 mat to borrowers described in paragraph (1) shall
26 include all terms, conditions, fees, and costs associ-

1 ated with the available repayment plans in a format
2 that allows the borrower to compare the borrower's
3 current repayment plan with the alternatives.

4 “(b) EXPLANATION OF THE BENEFITS OF FEDERAL
5 LOANS.—The Secretary, in consultation with the Director
6 of the Bureau of Consumer Financial Protection, shall
7 prepare and make available to eligible institutions, for dis-
8 closure in accordance with section 485(l)(2)(L)(ii), a writ-
9 ten explanation of the benefits that are unique to Federal
10 student loans (including repayment plans, loan forgive-
11 ness, and loan deferment) and a description of the loan
12 terms that borrowers should examine carefully if consid-
13 ering a private education loan.”.

14 **SEC. 483. INSTITUTIONAL FINANCIAL AID AWARD LETTER.**

15 (a) IN GENERAL.—Part G of title IV (20 U.S.C.
16 1088 et seq.) is further amended by inserting after section
17 483A, as added by section 482, the following:

18 **“SEC. 483B. INSTITUTIONAL FINANCIAL AID AWARD LET-**
19 **TERS.**

20 “(a) STANDARD FORMAT.—The Secretary, in con-
21 sultation with the heads of relevant Federal agencies, shall
22 develop a standard format for financial aid award letters
23 based on recommendations from representatives of stu-
24 dents, students' families, institutions of higher education,

1 secondary school and postsecondary education counselors,
2 and nonprofit consumer groups.

3 “(b) KEY REQUIRED CONTENTS FOR FINANCIAL AID
4 AWARD LETTERS.—The standard format developed under
5 subsection (a) shall include, in a consumer-friendly man-
6 ner that is simple and understandable, the following items
7 clearly separated from each other and listed on the first
8 page of the financial aid award letter in either electronic
9 or written format:

10 “(1) Information on the student’s cost of at-
11 tendance based on the most current costs for the
12 academic period covered by the financial aid award
13 letter, including the following expenses (as deter-
14 mined under section 472):

15 “(A) Tuition and fees.

16 “(B) Room and board costs.

17 “(C) Books and supplies.

18 “(D) Transportation.

19 “(E) Miscellaneous personal expenses.

20 “(2)(A) The amount of financial aid that the
21 student would not have to repay, such as scholar-
22 ships, grant aid offered under this title, or grant aid
23 offered by the institution, a State, or an outside
24 source to the student for such academic period;

1 “(B) a disclosure that such financial aid does
2 not have to be repaid and whether the student can
3 expect to receive similar amounts of such financial
4 aid for each academic period the student is enrolled
5 at the institution; and

6 “(C) in the case of any institution that has a
7 policy or practice of front-loading grant aid, a disclo-
8 sure of that practice and that the student may re-
9 ceive less grant aid in future academic terms.

10 “(3) The net price that the student, or the stu-
11 dent’s family on behalf of the student, will have to
12 pay for the student to attend the institution for such
13 academic period, equal to the difference between—

14 “(A) the cost of attendance as described in
15 paragraph (1) for the student for such aca-
16 demic period; and

17 “(B) the amount of financial aid described
18 in paragraph (2) that is included in the finan-
19 cial aid award letter.

20 “(4) The amount of work study assistance, in-
21 cluding such assistance available under part C, the
22 likelihood of finding employment opportunities on
23 campus, and a disclosure that the aid must be
24 earned by the student and the assistance offered is

1 subject to the availability of employment opportuni-
2 ties.

3 “(5) The types and amounts of loans under
4 part D or E that the institution recommends for the
5 student for such academic period, including—

6 “(A) a disclosure that such loans have to
7 be repaid;

8 “(B) a disclosure that the student can bor-
9 row a lesser amount than the recommended
10 loan amount;

11 “(C) a clear use of the word ‘loan’ to de-
12 scribe the recommended loan amounts;

13 “(D) personalized information showing es-
14 timates of the borrower’s anticipated monthly
15 payments and the difference in total interest
16 paid and total payments under each plan;

17 “(E) a disclosure that Federal loans can-
18 not be discharged in bankruptcy except in cases
19 of extreme or undue hardship; and

20 “(F) a disclosure that the student may be
21 eligible for longer repayment terms, such as ex-
22 tended or income-based repayment plans, and
23 that longer repayment terms may result in the
24 student paying more money over the life of the
25 loans.

1 “(6) Where a student or the student’s family
2 can seek additional information regarding the finan-
3 cial aid offered, including contact information for
4 the institution’s financial aid office and the Depart-
5 ment’s website on financial aid.

6 “(7) A disclosure that Federal student loans
7 offer generally more favorable terms and beneficial
8 repayment options than private education loans so
9 students should examine available Federal student
10 loan options before applying for private education
11 loans, and an explanation to be written by the Sec-
12 retary, in consultation with the heads of relevant
13 Federal agencies of—

14 “(A) the benefits unique to Federal stu-
15 dent loans, including various repayment plans,
16 loan forgiveness, and loan deferment; and

17 “(B) the loan terms and conditions to ex-
18 amine carefully, if considering a private edu-
19 cation loan.

20 “(8) The deadline and summary of the process,
21 if any, for accepting the financial aid offered in the
22 financial aid award letter.

23 “(9) The academic period covered by the finan-
24 cial aid award letter and a clear indication whether

1 the aid offered is based on full-time or part-time en-
2 rollment.

3 “(10) With respect to institutions where more
4 than 30 percent of enrolled students borrow loans to
5 pay for their education, the institution’s most recent
6 cohort default rate, as defined in section 435(m),
7 compared to the most recent national average cohort
8 default rate.

9 “(11) Any other information the Secretary, in
10 consultation with the heads of relevant Federal
11 agencies, determines necessary so that students and
12 parents can make informed loan borrowing decisions,
13 including quality metrics such as percentage of stu-
14 dents at the institution who take out student loans
15 and average debt at graduation for students at the
16 institution.

17 “(c) OTHER REQUIRED CONTENTS FOR THE FINAN-
18 CIAL AID AWARD LETTER.—The standard format for a
19 financial aid award letter developed under subsection (a)
20 shall also include the following information, in a concise
21 format determined by the Secretary, in consultation with
22 the heads of relevant Federal agencies:

23 “(1) A concise summary of the terms and con-
24 ditions of financial aid recommended under para-
25 graphs (2), (4), and (5) of subsection (b), and a

1 method to provide students with additional informa-
2 tion about such terms and conditions, such as links
3 to the supplementary information.

4 “(2) At the institution’s discretion, additional
5 options for paying for the net price amount listed in
6 subsection (b)(3), such as the amount recommended
7 to be paid by the student or student’s family, Fed-
8 eral Direct PLUS Loans, or private education loans.
9 If the institution recommends private education
10 loans, the financial aid award letter shall contain the
11 additional following general disclosures:

12 “(A) The availability of, and the student’s
13 potential eligibility for, additional Federal fi-
14 nancial assistance under this title.

15 “(B) The impact of a proposed private
16 education loan on the student’s potential eligi-
17 bility for other financial assistance, including
18 Federal financial assistance under this title.

19 “(C) The student’s ability to select a pri-
20 vate educational lender of the student’s choice.

21 “(D) The student’s right to accept or re-
22 ject a private education loan within the 30-day
23 period following a private educational lender’s
24 approval of a student’s application and a stu-
25 dent’s 3-day right-to-cancel period.

1 “(E) With respect to dependent students,
2 any reference to private education loans shall be
3 accompanied by information about the rec-
4 ommended family contribution and the avail-
5 ability of, and terms and conditions associated
6 with, Federal Direct PLUS Loans for the stu-
7 dent’s parents regardless of family income, and
8 of the student’s increased eligibility for Federal
9 student loans under this title if the student’s
10 parents are not able to borrow under the Fed-
11 eral Direct PLUS Loan program.

12 “(3) The following disclosures:

13 “(A) That the financial aid award letter
14 only contains information for 1 academic period
15 and the financial aid offered in following aca-
16 demic periods may change, unless the institu-
17 tion is offering aid that covers multiple aca-
18 demic periods.

19 “(B) How non-institutional scholarships
20 awarded to the student affect the financial aid
21 package offered to the student.

22 “(C) A concise summary of any Federal or
23 institutional conditions required to receive and
24 renew financial aid and a method to provide
25 students with additional information about

1 these conditions, such as links to the supple-
2 mentary information.

3 “(d) ADDITIONAL REQUIREMENTS FOR FINANCIAL
4 AID AWARD LETTER.—In addition to the requirements
5 listed under subsections (b) and (c), the financial aid
6 award letter shall meet the following requirements:

7 “(1) Clearly distinguish between the aid offered
8 under paragraphs (2), (4), and (5) of subsection (b),
9 by including a subtotal for the aid offered in each
10 of such paragraphs and by refraining from commin-
11 gling the different types of aid described in such
12 paragraphs.

13 “(2) Use standard definitions and names for
14 the terms described in subsection (b) that are devel-
15 oped by the Secretary in consultation with the heads
16 of relevant Federal agencies, representatives of insti-
17 tutions of higher education, nonprofit consumer
18 groups, students, and secondary school and higher
19 education guidance counselors, not later than 3
20 months after the date of enactment of the Higher
21 Education Affordability Act.

22 “(3) If an institution’s recommended Federal
23 student loan aid offered under subsection (b)(5) is
24 less than the maximum amount of Federal assist-
25 ance available to the student under parts D and E,

1 provide additional information on Federal student
2 loans, including the types and amounts for which the
3 student is eligible in an attached document or
4 webpage.

5 “(4) Use standard formatting and design to en-
6 sure—

7 “(A) that figures described in paragraphs
8 (1) through (5) of subsection (b) are in the
9 same font, appear in the same order, and are
10 displayed prominently on the first page of the
11 financial aid award letter whether produced in
12 written or electronic format; and

13 “(B) that the other information required
14 in subsections (b) and (c) appears in a standard
15 format and design on the financial aid award
16 letter.

17 “(5) Include an attestation that the student has
18 accessed and read the financial aid award letter, if
19 provided to the student in electronic format.

20 “(6) Include language developed by the Sec-
21 retary, in consultation with the heads of relevant
22 Federal agencies, notifying eligible students that
23 they may be eligible for education benefits, and
24 where they can locate more information about such
25 benefits, described in the following provisions:

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

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

5 “(C) Section 1784a, 2005, or 2007 of title
6 10, United States Code.

7 “(e) **ADDITIONAL INFORMATION.**—Nothing in this
8 section shall preclude an institution from supplementing
9 the financial aid award letter with additional information
10 as long as such additional information supplements the fi-
11 nancial aid award letter and is not located on the financial
12 aid award letter, except as provided in subsection (c)(2).

13 “(f) **CONSUMER TESTING.**—The financial aid award
14 letter under this section shall undergo consumer testing
15 in accordance with section 483C. The Secretary, in con-
16 sultation with the heads of relevant Federal agencies, rep-
17 resentatives of institutions of higher education, nonprofit
18 consumer groups, students, and secondary school and
19 higher education guidance counselors, shall develop mul-
20 tiple designs and formatting, subject to the requirements
21 of subsection (d)(4), of the financial aid award letter to
22 be used for consumer testing not later than 6 months after
23 the date of enactment of the Higher Education Afford-
24 ability Act.”.

1 (b) CONFORMING AMENDMENT.—Section 484 of the
2 Higher Education Opportunity Act (20 U.S.C. 1092 note)
3 is repealed.

4 **SEC. 483A. CONSUMER TESTING.**

5 Part G of title IV (20 U.S.C. 1088 et seq.) is further
6 amended by inserting after section 483B, as added by sec-
7 tion 483, the following:

8 **“SEC. 483C. CONSUMER TESTING.**

9 “(a) ESTABLISHMENT OF CONSUMER TESTING
10 PROCESS.—Not later than 6 months after the date of en-
11 actment of the Higher Education Affordability Act, and
12 every 5 years thereafter, the Secretary shall establish, in
13 consultation with the heads of relevant Federal agencies,
14 a process for consumer testing each of the following:

15 “(1) The universal net price calculator estab-
16 lished under section 132(h)(7).

17 “(2) The College Scorecard established under
18 section 133.

19 “(3) The initial model form of postsecondary
20 education information required under section
21 405A(g) for the initial consumer testing, and the
22 postsecondary education information form under sec-
23 tion 405A(h) for all subsequent consumer testing.

24 “(4) The initial model form of postsecondary
25 education information required under section

1 405B(g) for the initial consumer testing, and the
2 postsecondary education information form under sec-
3 tion 405B(h) for all subsequent consumer testing.

4 “(5) The master promissory note.

5 “(6) The standard notification format for bor-
6 rowers who are delinquent or at risk of being delin-
7 quent under section 483A.

8 “(7) The institutional financial aid award letter
9 required under section 483B.

10 “(8) The methodology for comparing institu-
11 tions based on the speed-based repayment rate
12 under section 483D(c)(4)(A).

13 “(9) Online entrance, exit, and interim loan
14 counseling tools, including the Department of Edu-
15 cation’s Financial Awareness Counseling Tool and
16 other online tools that may be used, and any disclo-
17 sures that may be provided, during the counseling
18 that is required under subsections (b), (l), and (n)
19 of section 485.

20 “(10) The personalized periodic statement re-
21 quired for borrowers who are automatically enrolled
22 into an income-based repayment plan under section
23 493C(d)(1)(D).

24 “(11) Any consent form or any online tool re-
25 quired for consent of borrowers with \$0 payment

1 under paragraph (1)(C)(ii)(II) or (3)(B) of section
2 493C(d).

3 “(b) PARTICIPANTS IN CONSUMER TESTING.—The
4 consumer testing process for a product described in sub-
5 section (a) shall include, as the Secretary determines nec-
6 essary for the product—

7 “(1) representatives of students (including low-
8 income students, first generation college students,
9 students underrepresented in higher education (in-
10 cluding students from ethnic and racial minorities),
11 adult students, and prospective students);

12 “(2) students’ families (including low-income
13 families, families with first generation college stu-
14 dents, families with students who are underrep-
15 resented in higher education (including students
16 from ethnic and racial minorities), and families with
17 prospective students);

18 “(3) representatives of institutions of higher
19 education, including faculty;

20 “(4) secondary school and postsecondary edu-
21 cation counselors;

22 “(5) postsecondary financial aid officers; and

23 “(6) nonprofit consumer groups.

24 “(c) USE OF CONSUMER TESTING RESULTS.—The
25 Secretary shall use the results of the consumer testing in

1 the final development of each product described in sub-
2 section (a), and may modify the definitions, terms, for-
3 matting, and design of any product tested under this sec-
4 tion based on the results of the consumer testing before
5 finalizing the product.

6 “(d) REPORT TO CONGRESS.—Not later than 3
7 months after the date any consumer testing under this
8 section concludes, the Secretary shall submit to the au-
9 thorizing committees a report that contains the results of
10 such consumer testing.”.

11 **SEC. 483B. LOAN REPAYMENT RATE AND SPEED-BASED RE-**
12 **PAYMENT RATE.**

13 Part G of title IV (20 U.S.C. 1088 et seq.) is further
14 amended by inserting after section 483C, as added by sec-
15 tion 484, the following:

16 **“SEC. 483D. LOAN REPAYMENT RATE AND SPEED-BASED**
17 **REPAYMENT RATE.**

18 “(a) DEFINITIONS.—In this section:

19 “(1) AMOUNT PAID.—The term ‘amount paid’,
20 when used with respect to a covered Federal student
21 loan, means the amount paid of the outstanding bal-
22 ance, calculated by determining the difference be-
23 tween the original outstanding balance on the loan
24 and the current loan balance on the loan.

1 “(2) COHORT LOAN.—The term ‘cohort loan’,
2 when used with respect to an institution, means a
3 covered Federal student loan in the 2-year loan re-
4 payment cohort identified for the institution under
5 subsection (b)(2) for a fiscal year.

6 “(3) COVERED FEDERAL STUDENT LOAN.—The
7 term ‘covered Federal student loan’ means—

8 “(A) a loan made, insured, or guaranteed
9 under part B or D that is issued to a student
10 borrower; or

11 “(B) the portion of a loan made under sec-
12 tion 428C or a Federal Direct Consolidation
13 Loan that is used to repay a loan described in
14 subparagraph (A).

15 “(4) CURRENT LOAN BALANCE.—The term
16 ‘current loan balance’ means the sum of the current
17 outstanding balance due on a covered Federal stu-
18 dent loan, as of the date on which a rate determina-
19 tion under this section is being made, plus the ac-
20 crued and unpaid interest balance on the loan as of
21 such date.

22 “(5) ORIGINAL OUTSTANDING BALANCE.—The
23 term ‘original outstanding balance’, when used with
24 respect to a covered Federal student loan, means the
25 total amount of the outstanding balance of the loan,

1 including capitalized interest and any unpaid ac-
2 crued interest that has not been capitalized, as of
3 the date that the loan entered repayment.

4 “(6) PAYMENTS-MADE LOAN.—The term ‘pay-
5 ments-made loan’ means a covered Federal student
6 loan that has never been in default (or, in the case
7 of a loan described in paragraph (3)(B), neither the
8 consolidation loan nor any underlying loan have ever
9 been in default), where—

10 “(A) payments made by a borrower during
11 the most recently completed fiscal year reduce
12 the outstanding balance of the loan (which, in
13 the case of a loan described in paragraph
14 (3)(B), shall be deemed to mean reducing the
15 outstanding balance of the entire consolidation
16 loan) to an amount that is less than the out-
17 standing balance of the loan at the beginning of
18 that fiscal year; or

19 “(B) the borrower of the loan is in the
20 process of qualifying for public service loan for-
21 giveness under section 455(m) and submits an
22 employment certification to the Secretary that
23 demonstrates the borrower is engaged in a pub-
24 lic service job and the borrower made qualifying
25 payments, as determined under such section, on

1 the loan during the most recently completed fis-
2 cal year.

3 “(b) LOAN REPAYMENT RATE.—

4 “(1) METHOD OF CALCULATION.—Each fiscal
5 year, the Secretary shall determine the loan repay-
6 ment rate for each institution of higher education
7 that is participating in a program under this title or
8 seeking to regain eligibility to participate in a pro-
9 gram under this title by using the loan cohort identi-
10 fied under paragraph (2) to calculate the loan repay-
11 ment rate, in accordance with paragraph (3).

12 “(2) DETERMINATION OF LOAN COHORT.—

13 “(A) IN GENERAL.—For purposes of calcu-
14 lating the loan repayment rate for a fiscal year
15 under this subsection, the 2-year loan repay-
16 ment cohort for an institution of higher edu-
17 cation shall consist of all covered Federal stu-
18 dent loans of the institution that are in their
19 third year of repayment or in their fourth year
20 of repayment, except as provided in subpara-
21 graph (B).

22 “(B) SPECIAL RULES AND EXCLUSIONS.—

23 “(i) SPECIAL RULE FOR MEDICAL AND
24 DENTAL STUDENTS.—Notwithstanding
25 subparagraph (A), a covered Federal stu-

1 dent loan for any borrower who is a profes-
2 sional or graduate student enrolled in a
3 program of study that requires a medical
4 internship or residency shall be included in
5 the loan cohort when the loan is in its
6 sixth and seventh years of repayment.

7 “(ii) EXCLUSIONS.—The Secretary
8 shall exclude from a loan cohort for a fis-
9 cal year any covered Federal student loan
10 that would otherwise qualify, if the loan—

11 “(I) was discharged under sub-
12 section (a)(1) or (d) of section 437 as
13 a result of the death of the borrower;
14 or

15 “(II) was assigned or transferred
16 to the Secretary and is being consid-
17 ered for discharge as a result of the
18 total and permanent disability of the
19 borrower, or was discharged by the
20 Secretary on that basis, under section
21 437(a).

22 “(iii) TREATMENT OF DEFERMENTS
23 AND FORBEARANCE.—

24 “(I) IN GENERAL.—The Sec-
25 retary shall treat any period during

1 which a covered Federal student loan
2 is in deferment or forbearance under
3 this title as a period of repayment for
4 purposes of this subsection, except as
5 provided in subclause (II).

6 “(II) EXCEPTION FOR IN-SCHOOL
7 DEFERMENT.—The Secretary shall
8 not include any period during which
9 payments on a covered Federal stu-
10 dent loan are deferred under section
11 428(b)(1)(M)(i), 428B(d)(1)(A)(i), or
12 455(f)(2)(A) in determining the bor-
13 rower’s period of repayment for pur-
14 poses of paragraph (1), subject to
15 subclause (III).

16 “(III) NO EXCEPTION FOR CER-
17 TAIN SHORT TERM PROGRAMS OF
18 STUDY.—Subclause (II) shall not
19 apply in any case where a deferral de-
20 scribed in such subclause is due to a
21 borrower’s enrollment, after comple-
22 tion of the program for which the loan
23 was made, in a program of study of
24 less than 6 months in duration.

1 “(iv) TREATMENT OF CONSOLIDATION
2 LOANS.—For each covered Federal student
3 loan that is a loan described in subsection
4 (a)(3)(B), the Secretary shall—

5 “(I) determine the original out-
6 standing balance for each original cov-
7 ered Federal student loan that com-
8 prises the consolidation loan;

9 “(II) determine the date that the
10 repayment period began, in accord-
11 ance with this subparagraph, for each
12 such original loan;

13 “(III) include, in determining the
14 duration of the repayment period
15 under this paragraph for the under-
16 lying loan, the period during which
17 the original loan was in repayment
18 and the period during which the con-
19 solidation loan was in repayment; and

20 “(IV) include the amount deter-
21 mined under subclause (I) for each
22 underlying loan in the calculations
23 under this paragraph for the appro-
24 priate fiscal year based on the repay-
25 ment period for the underlying loan.

1 “(3) FORMULA FOR LOAN REPAYMENT RATE.—

2 “(A) IN GENERAL.—For purposes of this
3 section, the loan repayment rate for an institu-
4 tion for a fiscal year shall be equal to the pro-
5 portion that—

6 “(i) the sum of—

7 “(I) the total original out-
8 standing balance of all covered Fed-
9 eral student loans in the loan cohort
10 of the institution for such fiscal year
11 that are paid in full in accordance
12 with subparagraph (B); and

13 “(II) the total original out-
14 standing balance of all payments-
15 made loans in the loan cohort for such
16 year; bears to

17 “(ii) the total original outstanding
18 balance of all loans in the loan cohort for
19 such year.

20 “(B) LOANS PAID IN FULL.—

21 “(i) IN GENERAL.—For purposes of
22 paragraph (1)(A), a loan paid in full is a
23 covered Federal student loan in the loan
24 cohort that—

1 “(I) has never been in default (or
2 in the case of a loan described in sub-
3 section (a)(3)(B), neither the consoli-
4 dation loan nor any original loan com-
5 prising the consolidation loan has ever
6 been in default); and

7 “(II) has been paid in full by a
8 borrower.

9 “(ii) CONSOLIDATION LOANS AND RE-
10 FINANCING.—A covered Federal student
11 loan described in subsection (a)(3)(B) or
12 consolidated under another refinancing
13 process provided for under this Act, is not
14 counted as a loan paid in full for purposes
15 of this subparagraph until the consolida-
16 tion loan or other financial instrument is
17 paid in full by the borrower.

18 “(4) PUBLICATION.—The Secretary shall make
19 the loan repayment rate for each institution of high-
20 er education participating in a program under this
21 title or seeking to regain eligibility to participate in
22 a program under this title publicly available on the
23 College Navigator website of the Department, or any
24 successor website, and the website for the National
25 Center for Education Statistics.

1 “(c) SPEED-BASED REPAYMENT RATE.—

2 “(1) PURPOSE.—The purpose of the speed-
3 based repayment rate under this subsection is to
4 provide an estimate of—

5 “(A) the annual rate at which student bor-
6 rowers at an institution of higher education are
7 repaying their loans under part B and D; and

8 “(B) the total expected time it takes stu-
9 dent borrowers to repay their loans.

10 “(2) IN GENERAL.—In order to provide addi-
11 tional information regarding loan repayment, the
12 Secretary shall, for each fiscal year—

13 “(A) determine the speed-based repayment
14 rate for each institution of higher education
15 that is participating in a program under this
16 title or seeking to regain eligibility to partici-
17 pate in a program under this title;

18 “(B) determine the information required
19 for the comparison methodology established by
20 the Secretary under paragraph (4); and

21 “(C) publish the most recently available
22 speed-based repayment rate and the comparison
23 information under paragraph (4) for each such
24 institution on the College Scorecard, in accord-
25 ance with section 133(d)(3), and on the College

1 Affordability and Transparency Center website,
2 or any successor website, of the Department.

3 “(3) DETERMINATION OF SPEED-BASED REPAY-
4 MENT RATE.—In order to provide additional infor-
5 mation regarding loan repayment and determine the
6 speed-based repayment rate required under para-
7 graph (2)(A) for an institution of higher education,
8 the Secretary shall, for each fiscal year—

9 “(A) determine the percentage paid of the
10 total original outstanding balance of all cohort
11 loans of the institution for the fiscal year (in-
12 cluding, for purposes of calculating the speed-
13 based repayment rate only, all loans that would
14 be cohort loans for such fiscal year if the loans
15 were not in delinquency, forbearance,
16 deferment, or default) for which the determina-
17 tion is being made, by dividing—

18 “(i) the amount paid of all such co-
19 hort loans of the institution for such year;
20 by

21 “(ii) the total original outstanding
22 balance of all such cohort loans of the in-
23 stitution for such year; and

24 “(B) divide such percentage by the average
25 number of years in repayment for the cohort

1 loans of the institution, rounded to the nearest
2 month and weighted based on the dollar
3 amount of the current loan balance of each co-
4 hort loan.

5 “(4) COMPARISON METHODOLOGY FOR DISCLO-
6 SURE PURPOSES.—

7 “(A) IN GENERAL.—The Secretary shall
8 establish a methodology for comparing similar
9 institutions of higher education based on the
10 speed-based repayment rate. The methodology
11 shall—

12 “(i) use clear and understandable
13 terms, such as ‘quickly’ and ‘slowly’, to in-
14 dicate the relative significance of the
15 speed-based repayment rate of an institu-
16 tion of higher education;

17 “(ii) include a projection of the ex-
18 pected time for the average borrower in the
19 loan cohort described in paragraph (3)(A)
20 of each institution to complete repayment
21 at each institution, based on the speed-
22 based repayment rate;

23 “(iii) include a comparison of each in-
24 stitution’s expected time of repayment

1 under clause (ii) with the expected times of
2 repayment for similar institutions;

3 “(iv) not disaggregate the compari-
4 sons based on status as a public, private
5 nonprofit, or proprietary institution of
6 higher education;

7 “(v) distinguish the overall speed-
8 based repayment rate of an institution
9 from the speed-based repayment rate of all
10 professional degree programs of the insti-
11 tution; and

12 “(vi) calculate a separate speed-based
13 repayment rate for each program at an in-
14 stitution that is subject to gainful employ-
15 ment regulations under section 668.7 of
16 title 34, Code of Federal Regulations.

17 “(B) CONSUMER TESTING.—The Secretary
18 shall submit the methodology described in sub-
19 paragraph (A) for consumer testing in accord-
20 ance with section 483C.

21 “(5) GUIDANCE AND REGULATIONS.—The Sec-
22 retary may issue guidance and promulgate rules for
23 the purposes of determining the speed-based repay-
24 ment rate.

1 “(6) **AUTHORITY TO ADJUST FORMULA.**—Not-
2 withstanding any other provision of this section, the
3 Secretary may adjust the formula for calculating the
4 speed-based repayment rate under paragraphs (2)
5 and (3) to provide a more informative and accurate
6 measure of the speed of repayment.

7 “(d) **PUBLICATION OF STUDENT DEFAULT RISK.**—
8 Each year, the Secretary shall publish the student default
9 risk for each institution for the most recent fiscal year
10 on the website of the National Center for Education Sta-
11 tistics.”.

12 **SEC. 483C. ONE-TIME FAFSA PILOT PROGRAM.**

13 Part G of title IV (20 U.S.C. 1088 et seq.) is further
14 amended by inserting after section 483C, as added by sec-
15 tion 485, the following:

16 **“SEC. 483E. ONE-TIME FAFSA PILOT PROGRAM.**

17 “(a) **PURPOSES.**—The purposes of this section are—

18 “(1) to streamline the annual process by which
19 students apply for Federal financial assistance; and

20 “(2) to reduce the need for students to apply
21 for such assistance each year.

22 “(b) **PILOT PROGRAM AUTHORIZED.**—The Secretary
23 is authorized to establish a pilot program and select 5 eli-
24 gible States—

1 “(1) in which a student who attends an institu-
2 tion of higher education in the eligible State may
3 submit a single Free Application for Federal Stu-
4 dent Aid described in section 483 and as modified
5 under subsection (d) (referred to in this section as
6 the ‘FAFSA’), to be used for application to deter-
7 mine the need and eligibility of the student for fi-
8 nancial assistance under this title during the official
9 length of the student’s proposed postsecondary de-
10 gree program; and

11 “(2) that shall receive a grant in accordance
12 with subsection (e).

13 “(c) ELIGIBLE STATES.—The Secretary shall select
14 5 eligible States that are determined by the Secretary to
15 have a strong record of increasing college access and af-
16 fordability, especially for low-income students, to partici-
17 pate in the pilot program described in subsection (b). The
18 selection of eligible States shall be based on the extent
19 to which the State has—

20 “(1) invested, and continues to invest, signifi-
21 cantly in public higher education, resulting in a com-
22 paratively lower net price for low-income students;

23 “(2) allocated State financial aid primarily on
24 the basis of need; and

1 “(3) agreed, as a condition of the State’s appli-
2 cation for the pilot program under this section, to
3 provide all in-State students (as determined by the
4 State) with an offer for State financial aid that—

5 “(A) is valid for not less than 2 years and
6 not more than 4 years, as determined by the
7 State; and

8 “(B) shall be subject to change only upon
9 certain conditions, such as significant changes
10 in a student’s financial circumstances.

11 “(d) SINGLE FAFSA SUBMISSION.—The Secretary
12 shall implement, in consultation with the 5 selected eligible
13 States, a pilot program to streamline the process of appli-
14 cation to determine the need and eligibility of a student
15 for financial assistance under this title that incorporates
16 the following:

17 “(1) An option for students that are enrolled in
18 an institution of higher education in a selected eligi-
19 ble State to submit a single FAFSA at the begin-
20 ning of the student’s postsecondary degree program
21 and receive a determination of financial assistance
22 under this title that shall, on a contingent basis, be
23 valid for not less than 2 years and not more than
24 four years, as determined by the State.

1 “(2) The determination of financial assistance
2 under paragraph (1) shall be made in accordance
3 with part F, except that relevant calculations shall
4 be made using a multi-year average, of two or three
5 years, from the most recent tax years for which data
6 are available. A student may use previously sub-
7 mitted student and parent taxpayer data to
8 prepopulate the electronic version of the FAFSA, as
9 described in section 483(f) of the Higher Education
10 Act of 1965 (20 U.S.C. 1090(f)).

11 “(3) As a condition of the continued receipt of
12 financial assistance under this section, the Secretary
13 may require a student who submits the single
14 FAFSA to respond to a short number of questions
15 (which may be determined by the Secretary), on an
16 annual basis, to determine if there is a change in the
17 financial status of the student (such as whether the
18 student or the student’s parent has experienced a
19 substantial increase in annual income) in order to
20 ensure that the student continues to receive the ap-
21 propriate amount of financial assistance under this
22 title.

23 “(4) Notwithstanding paragraph (1), a require-
24 ment that students who experience significant
25 changes in their financial circumstances, as deter-

1 mined by the Secretary, will be required to resubmit
2 the FAFSA in order to receive a new determination
3 of financial assistance under this title.

4 “(5) An income verification process—

5 “(A) which the Secretary, through the es-
6 tablishment of a memorandum of under-
7 standing with the Secretary of Treasury, will
8 develop to share the income tax data of a ran-
9 dom sample of students who have received Fed-
10 eral assistance under this title, including Fed-
11 eral Pell Grants under section 401 and loans
12 made under part D;

13 “(B) to ensure that students who have not
14 resubmitted a FAFSA in accordance with para-
15 graph (4) did not have a significant change in
16 financial circumstances that would have re-
17 quired them to do so;

18 “(C) that shall be carried out in a way so
19 as to ensure that no personally identifiable in-
20 formation is made public through the income
21 verification process; and

22 “(D) that will be carried out only with the
23 consent of students, whose consent will be re-
24 quested as part of the annual response required
25 under paragraph (3).

1 “(6) An option for students to request profes-
2 sional judgment or resubmit their FAFSA each
3 year, to receive a new determination of eligibility for
4 financial assistance under this title.

5 “(e) GRANT AMOUNT.—Selected eligible States that
6 receive a grant under this section shall use grant funds
7 to increase public awareness of, and promote the use of,
8 the single FAFSA that may be submitted under the pilot
9 program to be used for application to determine the need
10 and eligibility of the student for financial assistance under
11 this title during the official length of the student’s pro-
12 posed postsecondary degree program.

13 “(f) SUPPLEMENT NOT SUPPLANT.—The grants pro-
14 vided under this section shall be used to supplement, and
15 not supplant, State funds that are used to improve college
16 access and affordability.

17 “(g) EVALUATION.—Not later than 3 years after the
18 date of enactment of the Higher Education Affordability
19 Act, and 5 years thereafter, the Secretary shall prepare
20 and submit to the authorizing committees a report that
21 contains an evaluation of the effectiveness of the pilot pro-
22 gram under this section in improving college access, in-
23 creasing FAFSA submission rates, and increasing postsec-
24 ondary education credit and course accumulation.”.

1 **SEC. 484. ABILITY TO BENEFIT.**

2 (a) IN GENERAL.—Subsection (d) of section 484 (20
3 U.S.C. 1091) is amended to read as follows:

4 “(d) STUDENTS WHO ARE NOT HIGH SCHOOL
5 GRADUATES.—

6 “(1) STUDENT ELIGIBILITY.—In order for a
7 student who does not have a certificate of gradua-
8 tion from a school providing secondary education, or
9 the recognized equivalent of such certificate, to be
10 eligible for any assistance under subparts 1, 3, and
11 4 of part A and parts B, C, D, and E of this title,
12 the student shall meet the requirements of one of
13 the following subparagraphs:

14 “(A) The student is enrolled in an eligible
15 career pathway program and meets one of the
16 following standards:

17 “(i) The student shall take an inde-
18 pendently administered examination and
19 shall achieve a score, specified by the Sec-
20 retary, demonstrating that such student
21 can benefit from the education or training
22 being offered. Such examination shall be
23 approved by the Secretary on the basis of
24 compliance with such standards for devel-
25 opment, administration, and scoring as the
26 Secretary may prescribe in regulations.

1 “(ii) The student shall be determined
2 as having the ability to benefit from the
3 education or training in accordance with
4 such process as the State shall prescribe.
5 Any such process described or approved by
6 a State for the purposes of this section
7 shall be effective 6 months after the date
8 of submission to the Secretary unless the
9 Secretary disapproves such process. In de-
10 termining whether to approve or dis-
11 approve such process, the Secretary shall
12 take into account the effectiveness of such
13 process in enabling students without high
14 school diplomas or the equivalent thereof
15 to benefit from the instruction offered by
16 institutions utilizing such process, and
17 shall also take into account the cultural di-
18 versity, economic circumstances, and edu-
19 cational preparation of the populations
20 served by the institutions.

21 “(iii) The student shall be determined
22 by the institution of higher education as
23 having the ability to benefit from the edu-
24 cation or training offered by the institution
25 of higher education upon satisfactory com-

1 pletion of 6 credit hours or the equivalent
2 coursework that are applicable toward a
3 degree or certificate offered by the institu-
4 tion of higher education.

5 “(B) The student has completed a sec-
6 ondary school education in a home school set-
7 ting that is treated as a home school or private
8 school under State law.

9 “(2) ELIGIBLE CAREER PATHWAY PROGRAM.—
10 In this subsection, the term ‘eligible career pathway
11 program’ means a program that—

12 “(A) concurrently enrolls participants in
13 connected adult education and eligible postsec-
14 ondary programs;

15 “(B) provides counseling and supportive
16 services to identify and attain academic and ca-
17 reer goals;

18 “(C) provides structured course sequences
19 that—

20 “(i) are articulated and
21 contextualized; and

22 “(ii) allow students to advance to
23 higher levels of education and employment;

24 “(D) provides opportunities for accelera-
25 tion to attain recognized postsecondary creden-

1 tials, including degrees, industry relevant cer-
2 tifications, and certificates of completion of ap-
3 prenticeship programs;

4 “(E) is organized to meet the needs of
5 adults;

6 “(F) is aligned with the education and skill
7 needs of the regional economy; and

8 “(G) has been developed and implemented
9 in collaboration with partners in business, work-
10 force development, and economic development.”.

11 (b) **EFFECTIVE DATE AND TRANSITION.**—The
12 amendment made by subsection (a) shall apply to students
13 who first enroll in a program of study during the period
14 beginning July 1, 2012, and ending June 30, 2019.

15 **SEC. 485. REASONABLE COLLECTION COSTS IN STATE**
16 **COURT JUDGMENTS.**

17 Section 484A(b)(1) (20 U.S.C. 1091a(b)(1)) is
18 amended by striking “reasonable collection costs” and in-
19 serting “reasonable collection costs, which, in the case of
20 a loan made under part D, means collection costs in an
21 amount that is reasonable and that does not exceed the
22 bona fide collection costs associated with such student loan
23 that are actually incurred in collecting the debt against
24 the borrower”.

1 **SEC. 486. IMPROVED DISCLOSURES, COUNSELING, AND FI-**
2 **NANCIAL ASSISTANCE INFORMATION FOR**
3 **STUDENTS.**

4 (a) IN GENERAL.—Section 485 (20 U.S.C. 1092) is
5 amended—

6 (1) in subsection (b)—

7 (A) in paragraph (1)(A)—

8 (i) by striking clause (i) and inserting
9 the following:

10 “(i) personalized information that reflects the
11 borrower’s actual borrowing circumstances, which
12 shall include—

13 “(I) the repayment plans available, includ-
14 ing the income-based repayment option under
15 section 493C and the standard 10-year repay-
16 ment option under section 428(b)(9)(A)(i) or
17 455(d)(1)(A);

18 “(II) a description of the different features
19 of each plan; and

20 “(III) personalized information showing es-
21 timates of the borrower’s anticipated monthly
22 payments and the difference in total interest
23 paid and total payments under each plan;”;

24 (ii) by redesignating clauses (viii) and
25 (ix) as clauses (x) and (xi), respectively;

1 (iii) by inserting after clause (vii) the
2 following:

3 “(viii) a statement that student loans must be
4 repaid even if the student does not complete the pro-
5 gram in which the student is enrolled;

6 “(ix) information and resources related to fi-
7 nancial literacy and planning, including budgeting,
8 as determined by the Secretary based on the rec-
9 ommendations of the Secretary of Treasury in the
10 report submitted under section 1103 of the Higher
11 Education Affordability Act;”; and

12 (iv) by adding at the end the fol-
13 lowing:

14 “(C) The counseling described in subparagraph (A)—

15 “(i) shall be provided in a simple and under-
16 standable manner that includes mechanisms to check
17 for comprehension; and

18 “(ii) shall be provided—

19 “(I) during an exit counseling session con-
20 ducted in person; or

21 “(II) online.”; and

22 (B) in paragraph (2)(A)(iv), by striking “,
23 address, social security number, references, and
24 driver’s license number” and inserting “, postal
25 address, social security number, references,

1 driver's license number, phone number, and
2 personal electronic mailing address that is not
3 associated with the institution”;

4 (2) in subsection (d)(1), by striking “income-
5 sensitive” and all that follows through “part D” and
6 inserting “income-based repayment plans for loans
7 made, insured, or guaranteed under part B or made
8 under part D.”;

9 (3) in subsection (f)—

10 (A) by striking the subsection heading and
11 inserting “DISCLOSURE OF CAMPUS SECURITY
12 AND HARASSMENT POLICY AND CAMPUS CRIME
13 STATISTICS”;

14 (B) in paragraph (6)(A)—

15 (i) by redesignating clauses (iii), (iv),
16 and (v) as clauses (vii), (viii), and (ix), re-
17 spectively; and

18 (ii) by inserting after clause (ii) the
19 following:

20 “(iii) The term ‘commercial mobile service’
21 has the meaning given the term in section
22 332(d) of the Communications Act of 1934 (47
23 U.S.C. 332(d)).

24 “(iv) The term ‘electronic communication’
25 means any transfer of signs, signals, writing,

1 images, sounds, or data of any nature trans-
2 mitted in whole or in part by a wire, radio, elec-
3 tromagnetic, photoelectronic, or photooptical
4 system.

5 “(v) The term ‘electronic messaging serv-
6 ices’ has the meaning given the term in section
7 102 of the Communications Assistance for Law
8 Enforcement Act (47 U.S.C. 1001).

9 “(vi) The term ‘harassment’ means con-
10 duct, including acts of verbal, nonverbal, or
11 physical aggression, intimidation, or hostility
12 (including conduct that is undertaken in whole
13 or in part, through the use of electronic mes-
14 saging services, commercial mobile services,
15 electronic communications, or other technology)
16 that—

17 “(I) is sufficiently severe, persistent,
18 or pervasive so as to limit a student’s abil-
19 ity to participate in or benefit from a pro-
20 gram or activity at an institution of higher
21 education, or to create a hostile or abusive
22 educational environment at an institution
23 of higher education; and

24 “(II) is based on a student’s actual or
25 perceived—

1 “(aa) race;
2 “(bb) color;
3 “(cc) national origin;
4 “(dd) sex;
5 “(ee) disability;
6 “(ff) sexual orientation;
7 “(gg) gender identity; or
8 “(hh) religion.”;

9 (C) by redesignating paragraphs (9)
10 through (18) as paragraphs (10) through (19),
11 respectively; and

12 (D) by inserting after paragraph (8) the
13 following:

14 “(9)(A) Each institution of higher education
15 participating in any program under this title, other
16 than a foreign institution of higher education, shall
17 develop and distribute as part of the report de-
18 scribed in paragraph (1) a statement of policy re-
19 garding harassment, which shall include—

20 “(i) a prohibition of harassment of enrolled
21 students by other students, faculty, and staff—

22 “(I) on campus;

23 “(II) in noncampus buildings or on
24 noncampus property;

25 “(III) on public property;

1 “(IV) through the use of electronic
2 mail addresses issued by the institution of
3 higher education;

4 “(V) through the use of computers
5 and communication networks, including
6 any telecommunications service, owned, op-
7 erated, or contracted for use by the institu-
8 tion of higher education or its agents; or

9 “(VI) during an activity sponsored by
10 the institution of higher education or car-
11 ried out with the use of resources provided
12 by the institution of higher education;

13 “(ii) a description of the institution’s pro-
14 grams to combat harassment, which shall be
15 aimed at the prevention of harassment;

16 “(iii) a description of the procedures that
17 a student should follow if an incident of harass-
18 ment occurs; and

19 “(iv) a description of the procedures that
20 the institution will follow once an incident of
21 harassment has been reported.

22 “(B) The statement of policy described in sub-
23 paragraph (A) shall address the following areas:

24 “(i) Procedures for timely institutional ac-
25 tion in cases of alleged harassment, which pro-

1 cedures shall include a clear statement that the
2 accuser and the accused shall be informed of
3 the outcome of any disciplinary proceedings in
4 response to an allegation of harassment.

5 “(ii) Possible sanctions to be imposed fol-
6 lowing the final determination of an institu-
7 tional disciplinary procedure regarding harass-
8 ment.

9 “(iii) Notification of existing counseling,
10 mental health, or student services for victims or
11 perpetrators of harassment, both on campus
12 and in the community.

13 “(iv) Identification of a designated em-
14 ployee or office at the institution that will be
15 responsible for receiving and tracking each re-
16 port of harassment by a student, faculty, or
17 staff member.”;

18 (4) in subsection (l)—

19 (A) by striking paragraph (1) and insert-
20 ing the following:

21 “(1) DISCLOSURE REQUIRED PRIOR TO SIGNING
22 MASTER PROMISSORY NOTE.—Each eligible institu-
23 tion shall, prior to obtaining or arranging execution
24 of a master promissory note for a loan under part
25 D (other than a Federal Direct Consolidation Loan)

1 by a first-time borrower at such institution, ensure
2 that the borrower receives comprehensive informa-
3 tion on the terms and conditions of the loan and of
4 the responsibilities the borrower has with respect to
5 such loan in accordance with paragraph (2). Such
6 information—

7 “(A) shall be provided through the use of
8 interactive programs that include mechanisms
9 to check the borrower’s comprehension of the
10 terms and conditions of the borrower’s loans
11 under part D, using simple and understandable
12 language and clear formatting; and

13 “(B) shall be provided—

14 “(i) during an entrance counseling
15 session conducted in person; or

16 “(ii) online.”;

17 (B) in paragraph (2)—

18 (i) in subparagraph (H), by striking
19 “within the regular time for program com-
20 pletion”; and

21 (ii) by adding at the end the fol-
22 lowing:

23 “(L)(i) A disclosure that Federal student
24 loans offer generally more favorable terms and
25 beneficial repayment options than private edu-

1 cation loans, an explanation of the difference
2 and relevance between student loans with a
3 fixed interest rate as compared to student loans
4 with a variable interest rate, and a rec-
5 ommendation that students examine available
6 Federal student loan options before applying for
7 private education loans.

8 “(ii) The explanation of the benefits pro-
9 vided under Federal student loans developed by
10 the Secretary under section 483A(b).

11 “(M) An explanation, if applicable, that a
12 student may refuse all or part of a student loan
13 available under part D, which could help mini-
14 mize the student’s debt obligations.

15 “(N) Information relating to the institu-
16 tion’s cohort default rate, including—

17 “(i) the cohort default rate, as defined
18 in section 435(m), of the institution;

19 “(ii) an easy to understand expla-
20 nation of the cohort default rate;

21 “(iii) the percentage of students at
22 the institution of higher education who
23 borrow Federal student loans under this
24 title;

1 “(iv) the national average cohort de-
2 fault rate (as determined by the Secretary
3 in accordance with section 435(m));

4 “(v) in the case of an institution with
5 a cohort default rate that is greater than
6 the national average cohort default rate (as
7 described in clause (iv)), a disclosure to the
8 student that the institution’s cohort de-
9 fault rate is above the national average;
10 and

11 “(vi) in the case of an institution with
12 a cohort default rate that is greater than
13 30 percent, a disclosure to the students
14 that if the cohort default rate remains
15 greater than 30 percent for the 3 consecu-
16 tive years—

17 “(I) the institution will lose insti-
18 tutional eligibility for the purposes of
19 programs authorized under this title;
20 and

21 “(II) the student will no longer
22 be able to receive Federal financial aid
23 at that institution.

1 “(O) Information relating to the institu-
2 tion’s speed-based loan repayment rate, includ-
3 ing—

4 “(i) the speed-based loan repayment
5 rate, as described in section 483D(c), of
6 the institution and, if applicable, the
7 speed-based loan repayment rate of each
8 program at the institution that is subject
9 to gainful employment regulations under
10 section 668.7 of title 34, Code of Federal
11 Regulations;

12 “(ii) an easy to understand descrip-
13 tion of what a speed-based loan repayment
14 rate is;

15 “(iii) the national average speed-based
16 loan repayment rate, as determined by the
17 Secretary in accordance with section
18 483D(c); and

19 “(iv) in the case of an institution with
20 a speed-based loan repayment rate that is
21 below the national average speed-based
22 loan repayment rate (as described in clause
23 (iii)), a disclosure to the student that the
24 institution’s speed-based loan repayment
25 rate is below the national average.

1 “(P) In the case of an institution with a
2 school default risk for a fiscal year, as cal-
3 culated by the Secretary, of 0.1 or higher, an
4 explanation of the obligations of the institution
5 under section 487(a)(32)(A).

6 “(Q) The percentages of students at the
7 institution who obtain a degree or certificate
8 within 100 percent of the normal time for com-
9 pletion of the student’s program, and who ob-
10 tain a degree or certificate within 150 percent
11 of the normal time for completion of, the stu-
12 dent’s program.

13 “(R) Information and resources related to
14 financial literacy and planning, including budg-
15 eting, as determined by the Secretary based on
16 the recommendations of the Secretary of Treas-
17 ury in the report submitted under section 1103
18 of the Higher Education Affordability Act.”;
19 and

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

21 “(3) BORROWER CONTACT INFORMATION.—

22 “(A) IN GENERAL.—Each eligible institu-
23 tion shall—

24 “(i) require that a borrower who ap-
25 plies for a loan under this title to attend

1 the institution on or after the date of en-
2 actment of the Higher Education Afford-
3 ability Act submit to the institution, dur-
4 ing the entrance counseling required by
5 this subsection, the borrower's contact in-
6 formation at the time of the entrance
7 counseling, including the borrower's phone
8 number and the borrower's postal address;
9 and

10 “(ii) request that the borrower provide
11 a personal electronic mailing address of the
12 borrower that is not associated with the in-
13 stitution.

14 “(B) BORROWER RESPONSIBILITY.—A bor-
15 rower receiving entrance counseling under this
16 subsection shall provide the institution with the
17 personal electronic mailing address described in
18 subparagraph (A)(ii) and shall update the bor-
19 rower's contact information as necessary to en-
20 sure that the information remains accurate.”;
21 and

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

23 “(n) ADDITIONAL NOTIFICATIONS AND COUNSELING
24 FOR BORROWERS.—

1 “(1) ANNUAL NOTIFICATIONS.—Each eligible
2 institution shall, not less than once every year while
3 a student is enrolled in the institution, carry out the
4 notification requirements described in subparagraphs
5 (A) through (G) with respect to a borrower of a loan
6 made, insured, or guaranteed under part B (other
7 than a loan made pursuant to section 428C) or
8 made under part D (other than a Federal Direct
9 Consolidation Loan). Such notification requirements
10 may be fulfilled by notifications provided at the
11 same time as existing methods of communication,
12 such as by accompanying the annual financial aid
13 award letter, subject to subparagraph (E).

14 “(A) STUDENT LOAN BALANCE; LOAN
15 TERMS.—The eligible institution shall provide
16 the borrower with a written notification of—

17 “(i) the borrower’s outstanding bal-
18 ance of principal and interest owing on any
19 loan made, insured, or guaranteed under
20 this title;

21 “(ii) the borrower’s repayment op-
22 tions;

23 “(iii) a disclosure that Federal stu-
24 dent loans offer generally more favorable
25 terms and beneficial repayment options

1 than private education loans, an expla-
2 nation of the difference and relevance be-
3 tween student loans with a fixed interest
4 rate as compared to student loans with a
5 variable interest rate, and a recommenda-
6 tion that students examine available Fed-
7 eral student loan options before applying
8 for private education loans; and

9 “(iv) the explanation of the benefits
10 provided under Federal student loans de-
11 veloped by the Secretary under section
12 483A(b).

13 “(B) FEDERAL DIRECT STAFFORD LOAN
14 ELIGIBILITY.—In addition to the notifications
15 under subparagraph (A) and under subpara-
16 graph (C), if applicable, in the case of a bor-
17 rower described in paragraph (1) who qualifies
18 for a Federal Direct Stafford Loan and who
19 was a new borrower on or after July 1, 2013,
20 the institution shall provide—

21 “(i) a written notification of the pe-
22 riod of time that the borrower has remain-
23 ing before the borrower will not be eligible
24 for a Federal Direct Stafford Loan in ac-
25 cordance with section 455(q) because the

1 period of time for which the borrower has
2 received Federal Direct Stafford Loans, in
3 the aggregate, exceeds the period of enroll-
4 ment described in section 455(q)(3); and

5 “(ii) a written notification to such
6 student when the period of time for which
7 the borrower has received Federal Direct
8 Stafford Loans, in the aggregate,
9 reaches—

10 “(I) except as provided in sub-
11 clause (II) or (III), a period equal to
12 100 percent of the published length of
13 the educational program in which the
14 student is enrolled;

15 “(II) in the case of a borrower
16 who was previously enrolled in 1 or
17 more other educational programs that
18 began on or after July 1, 2013, a pe-
19 riod equivalent to $\frac{2}{3}$ of the maximum
20 period of time that the borrower is eli-
21 gible to receive a Federal Direct Staf-
22 ford Loan, as calculated in accordance
23 with section 455(q)(3)(A)(ii); or

24 “(III) in the case of a borrower
25 who was or is enrolled on less than a

1 full-time basis or in the case of a bor-
2 rower whose course of study or pro-
3 gram is described in paragraph (3)(B)
4 or (4)(B) of section 484(b), a period
5 equivalent to $\frac{2}{3}$ of the maximum pe-
6 riod of time that the borrower is eligi-
7 ble to receive a Federal Direct Staf-
8 ford Loan, as calculated in accordance
9 with section 455(q)(3)(B).

10 “(C) FEDERAL PELL GRANT ELIGI-
11 BILITY.—In addition to the notifications under
12 subparagraph (A) and under subparagraph (B),
13 if applicable, in the case of a borrower de-
14 scribed in paragraph (1) who is receiving a
15 Federal Pell Grant, the institution shall provide
16 a written notification to such borrower of the
17 student’s remaining period of eligibility for a
18 Federal Pell Grant in accordance with section
19 401(c)(5).

20 “(D) CONFIRMATION OF RECEIPT OF NO-
21 TIFICATION.—Each eligible institution shall re-
22 quire the borrower, for each applicable notifica-
23 tion described in this paragraph, to provide
24 written confirmation (including through elec-
25 tronic means) that the borrower has received

1 the notification and understands the informa-
2 tion contained in that notification.

3 “(E) NOTIFICATIONS BY CERTAIN INSTI-
4 TUTIONS.—In the case of an institution de-
5 scribed in paragraph (2), the notification re-
6 quirements under this paragraph (including the
7 confirmation of notification described in sub-
8 paragraph (D)) shall be carried out annually
9 during the interim in-school counseling de-
10 scribed in paragraph (2).

11 “(F) ADDITIONAL LOAN COUNSELING RE-
12 QUIREMENTS FOR CERTAIN STUDENT BOR-
13 ROWERS.—

14 “(i) BORROWERS IN NEED OF ADDI-
15 TIONAL LOAN COUNSELING.—A borrower
16 shall be subject to the requirements de-
17 scribed in clause (iii) if—

18 “(I) the borrower has a loan
19 made, insured, or guaranteed under
20 part B (other than a loan made pur-
21 suant to section 428C or a loan made
22 on behalf of a student pursuant to
23 section 428B) or made under part D
24 (other than a Federal Direct Consoli-
25 dation Loan or a Federal Direct

1 PLUS loan made on behalf of a stu-
2 dent); and

3 “(II)(aa) the borrower has trans-
4 ferred to the institution from another
5 institution of higher education; or

6 “(bb) the borrower meets certain
7 criteria that may place a borrower at
8 greater risk of defaulting on student
9 loans.

10 “(ii) DETERMINATION MADE BY SEC-
11 RETARY.—The Secretary shall determine
12 any appropriate criteria to be used in
13 clause (i)(II)(bb), such as withdrawing pre-
14 maturely from an educational program or
15 being in danger of failing to meet stand-
16 ards of academic progress. Nothing in this
17 subparagraph shall be construed to allow
18 an institution to select any criteria for pur-
19 poses of such clause.

20 “(iii) ADDITIONAL COUNSELING.—
21 Each eligible institution shall require each
22 borrower described in clause (i) to partici-
23 pate in an additional loan counseling ses-
24 sion, which shall—

1 “(I) be coordinated jointly by the
2 student’s academic advisor and the fi-
3 nancial aid office of the institution;

4 “(II) include disclosure of the es-
5 timated additional cost of attendance
6 that the borrower may incur by failing
7 to progress through the borrower’s
8 educational program at a pace that
9 meets the requirements for satisfac-
10 tory progress, as described in section
11 484(c); and

12 “(III) in the case of a borrower
13 described in clause (i)(II)(bb), include
14 the development of an institutionally
15 approved academic plan designed to
16 ensure that the borrower will complete
17 the borrower’s educational program
18 within a reasonable timeframe.

19 “(G) COUNSELING FOR PARENT PLUS BOR-
20 ROWERS.—

21 “(i) IN GENERAL.—Each eligible insti-
22 tution shall, prior to disbursement of a
23 Federal Direct PLUS loan made on behalf
24 of a student, ensure that the borrower re-
25 ceives comprehensive information on the

1 terms and conditions of the loan and of the
2 responsibilities the borrower has with re-
3 spect to such loan. Such information—

4 “(I) shall be provided through
5 the use of interactive programs that
6 use mechanisms to check the bor-
7 rower’s understanding of the terms
8 and conditions of the borrower’s loan,
9 using simple and understandable lan-
10 guage and clear formatting; and

11 “(II) shall be provided—

12 “(aa) during a counseling
13 session conducted in person; or

14 “(bb) online.

15 “(ii) INFORMATION TO BE PRO-
16 VIDED.—The information to be provided to
17 the borrower under clause (i) shall include
18 the following:

19 “(I) Information on how interest
20 accrues and is capitalized during peri-
21 ods when the interest is not paid by
22 the borrower.

23 “(II) An explanation of when
24 loan repayment begins, of the options
25 available for a borrower who may need

1 a deferment, and that interest accrues
2 during a deferment.

3 “(III) The repayment plans that
4 are available to the borrower, includ-
5 ing personalized information show-
6 ing—

7 “(aa) estimates of the bor-
8 rower’s anticipated monthly pay-
9 ments under each repayment
10 plan that is available; and

11 “(bb) the difference in inter-
12 est paid and total payments
13 under each repayment plan.

14 “(IV) The obligation of the bor-
15 rower to repay the full amount of the
16 loan, regardless of whether the stu-
17 dent on whose behalf the loan was
18 made completes the program in which
19 the student is enrolled.

20 “(V) The likely consequences of
21 default on the loan, including adverse
22 credit reports, delinquent debt collec-
23 tion procedures under Federal law,
24 and litigation.

1 “(VI) A notification that the loan
2 is not eligible for an income-based re-
3 payment plan under section 493C.

4 “(VII) The name and contact in-
5 formation of the individual the bor-
6 rower may contact if the borrower has
7 any questions about the borrower’s
8 rights and responsibilities or the
9 terms and conditions of the loan.

10 “(2) INTERIM IN-SCHOOL COUNSELING RE-
11 QUIREMENTS FOR INSTITUTIONS WITH GREATER
12 THAN AVERAGE STUDENT DEFAULT RISK.—Each eli-
13 gible institution that has a student default risk that
14 is greater than the national average student default
15 risk (as determined by the Secretary), shall require
16 each borrower of a loan made, insured, or guaran-
17 teed under part B (other than a loan made pursuant
18 to section 428C or a loan made on behalf of a stu-
19 dent pursuant to section 428B) or made under part
20 D (other than a Federal Direct Consolidation Loan
21 or a Federal Direct PLUS loan made on behalf of
22 a student), to undertake not less than 1 online or in-
23 person counseling session at the beginning of each
24 academic year that the borrower is enrolled at such
25 institution, which shall include—

1 “(A) the applicable notification require-
2 ments described in paragraph (1); and

3 “(B) a statement that student loans must
4 be repaid even if the student does not complete
5 the program in which the student enrolled.

6 “(o) REQUIRED DATA.—In any case where an insti-
7 tution needs data to comply with subsection (b), (l), or
8 (n) that are not available to the institution but that are
9 available to the Department or a Federal agency, the Sec-
10 retary or the head of such agency shall provide or make
11 available such information to the institution.

12 “(p) REPORTS RELATING TO CLINICAL TRAINING
13 PROGRAMS.—

14 “(1) REPORT ON CLINICAL TRAINING PROGRAM
15 AGREEMENTS.—

16 “(A) IN GENERAL.—Beginning in the year
17 in which the Higher Education Affordability
18 Act is enacted, an eligible institution that par-
19 ticipates in any program under this title shall
20 prepare and submit a report to the Secretary
21 containing the information described in sub-
22 paragraph (C), for every year in which the eligi-
23 ble institution has an agreement with a hospital
24 or health facility, through which—

1 that are part of the agreement described in
2 subparagraph (A).

3 “(iii) Any memorandum of under-
4 standing between the institution of higher
5 education, or an alumni association or
6 foundation affiliated with or related to
7 such institution, and a hospital or health
8 facility, that directly or indirectly relates to
9 any aspect of any agreement referred to in
10 subparagraph (A) or controls or directs
11 any obligations or distribution of benefits
12 between or among any such entities.

13 “(iv) For each hospital or health facil-
14 ity that has an agreement described in
15 subparagraph (A) with the institution, the
16 number of clinical training positions at the
17 hospital or health facility that are reserved
18 for students at that institution.

19 “(2) REPORT ON CHARITABLE DONATIONS.—

20 “(A) IN GENERAL.—Beginning in the year
21 in which the Higher Education Affordability
22 Act is enacted, and annually thereafter, an eli-
23 gible institution shall prepare and submit to the
24 Secretary a report containing the information
25 described in subparagraph (C) if—

1 “(i) the eligible institution made a
2 charitable donation to a hospital or health
3 facility in any of the previous 3 years; and

4 “(ii) the number of students from the
5 eligible institution who participate in any
6 clinical training program at the hospital or
7 health facility where such a donation was
8 made increases by more than 5 students or
9 10 percent, whichever is less, as compared
10 to the number of such students who par-
11 ticipated in a clinical training program at
12 that hospital or health facility during the
13 first year in the previous 3-year period.

14 “(B) TIMING.—Following the year in
15 which the Higher Education Affordability Act is
16 enacted, the report described in subparagraph
17 (A) shall be submitted not more than 30 days
18 after the end of any year for which a report is
19 required to comply with subparagraph (A).

20 “(C) CONTENTS OF REPORT.—The report
21 described in this paragraph shall include the
22 following:

23 “(i) The amount of each charitable
24 donation that was made in the previous 3-

1 year period by the eligible institution to a
2 hospital or health facility.

3 “(ii) The number of students from the
4 eligible institution who participate in any
5 clinical training program at the hospital or
6 health facility where each such donation
7 was made—

8 “(I) during the year in which the
9 report is submitted; and

10 “(II) during the first year in the
11 previous 3-year period covered by the
12 report.

13 “(3) AGGREGATION BY INSTITUTION.—The in-
14 formation required to be reported in this subsection
15 shall include, and shall be aggregated with respect
16 to, each institution of higher education and each
17 alumni association or foundation affiliated with or
18 related to such institution. For any year in which an
19 institution is required to submit a report described
20 under paragraph (1) and a report described under
21 paragraph (2), the institution may submit a single
22 report for that year containing all of the information
23 required under paragraphs (1) and (2).

24 “(4) REPORT TO CONGRESS.—The Secretary, in
25 conjunction with the Secretary of Health and

1 Human Services, shall submit to Congress, and
2 make available to the public, an annual report that
3 lists the reports submitted to the Secretary by each
4 institution of higher education in accordance with
5 this subsection.

6 “(5) PUBLIC DISCLOSURE.—Each eligible insti-
7 tution described in paragraph (1) or (2) of this sub-
8 section shall make readily available the reports de-
9 scribed in such paragraph (as applicable), through
10 appropriate publications, mailings, and electronic
11 media to the general public.

12 “(6) DEFINITIONS.—In this subsection:

13 “(A) CLINICAL TRAINING PROGRAM.—The
14 term ‘clinical training program’ means any pro-
15 gram at, or associated or affiliated with, a hos-
16 pital or health facility (or any of a hospital’s af-
17 filiates or health facility’s affiliates), the com-
18 pletion of which fulfills a requirement that is
19 necessary to receive a license, certificate, spe-
20 cialized accreditation, or other academically re-
21 lated pre-condition necessary under Federal or
22 State law for a health profession.

23 “(B) HEALTH FACILITY.—The term
24 ‘health facility’ has the meaning given that
25 term in section 804(d).

1 “(C) HOSPITAL.—The term ‘hospital’ has
2 the meaning given that term in section 1861 of
3 the Social Security Act (42 U.S.C. 1395x).”.

4 (b) EFFECT ON CHANGES TO CAMPUS SAFETY PRO-
5 VISIONS ON OTHER LAWS.—Nothing in the amendments
6 made by subsection (a)(3), shall be construed to invalidate
7 or limit rights, remedies, procedures, or legal standards
8 available to victims of discrimination under any other Fed-
9 eral law or law of a State or political subdivision of a
10 State, including title VI of the Civil Rights Act of 1964
11 (42 U.S.C. 2000d et seq.), title IX of the Education
12 Amendments of 1972 (20 U.S.C. 1681 et seq.), section
13 504 or 505 of the Rehabilitation Act of 1973 (29 U.S.C.
14 794, 794a), or the Americans with Disabilities Act of 1990
15 (42 U.S.C. 12101 et seq.). The obligations imposed by this
16 Act are in addition to those imposed by title VI of the
17 Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title
18 IX of the Education Amendments of 1972 (20 U.S.C.
19 1681 et seq.), section 504 of the Rehabilitation Act of
20 1973 (29 U.S.C. 794), and the Americans with Disabil-
21 ities Act of 1990 (42 U.S.C. 12101 et seq.).

22 (c) EFFECTIVE DATE FOR TERMINATION OF IN-
23 COME-SENSITIVE REPAYMENT PLAN REFERENCE.—The
24 amendment made by subsection (a)(2) shall take effect on

1 the date that is 1 year after the date of enactment of this
2 Act.

3 **SEC. 487. IMPROVEMENTS TO NATIONAL STUDENT LOAN**
4 **DATA SYSTEM.**

5 (a) AMENDMENTS.—Section 485B (20 U.S.C.
6 1092b) is amended—

7 (1) in subsection (a), by inserting “and loans
8 made or insured under part A of title VII, or part
9 E of title VIII, of the Public Health Service Act (42
10 U.S.C. 292 et seq., 296 et seq.),” after “parts D
11 and E,”; and

12 (2) by striking subsection (h) and inserting the
13 following:

14 “(h) INTEGRATION OF DATABASES.—

15 “(1) IN GENERAL.—The Secretary shall inte-
16 grate the National Student Loan Data System with
17 the Federal Pell Grant applicant and recipient data-
18 bases as of January 1, 1994, and any other data-
19 bases containing information on participation in pro-
20 grams under this title.

21 “(2) DEPARTMENT OF DEFENSE AND DEPART-
22 MENT OF VETERANS AFFAIRS INFORMATION.—

23 “(A) IN GENERAL.—In order to incor-
24 porate the military and veteran status of bor-
25 rowers into the National Student Loan Data

1 System, the Secretary shall integrate the Na-
2 tional Student Loan Data System with informa-
3 tion from—

4 “(i) the Department of Defense, in-
5 cluding the Defense Manpower Data Cen-
6 ter; and

7 “(ii) the Department of Veterans Af-
8 fairs, including data about veterans who
9 are eligible for educational assistance
10 under laws administered by the Secretary
11 of Veterans Affairs.

12 “(B) MEMORANDA OF UNDERSTANDING.—
13 The Secretary shall enter into any memoranda
14 of understanding or other agreements that are
15 necessary to carry out this paragraph.”; and

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

17 “(i) PUBLIC HEALTH SERVICE LOANS.—The Sec-
18 retary shall include in the National Student Loan Data
19 System established pursuant to subsection (a) information
20 regarding loans made under—

21 “(1) subpart II of part A of title VII of the
22 Public Health Service Act; or

23 “(2) part E of title VIII of the Public Health
24 Service Act.

1 “(j) PRIVATE EDUCATION LOAN INFORMATION.—
2 The Secretary shall include in the National Student Loan
3 Data System established pursuant to subsection (a) the
4 information regarding private education loans that is de-
5 termined necessary by the Director of the Bureau of Con-
6 sumer Financial Protection, in coordination with the Sec-
7 retary, to be included pursuant to section 128(e)(13) of
8 the Truth in Lending Act (15 U.S.C. 1638(e)(13)).”.

9 (b) REPORTS.—

10 (1) PLAN.—Not later than 90 days after the
11 date of the enactment of this Act, the Secretary of
12 Education shall submit to the appropriate commit-
13 tees of Congress a report that includes a plan to im-
14 plement the Department of Defense and Department
15 of Veterans Affairs data integration provision de-
16 scribed under section 485B(h)(2) of the Higher
17 Education Act of 1965, as amended by subsection
18 (a)(2).

19 (2) FOLLOW-UP REPORT.—If the Secretary of
20 Education has not implemented the Department of
21 Defense and Department of Veterans Affairs data
22 integration provision described under section
23 485B(h)(2) of the Higher Education Act of 1965, as
24 amended by subsection (a)(2), by the date that is 1
25 year after the date of enactment of this Act, the

1 Secretary of Education shall submit, by such date,
2 a report that includes an explanation of why such
3 provision has not been implemented.

4 **SEC. 488. COMPETENCY-BASED EDUCATION DEMONSTRATION PROGRAM.**
5

6 Part G of title IV (20 U.S.C. 1088 et seq.) is further
7 amended by inserting after section 486A the following:

8 **“SEC. 486B. COMPETENCY-BASED EDUCATION DEMONSTRATION PROGRAM.**
9

10 “(a) PURPOSE.—It is the purpose of this section—

11 “(1) to allow a demonstration program that is
12 monitored by the Secretary to explore ways of delivering
13 education and disbursing student financial aid
14 that are based on demonstrating competencies rather
15 than credit hours;

16 “(2) to potentially lower the cost of postsecondary
17 education and reduce the time needed to attain a postsecondary
18 degree; and

19 “(3) to help determine—

20 “(A) the specific statutory and regulatory
21 requirements that should be modified to provide
22 greater access to high-quality competency-based
23 education programs, which may be independent
24 of, or combined with, traditional credit hour or
25 clock hour programs;

1 “(B) the most effective means of delivering
2 competency-based education; and

3 “(C) the appropriate level and distribution
4 methodology of Federal assistance for students
5 enrolled in competency-based education.

6 “(b) DEFINITIONS.—In this section:

7 “(1) COMPETENCY-BASED EDUCATION.—The
8 term ‘competency-based education’ means an aca-
9 demic program that—

10 “(A) uses direct assessment of learning for
11 any of its components as a substitute for tradi-
12 tional coursework measured in credit-hours; and

13 “(B) upon successful completion, results in
14 the attainment of a 2-year or 4-year postsec-
15 ondary degree or certificate.

16 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-
17 tity’ means any of the following:

18 “(A) An institution of higher education, as
19 defined in section 101, that is eligible to partici-
20 pate in programs under this title.

21 “(B) A consortia of institutions of higher
22 education that meet the requirements in sub-
23 paragraph (A).

24 “(c) DEMONSTRATION PROGRAMS AUTHORIZED.—

1 “(1) IN GENERAL.—The Secretary shall carry
2 out a competency-based education demonstration
3 program under which the Secretary selects, in ac-
4 cordance with subsection (e), eligible entities to par-
5 ticipate and receive waivers described in paragraph
6 (2), in order to enable the eligible entities to offer
7 competency-based education programs.

8 “(2) WAIVERS.—

9 “(A) IN GENERAL.—The Secretary may
10 waive, for an eligible entity participating in the
11 demonstration program under this section, any
12 requirement of subsections (a) and (f) of sec-
13 tion 481 as such subsections relate to require-
14 ments under this Act for a minimum number of
15 weeks of instruction (including any regulation
16 promulgated under such subsections).

17 “(B) ADDITIONAL REQUIREMENTS ELIGI-
18 BLE FOR WAIVER.—

19 “(i) IN GENERAL.—In addition to any
20 waiver authorized under subparagraph (A),
21 the Secretary may waive any requirements
22 described in clause (ii) for an eligible enti-
23 ty that requests such a waiver in the appli-
24 cation submitted under subsection (d), if—

1 “(I) the Secretary determines
2 that the eligible entity has proposed a
3 high-quality plan for competency-
4 based education that requires such
5 waiver;

6 “(II) the eligibility entity has
7 provided equivalent metrics to each of
8 the requirements described in clause
9 (ii) for which the eligible entity is
10 seeking a waiver; and

11 “(III) the Secretary has certified
12 that all requirements being waived
13 have such high-quality equivalents.

14 “(ii) DESCRIPTION OF ADDITIONAL
15 REQUIREMENTS.—Requirements described
16 in this clause are requirements under this
17 part, part F, or title I (including any regu-
18 lations promulgated under such parts or
19 title) that inhibits the operation of com-
20 petency-based education, related to—

21 “(I) minimum weeks of instruc-
22 tional time;

23 “(II) credit hour or clock hour
24 equivalencies; and

1 “(III) the definitions of the terms
2 ‘academic year’, ‘full-time student’,
3 ‘standard term’, ‘non-term’, ‘non-
4 standard term’, ‘term’, ‘satisfactory
5 academic progress’, ‘educational activ-
6 ity’, ‘program of study’, and ‘payment
7 period’.

8 “(d) APPLICATION.—

9 “(1) IN GENERAL.—Each eligible entity desir-
10 ing to participate in the demonstration program
11 under this section shall submit to the Secretary an
12 application at such time, in such manner, and con-
13 taining such information as the Secretary shall re-
14 quire.

15 “(2) CONTENTS.—Each application submitted
16 under paragraph (1) shall include—

17 “(A) a description of the competency-based
18 education to be offered by the eligible entity
19 through the demonstration program;

20 “(B) a detailed description of the proposed
21 academic delivery, business, and financial mod-
22 els to be used in the program, including brief
23 explanations of how the program’s approach
24 would result in the achievement and assessment

1 of competencies and how the approach would
2 differ from standard credit hour approaches;

3 “(C)(i) a summary of the evidence-based
4 analysis of the financial impact of the proposed
5 program on the institution, its prospective stu-
6 dents, and the Federal government; and

7 “(ii) a written assurance that—

8 “(I) the summary presented to the
9 Secretary is a good-faith representation of
10 all the information available to the institu-
11 tion at the time of the application; and

12 “(II) all material internal analyses
13 and supporting data used in the summary
14 shall be retained and made available to the
15 Secretary upon request for a period of not
16 less than 5 years after the approval of the
17 proposed program;

18 “(D) a written assurance that the program
19 fully conforms to the institution’s academic
20 policies, and that any degrees or certificates
21 conferred through the program shall be equiva-
22 lent to the institution’s traditional degrees or
23 certificates;

1 “(E) documentation of approval of the
2 competency-based demonstration program from
3 a regional accrediting agency or association;

4 “(F) a description of the statutory and
5 regulatory requirements described in subsection
6 (c)(2) for which a waiver is sought, the reasons
7 for which each such waiver is sought, and how
8 the institution proposes to mitigate any risks to
9 students or the Federal Government as a result
10 of the waiver;

11 “(G) a description of the entity’s proposal
12 for determining a student’s Federal student aid
13 eligibility under this title and awarding and dis-
14 tributing such aid, including safeguards to en-
15 sure that students are making satisfactory
16 progress that warrants disbursement of such
17 aid, and an explanation of how the proposal en-
18 sures that the program does not require the ex-
19 penditure of additional Federal funding beyond
20 what the student is eligible for;

21 “(H) a description of the students to
22 whom competency-based education will be of-
23 fered, including an assurance that the eligible
24 entity will include a minimum of 100 and a

1 maximum of 2,000 eligible students as part of
2 the program;

3 “(I) a description of the goals the entity
4 hopes to achieve through the use of com-
5 petency-based education, including evidence-
6 based estimates of cost savings to the institu-
7 tion, students, and the Federal Government as
8 a direct result of the delivery method being pro-
9 posed;

10 “(J) a description of how the entity plans
11 to maintain program quality and integrity, con-
12 sistent with part H;

13 “(K) an assurance that the entity will fully
14 cooperate with the ongoing evaluations of the
15 demonstration program under subsection (f)(3);

16 “(L) an assurance that the entity will not
17 require the expenditure of additional Federal
18 funding to implement the proposed program;

19 “(M) an evidence-based estimate of the
20 percentage of students the program would en-
21 roll whom the institution estimates will success-
22 fully complete the program, satisfy all academic
23 requirements, and attain the academic creden-
24 tial the program is intended to confer;

1 “(N) a written assurance that the eligible
2 entity will comply with section 444 of the Gen-
3 eral Education Provisions Act (commonly re-
4 ferred to as the ‘Family Educational Rights
5 and Privacy Act of 1974’) by agreeing to obtain
6 a signed consent form from each student who
7 will participate in the program, before the stu-
8 dent enrolls in the program or receives Federal
9 student financial aid under this title for the
10 program, that will allow the Secretary to con-
11 duct an evaluation of the program’s effective-
12 ness, including its impact on post-enrollment
13 earnings through matching data with other
14 Federal agencies, as long as—

15 “(i) no information from the student’s
16 education record would be permanently
17 stored with any other Federal agency; and

18 “(ii) no student’s personally identifi-
19 able information would be publicly dis-
20 closed; and

21 “(O) such other information as the Sec-
22 retary may require.

23 “(e) SELECTION.—

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

1 Affordability Act, the Secretary shall select not more
2 than 15 eligible entities to participate in the dem-
3 onstration program under this section.

4 “(2) CONSIDERATIONS.—In selecting eligible
5 entities to participate in the demonstration program
6 under this section, the Secretary shall—

7 “(A) not select any eligible entity for which
8 the estimated percentage of students in the pro-
9 posed program expected to complete their de-
10 gree, as provided in the application under sub-
11 section (d)(2)(O), is lower than the percentage
12 of students enrolled in traditional academic pro-
13 grams at the institution that complete their de-
14 gree or program of study;

15 “(B) consider the number and quality of
16 applications received;

17 “(C) consider the eligible entity’s—

18 “(i) demonstrated quality, as meas-
19 ured through outcome-based metrics of
20 student success;

21 “(ii) financial responsibility;

22 “(iii) administrative capability, includ-
23 ing the ability to successfully execute the
24 program as described;

1 “(iv) commitment and ability to effec-
2 tively finance a demonstration program as
3 proposed;

4 “(v) demonstrated administrative ca-
5 pability and expertise to evaluate learning
6 based on measures other than credit hours
7 or clock hours;

8 “(vi) commitment to allow random as-
9 signment and collection of school records
10 of eligible program applicants, in full com-
11 pliance with section 444 of the General
12 Education Provisions Act (commonly re-
13 ferred to as the ‘Family Educational
14 Rights and Privacy Act of 1974’), if nec-
15 essary, in order to allow for the evaluation
16 of program impacts described in subsection
17 (f)(2)(B); and

18 “(vii) ability to translate competencies
19 to traditional credit hours to help facilitate
20 the ability of students participating in the
21 demonstration project to transfer to an-
22 other institution of higher education if the
23 student so desires;

24 “(D) ability to offer a financial guarantee
25 to assume all Federal loans made under part D

1 to students who demonstrate that the education
2 received did not lead to improved employment
3 prospects;

4 “(E) consider the Department’s capacity to
5 oversee and monitor each eligible institution’s
6 participation; and

7 “(F) ensure the participation of a diverse
8 group of institutions of higher education (in-
9 cluding institutions within eligible entities de-
10 scribed in subparagraph (B) or (C) of sub-
11 section (b)(2)) with respect to size, mission, and
12 geographic distribution of the institutions.

13 “(3) NOTIFICATION.—Not later than 180 days
14 after the date of enactment of the Higher Education
15 Affordability Act, the Secretary shall make available
16 to the authorizing committees, and to the public
17 through the Department’s website, a list of the eligi-
18 ble entities selected to participate in the demonstra-
19 tion program under this section. Such list shall in-
20 clude, for each such eligible entity, the specific statu-
21 tory and regulatory requirements that the Secretary
22 is waiving for the program and a description of the
23 competency-based education courses to be offered.

24 “(f) EVALUATIONS AND REPORTS.—

1 while also taking courses offered in credit
2 or clock hours;

3 “(v) the percentage of assessments of
4 student learning that the student passed
5 on the first attempt, during the period of
6 the student’s participation in the program;
7 and

8 “(vi) the percentage of assessments of
9 student learning that the student passed
10 on the second attempt, and the average pe-
11 riod of time between the student’s first and
12 second attempts, during the period of the
13 student’s participation in the program.

14 “(B) The rates of retention in the program
15 for participating students, for each 6-month pe-
16 riod of the program.

17 “(C) Graduation rates for participating
18 students and the average period of time for de-
19 gree completion by a student participating in
20 the program, disaggregated based on student
21 status as a first-year, second-year, third-year,
22 or fourth-year student when the student en-
23 rolled in the program and status with respect to
24 participating in courses offered in credit or

1 clock hours while also participating in com-
2 petency-based education.

3 “(D) Issues related to awarding and dis-
4 bursing student financial assistance for com-
5 petency-based education.

6 “(E) The job placement rates of all stu-
7 dents who participated in the program, as
8 measured in the second fiscal year after the
9 completion of the program. The Secretary may
10 offer guidance for the purposes of making this
11 calculation.

12 “(F) An analysis of the mean debt to earn-
13 ings ratio, and the mean debt to discretionary
14 earnings ratio, of the students who participated
15 in the program, as measured in the second fis-
16 cal year after the completion of the program—

17 “(i) in the aggregate and
18 disaggregated for students who earned the
19 degree or credential and students who did
20 not earn the degree or credential; and

21 “(ii) calculated for each quintile of
22 students, based on the salary of the stu-
23 dents after participation in the program.

24 “(G) A compilation of quality reviews by
25 students who participated in the program.

1 “(H) Such other information as the Sec-
2 retary may require.

3 “(2) EVALUATION.—The Secretary shall—

4 “(A) in the aggregate, annually evaluate
5 the program offered by each eligible entity par-
6 ticipating in the demonstration program under
7 this section to review—

8 “(i) the extent to which the eligible
9 entity has met the goals set forth in its ap-
10 plication under subsection (d), including
11 the progress of the eligible entity based on
12 the measures of program quality assur-
13 ance;

14 “(ii) the number and types of stu-
15 dents participating in the competency-
16 based education programs offered, includ-
17 ing the progress of participating students
18 toward recognized degrees and the extent
19 to which participation, postsecondary edu-
20 cation retention, postsecondary education
21 completion, employment after graduation,
22 and debt repayment increased or decreased
23 for participating students as compared to
24 the general postsecondary education stu-
25 dent population;

1 “(iii) obstacles related to student fi-
2 nancial assistance for competency-based
3 education; and

4 “(iv) the extent to which statutory or
5 regulatory requirements not waived under
6 the demonstration program present dif-
7 ficulties for students or institutions of
8 higher education; and

9 “(B) acting through the Director of the In-
10 stitute of Education Sciences—

11 “(i) evaluate the implementation and
12 impact of the activities allowed under this
13 section; and

14 “(ii) identify promising practices re-
15 garding competency-based education and
16 disseminate research on these practices.

17 “(3) ANNUAL REPORT.—The Secretary shall
18 annually prepare and submit to the authorizing com-
19 mittees a report that includes the following:

20 “(A) The evaluations of the demonstration
21 programs required under paragraph (3).

22 “(B) The number and types of students re-
23 ceiving assistance under this title who partici-
24 pate in competency-based education programs
25 supported under this section.

1 “(C) The postsecondary education reten-
2 tion and completion rates of students partici-
3 pating in such programs.

4 “(D) The job placement rates of partici-
5 pating students, as measured 2 fiscal years
6 after the completion of such programs.

7 “(E) An analysis of the mean debt to earn-
8 ings ratio, and the mean debt to discretionary
9 earnings ratio of the students who participated
10 in the program, as measured in the second fis-
11 cal year after the completion of the program—

12 “(i) in the aggregate and
13 disaggregated for students who earned the
14 degree or credential and students who did
15 not the degree or credential; and

16 “(ii) calculated for each quintile of
17 students, based on the salary of the stu-
18 dents after participation in the program.

19 “(F) Any statutory changes the Secretary
20 would recommend that are designed to support
21 and enhance the expansion of competency-based
22 education.

23 “(G) Other such measures as determined
24 by the Secretary.

1 “(g) OVERSIGHT.—In conducting the demonstration
2 program under this section, the Secretary shall, on a con-
3 tinuing basis—

4 “(1) ensure that eligible entities participating in
5 the program comply with the requirements of this
6 title (other than the requirements that are waived
7 under subsection (c)(2));

8 “(2) provide technical assistance;

9 “(3) monitor fluctuations in the student popu-
10 lation enrolled in the participating eligible entities;
11 and

12 “(4) consult with appropriate accrediting agen-
13 cies or associations and appropriate State regulatory
14 authorities regarding the program.

15 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
16 are authorized to be appropriated to carry out this section
17 such sums as may be necessary for fiscal year 2015 and
18 each of the five succeeding fiscal years.”.

19 **SEC. 489. PROGRAM PARTICIPATION AGREEMENTS.**

20 (a) SENSE OF THE SENATE REGARDING INCENTIVE
21 COMPENSATION.—It is the sense of the Senate that—

22 (1) incentive compensation is an inappropriate
23 mechanism in the delivery of higher education for in-
24 stitutions of higher education wishing to participate

1 in programs under title IV of the Higher Education
2 Act of 1965 (20 U.S.C. 1001 et seq.); and

3 (2) the ban on incentive compensation under
4 section 487(a)(20) of the Higher Education Act of
5 1965 (20 U.S.C. 1094(a)(20)), as amended by sub-
6 section (b), is intended to preclude its use by institu-
7 tions wishing to participate in such programs, at any
8 point in the recruitment, enrollment, education, or
9 employment placement of students.

10 (b) AMENDMENTS.—Section 487 (20 U.S.C. 1094) is
11 amended—

12 (1) in subsection (a)—

13 (A) in paragraph (19), by inserting “hous-
14 ing facilities,” after “libraries,”; and

15 (B) by striking paragraph (20) and insert-
16 ing the following:

17 “(20)(A)(i) The institution or any third party
18 acting on the institution’s behalf, including an insti-
19 tution affiliate or service provider to the institution,
20 will not provide any commission, bonus, or other in-
21 centive payment to any person or entity at any
22 phase of the academic process based directly or indi-
23 rectly on success in—

24 “(I) securing enrollments or securing or
25 awarding financial aid;

1 “(II) performance in educational
2 coursework;

3 “(III) graduation;

4 “(IV) job placement; or

5 “(V) any other academic facet of a stu-
6 dent’s enrollment in an institution of higher
7 education.

8 “(ii) The requirements of subparagraph (A)
9 shall not apply to the recruitment of foreign stu-
10 dents residing in foreign countries who are not eligi-
11 ble to receive Federal student assistance.

12 “(B) The institution affirmatively acknowledges
13 that the provision of incentive compensation to em-
14 ployees of institutions, institution affiliates, or serv-
15 ice providers retained by the institution at any point
16 in the recruitment, enrollment, education, or employ-
17 ment placement of students is a prohibited activity
18 under subparagraph (A)(i).

19 “(C) The institution will provide, upon hiring
20 an employee or contracting with a service provider,
21 and not less than once per calendar year, official no-
22 tice, on a form developed by the Secretary, to em-
23 ployees and service providers (and employees of serv-
24 ice providers) contracted by the institution of the

1 statutory and regulatory requirements pursuant to
2 this section.

3 “(D) The institution will not enter into any
4 contract with a third party acting on its behalf, in-
5 cluding institution affiliates or service providers,
6 that contains a revenue-sharing component premised
7 in full or in any part on any practice described in
8 subparagraph (A)(i).”;

9 (C) by striking paragraph (24) and insert-
10 ing the following:

11 “(24) The institution certifies that the institu-
12 tion—

13 “(A) has designated an appropriate staff
14 person, who may also be a coordinator for other
15 programs, as a single point of contact to assist
16 homeless children and youths (as such term is
17 defined in section 725 of the McKinney-Vento
18 Homeless Assistance Act (42 U.S.C. 11434a))
19 and foster care children and youth in accessing
20 and completing postsecondary education;

21 “(B) posts public notice about student fi-
22 nancial assistance and other assistance available
23 to homeless children and youths and foster care
24 children and youth, including their eligibility as

1 independent students under subparagraphs (B)
2 and (H) of sections 480(d)(1);

3 “(C) has developed a plan for how home-
4 less children and youths and foster care chil-
5 dren and youth can access housing resources
6 during and between academic terms, through
7 means that may include access to on-campus
8 housing during school breaks and a list of hous-
9 ing resources in the community that provide
10 short-term housing; and

11 “(D) has included in the institution’s ap-
12 plication for admission questions (to be an-
13 swered voluntarily) regarding the applicant’s
14 status as a homeless child or youth or foster
15 care child or youth, which the applicant can vol-
16 untarily choose to answer for the limited pur-
17 pose of being provided information about finan-
18 cial aid or any other available assistance.”;

19 (i) in paragraph (25)(A)(ii), by strik-
20 ing “subsection (e)” and inserting “sub-
21 section (d)”;

22 (ii) in paragraph (27), by striking
23 “subsection (h)” and inserting “subsection
24 (g)”;

1 (D) by striking paragraph (28) and insert-
2 ing the following:

3 “(28)(A) The institution shall—

4 “(i) upon the request of a private edu-
5 cational lender, acting in connection with an ap-
6 plication initiated by a borrower for a private
7 education loan in accordance with section
8 128(e)(3) of the Truth in Lending Act, pro-
9 vide—

10 “(I) certification to such private edu-
11 cational lender—

12 “(aa) that the student who initi-
13 ated the application for the private
14 education loan, or on whose behalf the
15 application was initiated, is enrolled
16 or is accepted for enrollment at the
17 institution;

18 “(bb) of such student’s cost of
19 attendance at the institution as deter-
20 mined under part F of this title; and

21 “(cc) of the difference between—

22 “(AA) the cost of attendance
23 at the institution; and

24 “(BB) the student’s esti-
25 mated financial assistance re-

1 ceived under this title, if the stu-
2 dent pursued such assistance,
3 and other assistance known to
4 the institution, as applicable; or

5 “(II) in the case of a private edu-
6 cation loan that the institution may not
7 certify because the private education loan
8 does not meet the requirements described
9 in subsection (D), provide notice to the pri-
10 vate educational lender of the institution’s
11 refusal to certify the private education
12 loan; and

13 “(ii) provide the certification described in
14 clause (i)(I), or notice of the refusal to provide
15 certification described in clause (i)(II), as the
16 case may be, or notify the creditor that the in-
17 stitution has received the request for certifi-
18 cation and will need additional time to comply
19 with the certification request—

20 “(I) within 15 business days of receipt
21 of such certification request; and

22 “(II) only after the institution has
23 completed the activities described in sub-
24 paragraph (B).

1 “(II) The student’s ability to select a
2 private educational lender of the student’s
3 choice.

4 “(III) The impact of a proposed pri-
5 vate education loan on the student’s poten-
6 tial eligibility for other financial assistance,
7 including Federal financial assistance
8 under this title.

9 “(IV) The student’s right to accept or
10 reject a private education loan within the
11 30-day period following a private edu-
12 cational lender’s approval of a student’s
13 loan application and the right of a bor-
14 rower of a private education loan to cancel
15 the loan within a 3-day period, in accord-
16 ance with paragraphs (6) and (7) of sec-
17 tion 128(e) of the Truth in Lending Act.

18 “(C) For purposes of this paragraph, the term
19 ‘private educational lender’ has the meaning given
20 such term in section 140 of the Truth in Lending
21 Act (15 U.S.C. 1650).

22 “(D) In the case of a private education loan
23 that includes a cosigner, the institution shall not
24 provide certification to a private educational lender
25 under this paragraph unless the private educational

1 lender agrees to send a statement to the borrower's
2 cosigner, annually notifying the cosigner of the
3 terms, conditions, and status of such private edu-
4 cation loan.”; and

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

6 “(30)(A) The institution—

7 “(i) shall not include a predispute arbitra-
8 tion agreement in any contract with a student
9 or prospective student for enrollment at the in-
10 stitution; and

11 “(ii) shall agree that, in any case where a
12 contract for enrollment at the institution en-
13 tered into by a student before the date of enact-
14 ment of the Higher Education Affordability Act
15 included a predispute arbitration agreement,
16 such agreement shall be invalid and unenforce-
17 able by the institution.

18 “(B) In this paragraph, the term ‘predispute
19 arbitration agreement’ means any agreement to arbi-
20 trate a dispute that had not yet arisen at the time
21 of the making of the agreement.

22 “(31) The institution will provide the Secretary
23 with any information that the Secretary requests in
24 order to meet the default prevention requirements of
25 section 435(a)(7).

1 “(32)(A) If the institution has a student default
2 risk for a fiscal year, as calculated by the Secretary,
3 of 0.1 or greater, the institution will, for such
4 year—

5 “(i) provide an individual accepted for en-
6 rollment at the institution with a waiting pe-
7 riod, beginning on the date that the individual
8 receives notification of the acceptance and last-
9 ing for not less than 2 weeks, before the indi-
10 vidual is required to enroll in the institution,
11 pay tuition charges, or sign a master promis-
12 sory note for a loan under this title, in order to
13 give the individual time to consider, and com-
14 pare among postsecondary options, program
15 costs at the institution and employment pros-
16 pects upon completion of a program of study;

17 “(ii) ensure that the receipt of financial
18 aid, incentives, or other benefits is not made
19 contingent on an individual confirming enroll-
20 ment before the end of the individual’s waiting
21 period;

22 “(iii) inform the individual, in writing and
23 in a manner determined by the Secretary at the
24 time of the acceptance notification, of—

1 “(I) the individual’s right to the 2-
2 week waiting period under clause (i) begin-
3 ning on the date that the individual re-
4 ceives notification of the acceptance; and

5 “(II) the reason why the institution is
6 required to provide such waiting period;

7 “(iv) notify an individual accepted for en-
8 rollment at the institution of all financial aid
9 determinations by not less than 1 week before
10 the enrollment confirmation deadline, if all re-
11 quested application forms are received from the
12 individual on time; and

13 “(v) disclose to an individual accepted for
14 enrollment, in a manner determined by the Sec-
15 retary, that the individual may file a complaint
16 through the complaint tracking system estab-
17 lished under section 161 if the individual be-
18 lieves that the institution has violated any pro-
19 vision of this paragraph.

20 “(B) If an institution described in subpara-
21 graph (A) fails to meet the requirements of this
22 paragraph, the institution shall be subject to a civil
23 penalty in accordance with section 489A.

24 “(C) Notwithstanding subparagraph (A), the
25 Secretary may, after providing notice and an oppor-

1 tunity to comment, elect to replace the use of the
2 student default risk percentage threshold established
3 under subparagraph (A) with a loan repayment rate
4 threshold calculated in accordance with section
5 483D(b).

6 “(33) In the case of an institution that enrolls
7 during an academic year more than 100 students
8 who are veterans, the institution shall certify that
9 the institution has developed and implemented a
10 plan to ensure the success of veterans at that insti-
11 tution. To the extent practicable, the institution
12 shall make the plan, and associated policies, public
13 and accessible to students who are veterans. Such
14 plan shall include the following:

15 “(A) The designation of certain faculty or
16 staff at the institution who will serve as a point
17 of contact for veterans—

18 “(i) within campus offices, including
19 the admissions office; and

20 “(ii) during any orientation process
21 for newly enrolled students.

22 “(B) The establishment of a working
23 group that will be responsible for veterans
24 issues.

1 “(C) A description of disability services
2 that are available to meet the needs of disabled
3 students who are veterans.

4 “(D) A plan for how the institution will
5 identify students who are veterans through the
6 application process, or through other processes,
7 to provide better assistance in the receipt of
8 educational assistance under laws administered
9 by the Secretary of Veterans Affairs or the Sec-
10 retary of Defense.

11 “(E) A description of how the institution
12 will evaluate and maximize the number of cred-
13 its students can receive from military training
14 and service.

15 “(34) The institution, and the officers at the
16 institution, will not make any substantial misrepre-
17 sentation, as described in section 489A(a)(1)(A).

18 “(35) The institution will adopt policies regard-
19 ing academic leaves of absence, readmission, and
20 dismissal for psychiatric reasons that are com-
21 parable to such policies for physical health and other
22 medical reasons, including policies that include the
23 same guarantees of due process and appeal.”;

24 (2) in subsection (c)—

25 (A) in paragraph (1)—

1 (i) in subparagraph (A)(i), by striking
2 “available” and inserting “made publicly
3 available and provided”.

4 (ii) by striking subparagraphs (F) and
5 (G);

6 (iii) by redesignating subparagraphs
7 (H) and (I) as subparagraphs (F) and (G),
8 respectively; and

9 (iv) in subparagraph (F), as redesign-
10 nated by clause (iii), by striking “under
11 paragraph (3)(B)” and inserting “on the
12 institution of higher education under sec-
13 tion 489A”; and

14 (B) by striking paragraph (3); and

15 (C) by redesignating paragraphs (4)
16 through (7) as paragraphs (3) through (6), re-
17 spectively;

18 (3) by striking subsection (d);

19 (4) by redesignating subsections (e) through (j)
20 as subsections (d) through (i), respectively; and

21 (5) in subsection (f)(1) (as redesignated by
22 paragraph (4)), by striking “subsection (e)(2)” and
23 inserting “subsection (d)(2)”.

24 (c) EFFECTIVE DATE REGARDING PRIVATE LOAN
25 CERTIFICATION.—The amendment made by subsection

1 (b)(1)(D) shall take effect on the effective date of the reg-
2 ulations described in section 1012(b).

3 **SEC. 490. CIVIL PENALTIES.**

4 Part G of title IV is further amended by inserting
5 after section 489 the following:

6 **“SEC. 489A. CIVIL PENALTIES AND OTHER REMEDIES.**

7 “(a) DEFINITIONS.—In this section:

8 “(1) SUBSTANTIAL MISREPRESENTATION OR
9 OTHER SERIOUS VIOLATION.—The term ‘substantial
10 misrepresentation or other serious violation’ means
11 any of the following:

12 “(A) A substantial misrepresentation re-
13 garding—

14 “(i) the nature of the educational pro-
15 gram of an institution of higher education;

16 “(ii) the financial charges of the insti-
17 tution;

18 “(iii) the space availability in a pro-
19 gram of the institution for which a student
20 is considering enrollment;

21 “(iv) the admission requirements of
22 the institution;

23 “(v) the transferability of credits from
24 the institution;

1 “(vi) whether a program of the insti-
2 tution meets the necessary standards to
3 qualify students to sit for licensing exami-
4 nations, or obtain certification required as
5 a precondition for employment, in the
6 State in which the students reside;

7 “(vii) the passage rates of students at
8 the institution in obtaining certification re-
9 quirements;

10 “(viii) the passage rates of students
11 who sit for licensing examinations; or

12 “(ix) the employability of the grad-
13 uates of the institution.

14 “(B) Failure of an institution subject to
15 the requirements of section 487(a)(32) to com-
16 ply with such section.

17 “(C) A knowing and willful misuse of Fed-
18 eral student aid from any source.

19 “(D) A violation of section 487(a)(20).

20 “(E) A violation of the default manipula-
21 tion regulations promulgated by the Secretary
22 under section 435(m)(3).

23 “(F) Failure to comply with the program
24 review process described in section 498A, in-

1 including any disclosure requirement described in
2 paragraph (2)(C) or (5) of section 498A(b).

3 “(G) A violation of the program integrity
4 regulations promulgated by the Secretary under
5 this Act.

6 “(H) A violation of this Act that the Sec-
7 retary has determined, by regulation, to be a
8 serious violation for purposes of this section.

9 “(2) OFFICER OF AN INSTITUTION OF HIGHER
10 EDUCATION.—The term ‘officer of an institution of
11 higher education’ includes the president, chief execu-
12 tive officer, and chief financial officer of an institu-
13 tion of higher education or their equivalents.

14 “(b) SANCTIONS FOR SUBSTANTIAL MISREPRESENTEN-
15 TATIONS OR SERIOUS VIOLATIONS.—

16 “(1) CIVIL PENALTIES.—

17 “(A) IN GENERAL.—The Secretary may
18 impose a civil penalty upon an eligible institu-
19 tion upon making a determination, after reason-
20 able notice and opportunity for a hearing, that
21 an eligible institution has engaged in a substan-
22 tial misrepresentation or other serious violation.

23 “(B) AMOUNT OF CIVIL PENALTIES.—A
24 civil penalty imposed for a violation under sub-

1 paragraph (A) shall be not less than \$100,000
2 or—

3 “(i) in the case of a first violation, an
4 amount equal to the product of \$1,000,000
5 multiplied by the institution’s student de-
6 fault risk, whichever is larger;

7 “(ii) in the case of a second violation,
8 an amount equal to the product of
9 \$2,000,000 multiplied by the institution’s
10 student default risk, whichever is larger;
11 and

12 “(iii) in the case of a third or subse-
13 quent violation, an amount equal to the
14 product of \$3,000,000 multiplied by the in-
15 stitution’s student default risk, whichever
16 is larger.

17 “(C) TREATMENT OF MULTIPLE INSTITU-
18 TIONS.—For the purpose of determining the
19 number of violations for subparagraph (B), any
20 violation by a particular institution will accrue
21 against all identification codes used by the Of-
22 fice of Postsecondary Education to designate
23 campuses and institutions affiliated with the in-
24 stitution, and within the period of participation
25 for the institution, as defined in section

1 668.13(b) of title 34, Code of Federal Regula-
2 tions, or any successor regulation.

3 “(c) SANCTIONS FOR OTHER VIOLATIONS OF THIS
4 TITLE.—Upon determination, after reasonable notice and
5 opportunity for a hearing, that an eligible institution has
6 engaged in a violation of any other provision of this title,
7 including the failure to carry out any provision of this
8 title, that is not a significant misrepresentation or other
9 serious violation, the Secretary may impose a civil penalty
10 upon such institution of not more than \$100,000 (subject
11 to such adjustments for inflation as may be prescribed in
12 regulation) for each such violation.

13 “(d) CIVIL PENALTIES AND SANCTIONS FOR OFFI-
14 CERS OF INSTITUTIONS.—Upon determination, after rea-
15 sonable notice and an opportunity for a hearing on the
16 record, that an officer of an institution of higher education
17 that participates in a program under this title has know-
18 ingly and willfully, or with gross negligence, violated a pro-
19 vision of this title, the Secretary may sanction the officer.
20 Such sanctions may include the following:

21 “(1) Prohibiting the institution of higher edu-
22 cation that has employed the officer of an institution
23 of higher education and that participates in a pro-
24 gram under this title, or any other institution of
25 higher education that participates in a program

1 under this title, from employing the officer, except
2 that any such prohibition under this subsection shall
3 not be for a period of more than 5 years from the
4 date of the determination of the violation.

5 “(2) Assessing a civil penalty against an officer
6 of an institution of higher education who has know-
7 ingly and willfully, or with gross negligence, violated
8 a provision of this title, except that any such civil
9 penalty under this subsection shall not be greater
10 than the amount of the officer’s compensation for
11 each year for which the violations are determined to
12 have occurred. For purposes of this subparagraph,
13 an officer’s compensation shall include proceeds of
14 any sales of stock and any incentive-based com-
15 pensation (including stock options awarded as com-
16 pensation) based on information required to be re-
17 ported to the Secretary or any other Federal agency
18 during the period in which the violations are deter-
19 mined to have occurred.

20 “(e) LIMITATION, SUSPENSION, OR TERMINATION OF
21 ELIGIBILITY STATUS.—

22 “(1) IN GENERAL.—Upon determination, after
23 reasonable notice and opportunity for a hearing, that
24 an eligible institution has engaged in a violation of
25 any provision of this title (including the failure to

1 carry out any provision of this title or any regulation
2 prescribed under such provision) or a violation of
3 any applicable special arrangement, agreement, or
4 limitation, the Secretary may limit, suspend, or ter-
5minate the participation in any program under this
6 title of an eligible institution, subject to the require-
7ments of paragraph (2).

8 “(2) SUSPENSION PROCEDURES.—No period of
9 suspension under this section shall exceed 60 days
10 unless the institution and the Secretary agree to an
11 extension or unless limitation or termination pro-
12 ceedings are initiated by the Secretary within that
13 period of time.

14 “(f) EMERGENCY ACTION.—

15 “(1) IN GENERAL.—The Secretary may take an
16 emergency action against an institution, under which
17 the Secretary shall, effective on the date on which a
18 notice and statement of the basis of the action is
19 mailed to the institution (by registered mail, return
20 receipt requested), withhold funds from the institu-
21 tion or its students and withdraw the institution’s
22 authority to obligate funds under any program
23 under this title, if the Secretary—

24 “(A) receives information, determined by
25 the Secretary to be reliable, that the institution

1 is violating any provision of this title, any regu-
2 lation prescribed under this title, or any appli-
3 cable special arrangement, agreement, or limita-
4 tion;

5 “(B) determines that immediate action is
6 necessary to prevent misuse of Federal funds;
7 and

8 “(C) determines that the likelihood of loss
9 outweighs the importance of the procedures pre-
10 scribed in subsection (e) for limitation, suspen-
11 sion, or termination.

12 “(2) TIME LIMITATION.—An emergency action
13 described in paragraph (1) shall not exceed 30 days
14 unless limitation, suspension, or termination pro-
15 ceedings are initiated by the Secretary against the
16 institution within that period of time.

17 “(3) OPPORTUNITY TO SHOW CAUSE.—The Sec-
18 retary shall provide an institution that is the subject
19 of an emergency action under this subsection an op-
20 portunity to show cause, if the institution so re-
21 quests, that the emergency action is unwarranted
22 and should be lifted.

23 “(g) LIFTING OF SANCTIONS.—Notwithstanding any
24 other provision of this title, an institution of higher edu-
25 cation that has been sanctioned by the Secretary under

1 this section or any other provision of this title may not
2 have such sanctions lifted until the Secretary has con-
3 ducted a subsequent program review under section 498A
4 and has found the institution to be in compliance with this
5 title.

6 “(h) SINGLE COURSE OF CONDUCT; COMPROMISE
7 AUTHORITY AND COLLECTION OF PENALTY.—

8 “(1) SAME COURSE OF CONDUCT.—For pur-
9 poses of this section, acts and omissions relating to
10 a single course of conduct shall be treated as a sin-
11 gle violation.

12 “(2) COMPROMISE AUTHORITY.—Any civil pen-
13 alty under this section may be compromised by the
14 Secretary. In determining the amount of such pen-
15 alty, or the amount agreed upon in compromise, the
16 Secretary shall consider—

17 “(A) the appropriateness of the penalty to
18 the size of the institution of higher education
19 subject to the determination; and

20 “(B) the gravity of the violation, failure, or
21 misrepresentation.

22 “(i) COLLECTION OF PENALTY.—The amount of any
23 penalty under this section may be deducted from any sums
24 owing by the United States to the institution charged.

25 “(j) DISPOSITION OF AMOUNTS RECOVERED.—

1 “(1) IN GENERAL.—Amounts collected under
2 this section shall be transferred to the Secretary,
3 who shall determine the distribution of collected
4 amounts, in accordance with paragraphs (2) and (3).

5 “(2) USE FOR PROGRAM INTEGRITY EFFORTS
6 AND PROGRAM REVIEWS.—

7 “(A) IN GENERAL.—For each fiscal year,
8 an amount equal to not more than 50 percent
9 of the amounts recovered or collected under this
10 section—

11 “(i) shall be available to the Secretary
12 to carry out program reviews under section
13 498A and other efforts by the Secretary
14 related to program integrity under part H;
15 and

16 “(ii) may be credited, if applicable, for
17 that purpose by the Secretary to any ap-
18 propriations and funds that are available
19 to the Secretary for obligation at the time
20 of collection.

21 “(B) SUPPLEMENT NOT SUPPLANT.—
22 Amounts made available under subparagraph
23 (A) shall be used to supplement and not sup-
24 plant any other amounts available to the Sec-

1 retary for the purpose described in such sub-
2 paragraph.

3 “(C) AVAILABILITY FOR FUNDS.—Any
4 amounts collected under this section that are
5 made available under paragraph (2) shall re-
6 main available until expended.

7 “(3) USE FOR STUDENT RELIEF FUND.—For
8 each fiscal year, an amount equal to not less than
9 50 percent of the amounts recovered or collected
10 under this section shall be deposited into the Stu-
11 dent Relief Fund established under subsection (k).

12 “(4) REPORT.—The Secretary shall regularly
13 publish, on the website of the Department, a de-
14 tailed description that includes—

15 “(A) the amount of funds that were dis-
16 tributed for the purposes described in para-
17 graph (2) and the amount used for the Student
18 Relief Fund under paragraph (3); and

19 “(B) how funds were distributed among
20 the purposes described in paragraph (2)(A)(i).

21 “(k) STUDENT RELIEF FUND.—

22 “(1) ESTABLISHMENT.—The Secretary shall es-
23 tablish a Student Relief Fund (referred to in this
24 subsection as the ‘Fund’) that shall be used, subject
25 to the availability of funds, to provide financial relief

1 to any student enrolled in an institution of higher
2 education that—

3 “(A) has failed to comply with an eligi-
4 bility requirement under section 101 or 102 or
5 an obligation incurred under the terms of the
6 program participation agreement under section
7 487; or

8 “(B) has been sanctioned under subsection
9 (b) or (c).

10 “(2) DETERMINATION OF RELIEF.—The Sec-
11 retary, in consultation with Director of the Bureau
12 of Consumer Financial Protection—

13 “(A) shall determine the manner of relief
14 to be provided under paragraph (1), which may
15 include tuition reimbursement or full or partial
16 loan forgiveness; and

17 “(B) may issue regulations regarding how
18 the amounts in the Fund will be distributed
19 among students eligible for the funds.

20 “(3) TREATMENT AND AVAILABILITY OF
21 FUNDS.—

22 “(A) FUNDS THAT ARE NOT GOVERNMENT
23 FUNDS.—Funds obtained by or transferred to
24 the Fund shall not be construed to be Govern-
25 ment funds or appropriated monies.

1 “(B) AMOUNTS NOT SUBJECT TO APPOR-
2 TIONMENT.—Notwithstanding any other provi-
3 sion of law, amounts in the Fund shall not be
4 subject to apportionment for purposes of chap-
5 ter 15 of title 31, United States Code, or under
6 any other authority.

7 “(C) NO FISCAL YEAR LIMITATION.—Sums
8 deposited in the Fund shall remain in the Fund
9 and be available for expenditure under this
10 chapter without fiscal year limitation.

11 “(4) INVESTMENTS.—

12 “(A) AMOUNTS IN FUND MAY BE IN-
13 VESTED.—The Secretary of Education may re-
14 quest the Secretary of the Treasury to invest
15 the portion of the Fund that is not, in the dis-
16 cretion of the Secretary of Education, required
17 to meet the current needs of the Fund.

18 “(B) ELIGIBLE INVESTMENTS.—Invest-
19 ments shall be made by the Secretary of the
20 Treasury in obligations of the United States or
21 obligations that are guaranteed as to principal
22 and interest by the United States, with matu-
23 rities suitable to the needs of the Fund as de-
24 termined by the Secretary on the record.

1 “(C) INTEREST AND PROCEEDS CRED-
2 ITED.—The interest on, and the proceeds from
3 the sale or redemption of, any obligations held
4 in the Fund shall be credited to the Fund.

5 “(5) REGULATIONS.—The Secretary shall pre-
6 scribe regulations to implement the requirements of
7 this section within 1 year after the date of enact-
8 ment of the Higher Education Affordability Act.

9 “(6) AUTHORIZATION OF APPROPRIATIONS.—In
10 addition to funds derived from financial penalties as-
11 sessed pursuant to subsection (j), there are author-
12 ized to be appropriated such sums as may be nec-
13 essary to carry out this subsection for fiscal year
14 2015 and each of the five succeeding fiscal years.

15 “(l) STATE ENFORCEMENT.—

16 “(1) IN GENERAL.—Any violation of subsection
17 (b), including the regulations promulgated under
18 such subsection, shall be a cause of action enforce-
19 able by the State, through the attorney general (or
20 the equivalent thereof) of the State, in any district
21 court of the United States in that State or in a
22 State court that is located in that State and that
23 has jurisdiction over the defendant. The State may
24 seek any relief provided under paragraph (4)(B) for

1 such violation, or any remedies otherwise provided
2 under law.

3 “(2) NOTICE REQUIRED.—

4 “(A) IN GENERAL.—Before initiating any
5 action in a court or other administrative or reg-
6 ulatory proceeding against any institution of
7 higher education as authorized by paragraph
8 (1) to enforce any provision of this subsection,
9 including any regulation promulgated by the
10 Secretary under this subsection, a State attor-
11 ney general shall timely provide a copy of the
12 complete complaint to be filed and written no-
13 tice describing such action or proceeding to the
14 Secretary, except as provided in subparagraph
15 (B).

16 “(B) EMERGENCY ACTION.—If prior notice
17 is not practicable, the State attorney general
18 shall provide a copy of the complete complaint
19 and the notice to the Secretary immediately
20 upon instituting the action or proceeding.

21 “(C) CONTENTS OF NOTICE.—The notifi-
22 cation required under this subparagraph shall,
23 at a minimum, describe—

24 “(i) the identity of the parties;

1 “(ii) the alleged facts underlying the
2 proceeding; and

3 “(iii) whether there may be a need to
4 coordinate the prosecution of the pro-
5 ceeding so as not to interfere with any ac-
6 tion, including any rulemaking, undertaken
7 by the Secretary or another Federal agen-
8 cy.

9 “(3) REGULATIONS.—The Secretary shall pre-
10 scribe regulations to implement the requirements of
11 this subsection and periodically provide guidance in
12 order to further coordinate actions with the State at-
13 torneys general.

14 “(4) PRESERVATION OF STATE AUTHORITY.—

15 “(A) STATE CLAIMS.—Nothing in this sub-
16 section shall be construed as altering, limiting,
17 or affecting the authority of a State attorney
18 general or any other regulatory or enforcement
19 agency or authority to bring an action or other
20 regulatory proceeding arising solely under the
21 law in effect in that State.

22 “(B) RELIEF.—

23 “(i) IN GENERAL.—Relief under this
24 subsection may include, without limita-
25 tion—

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1 “(I) rescission or reformation of
2 contracts;

3 “(II) refund of moneys or return
4 of real property;

5 “(III) restitution;

6 “(IV) disgorgement or compensa-
7 tion for unjust enrichment;

8 “(V) payment of damages or
9 other monetary relief pursuant to the
10 requirements of paragraph (2);

11 “(VI) public notification regard-
12 ing the violation, including the costs
13 of notification; and

14 “(VII) limits on the activities or
15 functions of the person.

16 “(ii) EXCLUSION.—Relief under this
17 subsection shall not include the ability to
18 suspend or terminate the eligibility status
19 of an institution of higher education for
20 programs under this title.”.

21 **SEC. 491. ADVISORY COMMITTEE ON STUDENT FINANCIAL**
22 **ASSISTANCE.**

23 Section 491(k) (20 U.S.C. 1098(i)) is amended by
24 striking “2015” and inserting “2020”.

1 **SEC. 492. INCOME-BASED REPAYMENT.**

2 (a) IN GENERAL.—Section 493C of the Higher Edu-
3 cation Act of 1965 (20 U.S.C. 1098e) is amended to read
4 as follows:

5 **“SEC. 493C. INCOME-BASED REPAYMENT.**

6 “(a) DEFINITIONS.—In this section:

7 “(1) ELIGIBLE LOAN.—The term ‘eligible loan’
8 means any outstanding loan of a borrower that is
9 made, insured, or guaranteed under part B or part
10 D, except that the term does not include—

11 “(A) any such loan that is in default;

12 “(B) any PLUS loan made, insured, or
13 guaranteed under section 428, or any Federal
14 Direct PLUS Loan, made to a parent borrower;
15 or

16 “(C) any consolidation loan made, insured,
17 or guaranteed under section 428C, or any Fed-
18 eral Direct Consolidation Loan, that repaid a
19 loan described in subparagraph (B).

20 “(2) PARTIAL FINANCIAL HARDSHIP.—The
21 term ‘partial financial hardship’, when used with re-
22 spect to a borrower, means that—

23 “(A) for such borrower—

24 “(i) the annual amount due on the
25 total amount of eligible loans made to a
26 borrower as calculated under the standard

1 repayment plan under section
2 428(b)(9)(A)(i) or 455(d)(1)(A), based on
3 a 10-year repayment period; exceeds

4 “(ii) 10 percent of the result obtained
5 by calculating, on an annual basis, the
6 amount by which—

7 “(I) the borrower’s, and the bor-
8 rower’s spouse’s (if applicable), ad-
9 justed gross income; exceeds

10 “(II) 150 percent of the poverty
11 line; or

12 “(B) the borrower is considered 150 days
13 or more days delinquent on one or more eligible
14 loans.

15 “(b) INCOME-BASED REPAYMENT PROGRAM AU-
16 THORIZED.—Notwithstanding any other provision of this
17 Act, the Secretary shall carry out a program under
18 which—

19 “(1) a borrower of any eligible loan may elect
20 to participate in the income-based repayment plan if
21 the borrower has a partial financial hardship as of
22 the time the borrower makes the election—

23 “(A) whether or not the borrower’s loan
24 has been submitted to a guaranty agency for

1 default aversion or had been in default pre-
2 viously; and

3 “(B) whether or not the borrower is, at the
4 time of the election, enrolled in another repay-
5 ment plan, including the income contingent re-
6 payment plan, income-sensitive repayment plan,
7 or another repayment plan based on income eli-
8 gibility (except that in the case of a borrower
9 who is enrolled in the income contingent repay-
10 ment plan and has a Federal Direct Consolida-
11 tion Loan that repaid a Federal Direct PLUS
12 Loan, that Federal Direct Consolidation Loan
13 shall not be an eligible loan for purposes of this
14 section);

15 “(2) after selection of the income-based repay-
16 ment plan, and for the remaining period of the bor-
17 rower’s loans unless the borrower elects a different
18 repayment method, the borrower’s aggregate month-
19 ly payment for all such loans shall not exceed the re-
20 sult described in subsection (a)(2)(A)(ii), as cal-
21 culated on an annual basis, divided by 12;

22 “(3) the holder of such a loan shall apply the
23 borrower’s monthly payment under this subsection
24 first toward interest due on the loan, next toward

1 any fees due on the loan, and then toward the prin-
2 cipal of the loan;

3 “(4) any interest due and not paid under para-
4 graph (3) shall accrue but not be capitalized, except
5 that, in the case of loans under section 428, or Fed-
6 eral Direct Stafford Loans for which interest was
7 subsidized, any interest due and not paid under
8 paragraph (3) shall be paid by the Secretary for a
9 period of not more than 3 years after the date of the
10 borrower’s election under paragraph (1) (not includ-
11 ing any period during which the borrower is in
12 deferment due to an economic hardship described in
13 section 435(o)); and

14 “(5) any principal due and not paid under
15 paragraph (3) shall be deferred;

16 “(6) a borrower who elects to participate in an
17 income-based repayment plan under paragraph (1)
18 and whose eligibility for an income-based repayment
19 plan is verified may participate in the income-based
20 repayment plan during the period of the borrower’s
21 loans, even if the borrower no longer has a partial
22 financial hardship;

23 “(7) the amount of time the borrower makes
24 monthly payments under paragraph (2) may exceed
25 10 years;

1 “(8) the Secretary shall repay or cancel any
2 outstanding balance of principal and interest due on
3 all eligible loans to a borrower who—

4 “(A) at any time, elected to participate in
5 income-based repayment under paragraph (1);
6 and

7 “(B) for a period of time prescribed by the
8 Secretary, not to exceed 20 years, meets 1 or
9 more of the following requirements—

10 “(i) has made reduced monthly pay-
11 ments under paragraph (2);

12 “(ii) has made monthly payments of
13 not less than the monthly amount required
14 under paragraph (1) of subsection (b), as
15 such subsection was in effect on the day
16 before the date of enactment of the Higher
17 Education Affordability Act;

18 “(iii) has made monthly payments of
19 not less than the monthly amount cal-
20 culated under section 428(b)(9)(A)(i) or
21 455(d)(1)(A), based on a 10-year repay-
22 ment period, when the borrower first made
23 the election described in this subsection;

24 “(iv) has made payments of not less
25 than the payments required under a stand-

1 ard repayment plan under section
2 428(b)(9)(A)(i) or 455(d)(1)(A) with a re-
3 payment period of 10 years;

4 “(v) has made payments under an in-
5 come contingent repayment plan under sec-
6 tion 455(d)(1)(D), as in effect on the day
7 before the date that is 1 year after the
8 date of enactment of the Higher Education
9 Affordability Act; or

10 “(vi) has been in deferment due to an
11 economic hardship described in section
12 435(o);

13 “(9) a borrower who is repaying an eligible loan
14 pursuant to income-based repayment may elect, at
15 any time, to terminate repayment pursuant to in-
16 come-based repayment and repay such loan under
17 another repayment plan; and

18 “(10) the special allowance payment to a lender
19 calculated under section 438(b)(2)(I), when cal-
20 culated for a loan in repayment under this section,
21 shall be calculated on the principal balance of the
22 loan and on any accrued interest unpaid by the bor-
23 rower in accordance with this section.

24 “(c) MONTHLY LOAN PAYMENT DETERMINA-
25 TIONS.—

1 “(1) VERIFICATION PROCESS.—

2 “(A) IN GENERAL.—The Secretary shall
3 establish procedures for annually determining
4 the borrower’s monthly payment amount for in-
5 come-based repayment, including verification of
6 a borrower’s annual income and the annual
7 amount due on the total amount of eligible
8 loans.

9 “(B) RULE FOR BORROWERS WHO DO NOT
10 PROVIDE THE ADDITIONAL INFORMATION.—In
11 the case of a borrower who has selected the in-
12 come-based repayment plan and who does not
13 submit the borrower’s annual income docu-
14 mentation by such date as required under sub-
15 paragraph (A)—

16 “(i) until the borrower submits the re-
17 quired documentation (but in no case for a
18 period greater than 1 year), the borrower’s
19 monthly payment amount for an eligible
20 loan shall be the greater of—

21 “(I) the monthly payment re-
22 quired under a standard repayment
23 plan under section 428(b)(9)(A)(i) or
24 455(d)(1)(A) with a repayment period
25 of 10 years for the loan; and

1 “(II) the amount described in
2 subsection (a)(2)(A)(ii), as calculated
3 based on the most recent income doc-
4 umentation provided to the Secretary
5 by the borrower; and

6 “(ii) no monthly payments made be-
7 fore the borrower has submitted the re-
8 quired information shall be included for
9 purposes of loan repayment or cancellation
10 under subsection (b)(8)(B) or the public
11 service loan forgiveness program under
12 section 455(m).

13 “(C) ADDITIONAL PROCEDURES TO CON-
14 SIDER.—In addition to the procedures estab-
15 lished in this section, the Secretary shall con-
16 sider, but is not limited to, the procedures es-
17 tablished in accordance with section 455(e)(1)
18 or in connection with income-sensitive repay-
19 ment schedules under section 428(b)(9)(A)(iii)
20 or 428C(b)(1)(E), as in effect on the day before
21 the date that is 1 year after the date of enact-
22 ment of the Higher Education Affordability
23 Act.

24 “(2) SPECIAL RULE FOR MARRIED BORROWERS
25 FILING SEPARATELY.—In the case of a married bor-

1 rower who files a separate Federal income tax re-
2 turn, the Secretary shall calculate the amount of the
3 borrower's income-based repayment under this sec-
4 tion solely on the basis of the borrower's student
5 loan debt and adjusted gross income.

6 “(d) AUTOMATIC ENROLLMENT FOR DELINQUENT
7 BORROWERS.—

8 “(1) IN GENERAL.—The Secretary shall estab-
9 lish procedures for automatically enrolling delin-
10 quent borrowers with a partial financial hardship de-
11 scribed in subsection (a)(2)(B) into the income-
12 based repayment plan. Such procedures shall include
13 the following requirements:

14 “(A) Each entity with a contract to service
15 loans under section 456, and each entity that is
16 a lender of loans made, insured, or guaranteed
17 under part B or any entity that provides stu-
18 dent loan servicing for such lender, shall—

19 “(i) identify each delinquent borrower
20 of a loan serviced or held by the entity on
21 the date that such borrower qualifies for a
22 partial financial hardship described in sub-
23 section (a)(2)(B); and

24 “(ii) retrieve for such borrower, using
25 the online income verification system es-

1 the income-based repayment plan, the
2 entity will automatically enroll the
3 borrower in the income-based repay-
4 ment program, unless the borrower
5 requests otherwise;

6 “(II) if such borrower’s new
7 monthly payment amount provided
8 under subparagraph (A)(ii) for the in-
9 come-based repayment plan is deter-
10 mined to be \$0, the entity will auto-
11 matically enroll the borrower in the
12 income-based repayment program, if
13 the borrower provides consent for
14 such enrollment, as determined
15 through either an online agreement or
16 a signed consent form; and

17 “(III) if such borrower does not
18 make a payment equal to or greater
19 than the new monthly payment
20 amount determined under subpara-
21 graph (A)(ii) for the income-based re-
22 payment plan, the entity will not auto-
23 matically enroll the borrower in the
24 income-based repayment program.

1 “(ii) In the case of a borrower identi-
2 fied under subparagraph (A)(i) who was
3 not required to file a tax return under sec-
4 tion 6012(a)(1) of the Internal Revenue
5 Code of 1986 for the 2 consecutive pre-
6 ceding tax years—

7 “(I) the entity will deem the bor-
8 rower’s monthly payment amount for
9 income-based repayment to be \$0
10 until determined otherwise through
11 additional information; and

12 “(II) the entity will automatically
13 enroll the borrower in the income-
14 based repayment program if the bor-
15 rower provides consent for such en-
16 rollment, as determined through ei-
17 ther an online agreement or a signed
18 consent form.

19 “(iii) In the case of a borrower identi-
20 fied under paragraph (1)(A) who failed to
21 file a return under section 6012(a)(1) of
22 the Internal Revenue Code of 1986, for the
23 preceding tax year, the entity will carry
24 out the requirements described in para-
25 graph (3)(C), including automatically en-

1 rolling the borrower in the income-based
2 repayment program if the borrower pro-
3 vides consent and provides additional infor-
4 mation, as described in such paragraph.

5 “(D) The entity described in subparagraph
6 (A) shall provide each borrower identified with
7 a partial financial hardship under subparagraph
8 (A)(i), as part of the borrower’s next periodic
9 statement, a personalized statement to the bor-
10 rower that—

11 “(i) informs the borrower—

12 “(I) that the borrower will be
13 automatically enrolled into the in-
14 come-based repayment plan under this
15 section, in accordance with the proce-
16 dure described in subparagraph (C)
17 that is applicable to the borrower’s
18 case;

19 “(II) of the key terms and condi-
20 tions of such repayment plan; and

21 “(III) what the borrower’s new
22 monthly payment amount under the
23 income-based repayment plan will be
24 for the next year;

1 “(ii) notifies the borrower of the auto-
2 matic enrollment procedures described in
3 subparagraph (C);

4 “(iii) provides a clear list of dangers
5 associated with continued delinquency and
6 default on eligible loans;

7 “(iv) informs the borrower that the
8 borrower is eligible for a different monthly
9 payment amount under the standard 10-
10 year plan, and the estimated monthly pay-
11 ment amount under the standard 10-year
12 plan;

13 “(v) informs the borrower that paying
14 the minimum monthly payment amount
15 under the income-based repayment plan
16 under this section may lead to negative
17 amortization such that if a borrower’s
18 monthly payment does not fully cover the
19 amount of interest owed, then the principal
20 amount owed may increase over time and
21 cause the borrower’s loan balance to in-
22 crease; and

23 “(vi) includes any other information
24 determined to be relevant by the Secretary,

1 in consultation with the Director of the
2 Bureau of Consumer Financial Protection.

3 “(2) STANDARD NOTIFICATION FORMAT; CON-
4 SUMER TESTING.—The Secretary, in consultation
5 with the Director of the Bureau of Consumer Finan-
6 cial Protection, shall—

7 “(A) develop a standard format for the
8 personalized statement described in paragraph
9 (1)(D); and

10 “(B) submit for consumer testing under
11 section 483, such standard format and any con-
12 sent form or online tool required for consent of
13 borrowers with \$0 payment to participate in in-
14 come-based repayment under paragraph
15 (1)(C)(ii)(II) or (3)(B).

16 “(3) FAILURE TO FILE.—

17 “(A) MONTHLY PAYMENT AMOUNT TREAT-
18 ED AS \$0.—In the case of a borrower identified
19 under paragraph (1)(A) who is required to file
20 a return under section 6012(a)(1) of the Inter-
21 nal Revenue Code of 1986 and fails to file such
22 return, the Secretary of the Treasury shall
23 transmit to the Secretary of Education any
24 such tax information of the individual as may
25 be necessary to determine the appropriate

1 monthly payment amount. If such information
2 is unavailable or insufficient, then the monthly
3 payment amount shall be treated as \$0 until
4 determined otherwise through additional infor-
5 mation.

6 “(B) BORROWER CONTACT REQUIRE-
7 MENT.—A borrower whose monthly payment
8 amount is treated as \$0 due to unavailable or
9 insufficient information, as described in sub-
10 paragraph (A), shall be automatically enrolled
11 in the income-based repayment plan under this
12 section if the borrower—

13 “(i) provides consent for such enroll-
14 ment, as determined through either an on-
15 line agreement or a signed consent form;
16 and

17 “(ii) provides the information needed
18 to determine the appropriate monthly pay-
19 ment amount under the income-based re-
20 payment plan.

21 “(C) NOTIFICATION.—The entity described
22 in paragraph (1)(A) shall communicate to a
23 borrower described in this paragraph of the pol-
24 icy described in subparagraph (A) and the re-
25 quirements that the borrower must fulfill, as

1 described in subparagraph (B), in order to en-
2 roll in the income-based repayment plan under
3 this section if such borrower's monthly payment
4 amount has been treated as \$0 due to unavail-
5 able or insufficient information, as determined
6 by the Secretary. Such policy and requirements
7 shall be communicated to the borrower in plain
8 and simple language in the next periodic state-
9 ment described under paragraph (1)(D).

10 “(4) CREATION OF ONLINE INCOME
11 VERIFICATION SYSTEM.—

12 “(A) IN GENERAL.—By not later than the
13 date that is 1 year after the date of enactment
14 of the Higher Education Affordability Act, the
15 Secretary, in consultation with the Secretary of
16 the Treasury, shall develop and establish a
17 streamlined online income verification system
18 website that allows each entity with a contract
19 to service loans under section 456, and each en-
20 tity that is an eligible lender of loans made, in-
21 sured, or guaranteed under part B or another
22 entity that provides student loan servicing for
23 such lender or loan holder, to access and re-
24 trieve the monthly payment amount for the in-
25 come-based repayment program for a borrower

1 identified under paragraph (1)(A). The website
2 shall provide no additional information relating
3 to a borrower's financial circumstances beyond
4 that needed to determine a monthly payment
5 amount.

6 “(B) SECURITY.—The Secretary shall en-
7 sure that the online income verification system
8 website established under subparagraph (A) is
9 secure and that information regarding a bor-
10 rower is accessible only to the lender of a loan
11 of such borrower or the entity that is servicing
12 a loan of such borrower. The Secretary shall en-
13 sure that no entity shall access the online in-
14 come verification system website for the pur-
15 poses of collections with respect to loans.

16 “(C) PROHIBITION OF INAPPROPRIATE
17 USE.—Any use of the online income verification
18 system that is not for the purpose described in
19 subparagraph (A) is prohibited and may be the
20 basis for a claim of a violation of a contract en-
21 tered into under section 456, or for an action
22 under subsection (g) or (h) of section 432, as
23 the case may be.

24 “(5) APPEALS PROCESS.—The Secretary shall
25 establish a clear and accessible process for appealing

1 the monthly payment amount determined under the
2 online income verification system website for a bor-
3 rower identified in paragraph (1)(A) in any case
4 where a borrower believes that the monthly payment
5 amount is based on tax information that is incorrect.
6 If a borrower wins such an appeal, then the Sec-
7 retary shall—

8 “(A) retroactively credit the overpaid
9 amount towards future payments; or

10 “(B) apply the overpaid amount towards
11 the principal balance of the borrower’s loans, if
12 requested to do so by the borrower.

13 “(e) CHANGES TO FAFSA.—By not later than 1 year
14 after the date of enactment of the Higher Education Af-
15 fordability Act, the Secretary shall make changes as need-
16 ed to the common master promissory note developed under
17 section 432(m)(1)(A) and the Free Application for Fed-
18 eral Student Aid described in section 483 to implement
19 the requirements of this section.”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 subsection (a) shall take effect on the date that is 1 year
22 after the date of enactment of this Act.

23 **SEC. 493. EXTENDING THE PROTECTIONS FOR STUDENT**
24 **LOANS FOR ACTIVE DUTY BORROWERS.**

25 Section 493D (20 U.S.C.1098f) is amended—

1 (1) in the section heading, by inserting “**AND**
2 **PROTECTIONS FOR ACTIVE DUTY BORROWERS**”

3 before the period at the end;

4 (2) by redesignating subsection (b) as sub-
5 section (c); and

6 (3) by inserting after subsection (a) the fol-
7 lowing:

8 “(b) USE OF INFORMATION.—

9 “(1) IN GENERAL.—The Secretary shall utilize
10 information the Secretary receives regarding the ac-
11 tive duty status of borrowers from the Secretary of
12 Defense for any purpose under this title to ensure
13 that the interest rate charged on any loan made
14 under part D of title IV for borrowers who are sub-
15 ject to section 207(a)(1) of the Servicemembers Civil
16 Relief Act (50 U.S.C. App. 527(a)(1)) does not ex-
17 ceed the maximum interest rate set forth in such
18 section.

19 “(2) SCRA INTEREST RATE LIMITATION NO-
20 TICE REQUIREMENTS.—The submittal by the Sec-
21 retary of Defense to the Secretary of Education of
22 information that informs the Secretary of Education
23 that a member of the Armed Forces with a student
24 loan under part D of title IV has been or is being
25 called to military service (as defined in section 101

1 of the Servicemembers Civil Relief Act (50 U.S.C.
2 App. 511)), including a member of a reserve unit
3 who is ordered to report for military service as pro-
4 vided for under section 106 of such Act (50 U.S.C.
5 App. 516), shall be considered, for purposes of sub-
6 jecting such student loan to the provisions of section
7 207 of the Servicemembers Civil Relief Act (50
8 U.S.C. App. 527), provision by the borrower to the
9 creditor of written notice and a copy of military or-
10 ders as described in subsection (b)(1) of such sec-
11 tion.

12 “(3) PROCEDURES.—Not later than 180 days
13 after the date of enactment of the Higher Education
14 Affordability Act, the Secretary, in consultation with
15 the Department of Defense, shall establish a proce-
16 dure to implement this subsection.”.

17 **SEC. 493A. DISBURSEMENT OF CREDIT BALANCE.**

18 Part G of title IV (20 U.S.C. 1088 et seq.) is amend-
19 ed by adding at the end the following:

20 **“SEC. 493E. DISBURSEMENT OF CREDIT BALANCE.**

21 “(a) CREDIT BALANCE.—In this section, the term
22 ‘credit balance’ means the amount of program funds under
23 this title credited to a student’s ledger account at the insti-
24 tution of higher education that exceed the amount as-

1 sessed the student by the institution for allowable institu-
2 tional charges, as defined by the Secretary.

3 “(b) ESTABLISHMENT OF SYSTEM FOR DISBURSE-
4 MENT.—Not later than 3 years after the date of enact-
5 ment of the Higher Education Affordability Act, each in-
6 stitution of higher education that enrolls a student who
7 receives a grant or loan under this title shall establish a
8 system for the disbursement of credit balances in accord-
9 ance with subsection (c).

10 “(c) ELECTRONIC PAYMENT SYSTEM.—

11 “(1) IN GENERAL.—Each institution of higher
12 education described in subsection (b) shall establish
13 a system for disbursement of credit balances
14 through electronic payments to a deposit account or
15 a general use prepaid card with the protections af-
16 farded under the Electronic Fund Transfer Act (15
17 U.S.C. 1693 et seq.).

18 “(2) NO PREFERRED FINANCIAL INSTITUTION
19 OR DENIAL OR DELAY.—In carrying out the system
20 under paragraph (1), an institution of higher edu-
21 cation shall not—

22 “(A) require or encourage a student to se-
23 lect a particular financial institution to which
24 an electronic payment under this section shall
25 be made; or

1 “(B) deny or cause a delay in the disburse-
2 ment of credit balances based on the selection
3 by a student of a particular financial institu-
4 tion.

5 “(3) WAIVER.—A public institution of higher
6 education may seek a waiver from the Secretary of
7 the requirements of paragraph (1) if a State or local
8 governmental entity, or a State or local policy or
9 procedure, prevents compliance with such require-
10 ments. The Secretary shall grant the waiver only if
11 such institution ensures that credit balances are pro-
12 vided to students in a manner consistent with the
13 goals and purposes of this section, as determined by
14 the Secretary.

15 “(d) DISTRIBUTION OPTIONS.—

16 “(1) PILOT PROGRAM.—The Secretary of Edu-
17 cation, in consultation with the Secretary of the
18 Treasury and the Director of the Bureau of Con-
19 sumer Financial Protection, shall conduct a pilot
20 program on providing students with the option of re-
21 ceiving credit balances, through the electronic pay-
22 ment system of the institution of higher education in
23 accordance with subsection (c), by using the Treas-
24 ury Direct Express system established under section
25 3336 of title 31, United States Code, or through any

1 other low-cost alternative as determined by the Sec-
2 retary.

3 “(2) IMPLEMENTATION.—If the Secretary of
4 Education, after conducting the pilot program de-
5 scribed in paragraph (1), determines that allowing
6 students with credit balances to use any option de-
7 scribed in such paragraph is in the best interest of
8 students, the Secretary shall take such actions as
9 are necessary to provide any such option to students,
10 which may include entering into agreements with the
11 Secretary of Treasury or other entity to implement
12 this paragraph.”.

13 **SEC. 493B. DISCLOSURE OF COHORT RATES BASED ON RE-**
14 **PAYMENT PLAN AND DEFERMENT STATUS.**

15 Part G of title IV (20 U.S.C. 1088 et seq.), as
16 amended by section 493A, is further amended by adding
17 at the end the following:

18 **“SEC. 493F. DISCLOSURE OF COHORT RATES BASED ON RE-**
19 **PAYMENT PLAN AND DEFERMENT STATUS.**

20 “(a) PREPARATION AND PUBLICATION OF ADDI-
21 TIONAL COHORT RATES.—

22 “(1) IN GENERAL.—Not less often than once
23 every fiscal year, the Secretary shall prepare and
24 publish a report that includes—

1 “(A) all of the cohort rates calculated
2 under subsections (a) and (c) for each eligible
3 institution participating in any program under
4 this title; and

5 “(B) the underlying numbers and data
6 used to calculate the cohort rates described in
7 paragraph (1).

8 “(2) TIMING AND METHOD OF PUBLICATION.—
9 The Secretary shall publish the report described in
10 paragraph (1)—

11 “(A) on, or as close as practicable to, the
12 date on which the cohort default rates under
13 section 435(m) are made available to the public;
14 and

15 “(B) in the same report, or in a nearby lo-
16 cation on the same website, as the report on co-
17 hort default rates required under section
18 435(m)(4).

19 “(b) CALCULATION OF COHORT RATES FOR STAF-
20 FORD AND UNSUBSIDIZED STAFFORD COHORT BOR-
21 ROWERS.—

22 “(1) IDENTIFICATION OF COHORT.—For each
23 fiscal year, the Secretary shall use, as the cohort for
24 purposes of calculating the rates described in para-
25 graph (3), the borrowers of the loans that are in-

1 cluded in the institution's cohort for purposes of the
2 cohort default rate calculation under section 435(m),
3 except that a borrower of multiple loans in such co-
4 hort shall only be counted as a single borrower.

5 “(2) CALCULATION.—Not less often than once
6 every fiscal year, the Secretary shall calculate for
7 each eligible institution participating in any program
8 under this title, the following rates:

9 “(A) The percentages of borrowers within
10 each cohort in each type of deferment status
11 described—

12 “(i) sections 427(a)(2)(C) and
13 428(b)(1)(M); and

14 “(ii) sections 427(a)(2)(C)(vii) and
15 428(b)(1)(M)(vii) (as in effect prior to the
16 enactment of the Higher Education
17 Amendments of 1992).

18 “(B) The percentages of borrowers within
19 each cohort that, as of the date of the deter-
20 mination, have been delinquent on the loan in-
21 cluded in the cohort for—

22 “(i) at least 30 and not more than 59
23 days;

24 “(ii) at least 60 and not more than 89
25 days; and

1 “(iii) 90 days or more.

2 “(C) Of the borrowers in the cohort that
3 are in active repayment, the percentages of bor-
4 rowers in each of the following repayment
5 plans:

6 “(i) Standard repayment.

7 “(ii) Extended repayment, for each of
8 the following maximum repayment periods:

9 “(I) Not more than 10 years.

10 “(II) More than 10, but not more
11 than 12, years.

12 “(III) More than 12, but not
13 more than 15, years.

14 “(IV) More than 15, but not
15 more than 20, years.

16 “(V) More than 20, but not more
17 than 25, years.

18 “(VI) More than 25, but not less
19 than 30, years.

20 “(iii) An income contingent repayment
21 plan authorized under section 455(e).

22 “(iv) Income-based repayment under
23 section 493C.

1 “(v) Income-sensitive repayment
2 under section 428(b)(9)(A)(iii) or
3 428C(b)(1)(E).

4 “(D) Of the borrowers in each group de-
5 scribed in clauses (iii) through (iv) of subpara-
6 graph (D), the percentage whose outstanding
7 balance due on the loan at the end of the year
8 is greater than the total outstanding balance
9 due on such loan at the beginning of the year.

10 “(c) CALCULATION OF COHORT RATES FOR GRAD-
11 UATE PLUS BORROWERS.—

12 “(1) IN GENERAL.—Not less often than once
13 every fiscal year, the Secretary shall calculate a co-
14 hort rate for Graduate PLUS borrowers for each in-
15 stitution by—

16 “(A) identifying the cohort of 1 or more
17 borrowers of a loan received for attendance at
18 the institution that—

19 “(i) is made to a graduate student
20 under section 428B, Federal Direct PLUS
21 Loan, or a loan under section 428C or a
22 Federal Direct Consolidation Loan that is
23 used to repay such loan; and

24 “(ii) that entered repayment during
25 the second fiscal year preceding the fiscal

1 year for which the determination is being
2 made; and

3 “(B) using the cohort described in sub-
4 paragraph (A) to calculate the graduate PLUS
5 cohort rate under paragraph (2).

6 “(2) CALCULATION.—The graduate PLUS co-
7 hort rate under this subsection for an institution
8 shall be calculated by determining the ratio of—

9 “(A) the number of borrowers in the co-
10 hort described in paragraph (1)(A) for the in-
11 stitution that have defaulted on a loan included
12 in the cohort; to

13 “(B) the total number of borrowers in such
14 cohort.

15 “(d) CALCULATION OF COHORT RATES FOR PARENT
16 PLUS BORROWERS.—

17 “(1) IN GENERAL.—Not less often than once
18 every fiscal year, the Secretary shall calculate a co-
19 hort rate for parent PLUS borrowers for each insti-
20 tution by—

21 “(A) identifying the cohort of borrowers
22 for the fiscal year, in accordance with para-
23 graph (2); and

1 “(B) using such cohort described in sub-
2 paragraph (A) to calculate the parent PLUS
3 cohort rate in accordance with paragraph (3).

4 “(2) COHORT.—

5 “(A) IN GENERAL.—The cohort for an in-
6 stitution for purposes of this subsection shall be
7 the borrowers of a loan under section 428B,
8 Federal Direct PLUS Loan, or a loan under
9 section 428C or a Federal Direct Consolidation
10 Loan that—

11 “(i) is made on behalf of a dependent
12 student under section 428B for attendance
13 at the institution; and

14 “(ii)(I) for determinations made for
15 fiscal years preceding fiscal year 2025, en-
16 tered repayment during the period begin-
17 ning in fiscal year 2015 and ending on
18 September 30 of the fiscal year preceding
19 the fiscal year for which the determination
20 is being made; or

21 “(II) for determinations made for fis-
22 cal year 2025 and each subsequent fiscal
23 year, entered repayment during the tenth
24 year preceding the fiscal year for which the
25 determination is being made.

1 “(3) CALCULATION.—The parent PLUS cohort
2 rate under this subsection for an institution shall be
3 calculated by determining the ratio of—

4 “(A) the number of borrowers in the co-
5 hort described in paragraph (1)(A) for the in-
6 stitution that have defaulted on a loan included
7 in the cohort; to

8 “(B) the total number of borrowers in such
9 cohort.

10 “(e) TREATMENT OF BORROWERS WITH MULTIPLE
11 LOANS.—A borrower with multiple loans in the same bor-
12 rower repayment cohort of an institution shall be counted
13 as a single borrower.

14 “(f) PROCEDURES.—The Secretary shall carry out
15 this section in a manner that is as similar as practicable
16 to the manner in which the Secretary calculates the cohort
17 default rates under section 435(m), including by using
18 common definitions, timelines, and procedures. Such pro-
19 cedures shall include providing an opportunity for each in-
20 stitution to have a reasonable opportunity (as specified by
21 the Secretary) to review and correct errors in the informa-
22 tion required for the purposes of calculating the rates
23 under this section for such institution, prior to the calcula-
24 tion of such rate.”.

1 **SEC. 493C. INSTITUTIONAL REPORTING REQUIREMENTS.**

2 Part G of title IV (20 U.S.C. 1088 et seq.), as
3 amended by section 493A and 493B, is further amended
4 by adding at the end the following:

5 **“SEC. 493G. INSTITUTIONAL REPORTING REQUIREMENTS.**

6 “(a) PURPOSES.—The purposes of this section are—

7 “(1) to promote better transparency of informa-
8 tion to students and their families about postsec-
9 ondary costs and outcomes while protecting student
10 privacy in data collection;

11 “(2) to reduce the burden of data collection on
12 institutions of higher education, including duplica-
13 tive IPEDS reporting;

14 “(3) to inform institutional and program im-
15 provement at institutions of higher education; and

16 “(4) to help improve laws and policies impact-
17 ing postsecondary education.

18 “(b) IPEDS DATA COMPONENTS.—

19 “(1) SUBMISSION OF DATA.—Each institution
20 of higher education participating in a program under
21 this title shall submit to the Secretary student unit
22 record data that is necessary and sufficient, as de-
23 termined by the Secretary, to complete all student
24 components of reporting required for the Integrated
25 Postsecondary Education Data System (referred to
26 in this section as ‘IPEDS’).

1 “(2) REQUIRED DATA.—The data required to
2 be reported to the Secretary under paragraph (1)
3 shall include the minimum number of data elements
4 necessary and sufficient for the fall enrollment, 12-
5 month enrollment, completions, student financial aid
6 and net price, graduation rates, student charges por-
7 tions of IPEDS, and portions of IPEDS relating to
8 admissions, test scores, and institutional characteris-
9 tics surveys, and other surveys, as determined by the
10 Secretary. The Secretary shall undertake data mini-
11 mization efforts in collecting this data and shall ag-
12 gregate the data received and report it publicly at
13 the institutional, program-specific, and State-specific
14 level.

15 “(3) REVIEW.—

16 “(A) IN GENERAL.—Not later than 6
17 months after the date of enactment of the
18 Higher Education Affordability Act, the Sec-
19 retary shall—

20 “(i) review the data collected pursuant
21 to IPEDS to determine whether it is dupli-
22 cative of the data required to be collected
23 under this section; and

24 “(ii) establish a process by which in-
25 stitutions of higher education will transi-

1 tion to reporting data under this section in
2 a way that reduces duplication and burden.

3 “(B) UPDATE OF REVIEW.—Beginning 5
4 years after the date of enactment of the Higher
5 Education Affordability Act, and every 5 years
6 thereafter or as necessary as determined by the
7 Secretary, the Secretary shall review and up-
8 date, as necessary, the categories of data that
9 shall be submitted pursuant to paragraph (1).

10 “(4) GUIDANCE.—Not later than 1 year after
11 the date of enactment of the Higher Education Af-
12 fordability Act, the Secretary shall submit to institu-
13 tions of higher education—

14 “(A) guidance related to the submission of
15 data under this section; and

16 “(B) a reasonable timeframe by which in-
17 stitutions of higher education shall submit the
18 data.

19 “(5) CONTINUATION OF COLLECTION.—IPEDS
20 data that is required to be collected on the day be-
21 fore the date of enactment of the Higher Education
22 Affordability but is not reported into the student
23 unit record system established under this section
24 shall continue to be collected.

1 “(c) ESTABLISHMENT OF NEW OUTCOME
2 METRICS.—

3 “(1) IN GENERAL.—Data submitted to the Sec-
4 retary under subsection (b) shall be used to calculate
5 student components of IPEDS.

6 “(2) ADDITIONAL MEASURES TO BE CAL-
7 CULATED BY THE SECRETARY.—In addition to the
8 IPEDS student component measures required to be
9 calculated by the Secretary on the day before the
10 date of enactment of the Higher Education Afford-
11 ability Act and the data elements described in sub-
12 section (b)(2), the Secretary shall also collect the
13 student unit record data necessary and sufficient to
14 calculate, beginning not later than 2 years after the
15 date of enactment of the Higher Education Afford-
16 ability Act and at the certificate or degree-level, and
17 institutional, program-specific, and State-specific
18 level, information concerning each of the following:

19 “(A) The dollar amount and number of
20 students receiving Federal, State, institutional
21 and private financial aid, including grants,
22 loans, and cumulative debt that is reported sep-
23 arately for undergraduate and graduate stu-
24 dents and disaggregated by completion status.

1 “(B) Graduation, persistence, transfer
2 rates, and still enrolled rates for all under-
3 graduate students, reported overall and sepa-
4 rately for first-time full-time students at entry,
5 first-time part-time students at entry, transfer
6 full-time students at entry and part-time trans-
7 fer students at entry within 100 percent, 150
8 percent, and 200 percent of the normal time to
9 graduation, including transfer rates by level of
10 receiving institution.

11 “(C) Completion rates for master’s, profes-
12 sional, and doctoral level students.

13 “(D) Earnings data for undergraduate and
14 graduate students, disaggregated by completion
15 status, for each of the following time periods:

16 “(i) 2 years after program exit.

17 “(ii) 5 years after program exit.

18 “(iii) 10 years after program exit.

19 “(E) Loan repayment rates for under-
20 graduate and graduate students, disaggregated
21 by completion status.

22 “(F) Enrollment in subsequent postsec-
23 ondary education for undergraduate and grad-
24 uate level students.

1 “(G) Any other measures determined by
2 the Secretary, after consultation with the Na-
3 tional Center for Education Statistics and with
4 input from the postsecondary education commu-
5 nity, including students, representatives from
6 institutions of higher education, researchers,
7 the public, and other relevant stakeholders.

8 “(3) REQUIREMENTS FOR THE STUDENT UNIT
9 RECORD DATA SYSTEM.—The Secretary shall estab-
10 lish a student unit record data system under this
11 section that shall—

12 “(A) establish consistent definitions and
13 directions for institutions to follow in submit-
14 ting the student unit record data required
15 under this section;

16 “(B) determine both collection and submis-
17 sion requirements for this section, including the
18 CIP codes to be used for reporting program-
19 specific data;

20 “(C) be subject to a privacy impact assess-
21 ment, as described in section 208 of the E-Gov-
22 ernment Act of 2002, before collecting informa-
23 tion;

24 “(D) streamline and minimize the data re-
25 quired to be submitted under subsection (b)(2)

1 and paragraph (2), in order to reduce duplica-
2 tion of reporting of information by institutions
3 of higher education and to protect student pri-
4 vacy, which shall be done by working with the
5 National Center for Education Statistics, the
6 Office of Federal Student Aid, other offices
7 within the Department, and other Federal
8 agencies, as determined appropriate by the Sec-
9 retary;

10 “(E) repopulate the student unit record
11 data system with data from existing data
12 sources, including the National Student Loan
13 Data System under section 485B, and ensure
14 that such data is imported into the student unit
15 record data system but data from the student
16 unit record system is not exported back to the
17 National Student Loan Data System or other
18 existing data sources;

19 “(F) include a process, developed in col-
20 laboration with the Social Security Administra-
21 tion, by which—

22 “(i) the Department submits unit
23 record lists to the Social Security Adminis-
24 tration with instructions on how to group
25 and aggregate the data; and

1 “(ii) the Social Security Administra-
2 tion, consistent with Social Security Ad-
3 ministration privacy standards and in a
4 way that does not reveal personally identi-
5 fiable information—

6 “(I) returns, to the Department,
7 earnings data for students attending
8 each institution that is provided in the
9 aggregate and disaggregated based on
10 the programs of education attended
11 and by type of certificate or degree
12 earned by the graduates; and

13 “(II) aggregates the earning data
14 for students attending institutions in
15 order to provide institution-specific
16 and State-specific earnings data need-
17 ed by the Department for purposes of
18 paragraph (2); and

19 “(G) allow institutions of higher education
20 to request the system of higher education of
21 which they are a member or the State in which
22 they are located to report student unit record
23 data on their behalf if such reporting fully com-
24 plies with all the requirements of this section;

1 “(H) report the outcome metrics required
2 under this subsection, disaggregated, if the
3 number of students in such subgroup or with
4 such status is sufficient to avoid revealing per-
5 sonally identifiable information about an indi-
6 vidual student, by—

7 “(i) race and ethnicity;

8 “(ii) gender;

9 “(iii) whether and at what level the
10 student has enrolled in a degree-granting
11 program, certificate-granting program, or
12 developmental education;

13 “(iv) first-time or transfer status;

14 “(v) part-time or full-time status;

15 “(vi) disability status, if applicable;

16 “(vii) receipt of a Federal Pell Grant;

17 “(viii) receipt of a loan made, insured,
18 or guaranteed under section 428 or a Fed-
19 eral Direct Stafford Loan;

20 “(ix) status as a student who has re-
21 ceived no Federal Pell Grants, no loans
22 made, insured, or guaranteed under section
23 428, and no Federal Direct Stafford
24 Loans;

1 “(x) age ranges, to be determined by
2 the Secretary;

3 “(xi) military or veteran status; and

4 “(xii) other categories determined nec-
5 essary by the Secretary; and

6 “(I) require that data required under this
7 section be collected for all students, including
8 undergraduate and graduate students but re-
9 ported separately for undergraduate and grad-
10 uate students.

11 “(d) REPORTING OF DATA.—

12 “(1) IN GENERAL.—The Secretary shall use the
13 data provided by institutions of higher education
14 under subsections (b) and (c) only for the following:

15 “(A) Publication of such statistical reports
16 and studies as the Secretary determines appro-
17 priate, provided that such reports do not dis-
18 close personally identifiable information to any
19 party. The Secretary shall specifically provide
20 public statistical reports on access, costs, finan-
21 cial aid, educational needs, and student out-
22 comes that include graduation rates.

23 “(B) Management, policy planning, and
24 oversight purposes within the Department, in-

1 including research to improve Federal laws im-
2 pacting postsecondary education.

3 “(C) Consumer information.

4 “(D) Providing information to institutions
5 of higher education for institutional and pro-
6 gram improvement.

7 “(E) To fulfill the IPEDS reporting obli-
8 gations of institutions of higher education and
9 reduce the reporting burden on institutions.

10 “(2) PUBLIC ACCESS TO INFORMATION.—The
11 IPEDS data components and new outcome metrics
12 collected under this section shall be included in the
13 IPEDS Data Center at the institution and program
14 specific level. Non-personally identifiable data shall
15 also be available to the public and widely dissemi-
16 nated through electronic transfer, or other means,
17 such as posting on the National Center for Edu-
18 cation Statistics’ website or other relevant place in
19 a way that does not allow for the disclosure or dis-
20 semination of any personally identifiable information
21 and shall fully comply with rules and regulations of
22 the National Center for Education Statistics for
23 data access.

24 “(e) INVOLVEMENT OF STAKEHOLDERS IN DEVEL-
25 OPING CALCULATION AND REPORTING STANDARDS.—In

1 carrying out this section, the Secretary shall consult exten-
2 sively with institutions of higher education, State agencies
3 of higher education, privacy advocates, education research-
4 ers, statistical experts, students and their families.

5 “(f) PRIVACY, SECURITY, AND USE OF STUDENT
6 UNIT RECORD INFORMATION.—

7 “(1) LIMITATIONS ON DISCLOSURE OF INFOR-
8 MATION.—Personally identifiable information main-
9 tained in the Federal student unit record data sys-
10 tem established under this section shall only be dis-
11 closed to—

12 “(A) students whose data is contained in
13 the system, upon request, and in connection
14 with their own personally identifiable informa-
15 tion;

16 “(B) institutions of higher education or
17 their contractors (subject to paragraph (2)), to
18 the extent that such disclosures may be re-
19 quired for purposes of data validation or correc-
20 tion regarding the data that institutions or
21 their contractors already submitted, provided
22 that no student-level data elements from other
23 sources are disclosed to such institutions of
24 higher education or their contractors;

1 “(C) employees or contractors of the De-
2 partment to the extent that such disclosure is
3 necessary for the Secretary to carry out the re-
4 quirements of this section, and, in the case of
5 contractors, subject to paragraph (2); or

6 “(D) employees or contractors of the So-
7 cial Security Administration, provided that such
8 disclosures are limited to the minimum number
9 of data elements needed to obtain earnings data
10 specifically authorized in this section, and that
11 no personally identifiable information from the
12 student unit record data system is retained by
13 the Social Security Administration after they
14 have provided earnings data.

15 “(2) REQUIREMENTS FOR CONTRACTS.—In car-
16 rying out the requirements of this section, the Sec-
17 retary and institutions of higher education may not
18 disclose personally identifiable information from
19 records of students to a contractor, consultant, or
20 other third party to whom the Secretary or institu-
21 tion has delegated data collection and maintenance
22 functions unless that contractor, consultant, or other
23 third party—

1 “(A) is performing a function or task for
2 which the Department, or institution of higher
3 education would otherwise use employees;

4 “(B) is under the direct control of the De-
5 partment or institution with respect to the use
6 and maintenance of education records;

7 “(C) does not use the education records for
8 any other purposes than those explicitly author-
9 ized in its contract and agrees to not re-disclose
10 personally identifiable information to any third
11 party;

12 “(D) uses applicable Federally mandated
13 or industry-standard encryption technologies;

14 “(E) has sufficient administrative and
15 technical procedures to maintain safeguards
16 and continuously monitor the security of per-
17 sonally identifiable information in its custody;

18 “(F) provides training to all employees and
19 responsible individuals, to ensure the security of
20 education records;

21 “(G) provides to the Department or insti-
22 tution, an acceptable breach remediation plan
23 prior to the initial receipt of education records;

24 “(H) reports all actual and suspected secu-
25 rity breaches to the Department or institution

1 that provided the education records as soon as
2 detected;

3 “(I) in the event of a security breach or
4 unauthorized disclosure of personally identifi-
5 able information, pay all costs and liabilities in-
6 curred by the Department or institution related
7 to the security breach or unauthorized disclo-
8 sure, including costs related to inquiries, miti-
9 gation, notification, and investigation costs; and

10 “(J) destroys or returns to the Depart-
11 ment or institution all such personally identifi-
12 able information that has been submitted into
13 the student unit record system upon request of
14 the Department or institution at the termi-
15 nation of the contract.

16 “(3) DATA AUDIT AND DATA GOVERNANCE SYS-
17 TEMS.—In order to ensure compliance with all Fed-
18 eral standards of data quality and individual privacy,
19 the student unit record data system developed under
20 this section shall include—

21 “(A) a data audit system assessing data
22 quality;

23 “(B) a breach audit system;

24 “(C) processes for data safeguarding; and

25 “(D) a data governance system.

1 “(4) PROHIBITION AND UNAUTHORIZED USE.—

2 “(A) IN GENERAL.—Individual data col-
3 lected under this section shall not be used for
4 any purpose not specifically authorized by this
5 section.

6 “(B) NO FUTURE ACTION TAKEN AGAINST
7 AN INDIVIDUAL.—

8 “(i) IN GENERAL.—No action of Fed-
9 eral authority, State authority, or local au-
10 thority of any kind may be taken against
11 an individual by utilizing the student unit
12 record data system established under this
13 section nor shall the student unit record
14 data system established under this section
15 be used—

16 “(I) for purposes of—

17 “(aa) establishing or
18 verifying the eligibility of appli-
19 cants for, or recipients or bene-
20 ficiaries of, cash or in-kind as-
21 sistance or payments under Fed-
22 eral benefit programs; or

23 “(bb) continuing compliance
24 with statutory and regulatory re-
25 quirements for such assistance or

1 payments by such applicants, re-
2 cipients, or beneficiaries;

3 “(II) for recouping payments or
4 delinquent debts under such Federal
5 benefit programs; or

6 “(III) to affect future edu-
7 cational, employment, health, civil,
8 criminal, or other actions against an
9 individual whose information is main-
10 tained by the student unit record data
11 system.

12 “(ii) EXCEPTION.—Any data col-
13 lected, stored outside of the unit record
14 system prior to enactment of the Higher
15 Education Affordability Act, and used for
16 enforcement actions, including data in the
17 National Student Loan Data System, shall
18 continue to be used for those purposes
19 even when duplicates of the data are in-
20 cluded in the unit record system.

21 “(C) GUIDELINES.—The Secretary shall
22 issue guidelines to institutions regarding the
23 need to amend the institutions’ required annual
24 privacy notices to reference the data collection
25 required under this section.

1 “(D) COMMERCIAL USE PROHIBITED.—No
2 data collected or maintained under this section
3 shall sold to third parties nor used to market
4 any products to individuals whose data is col-
5 lected under this section.

6 “(5) INDIVIDUAL PRIVACY AND ACCESS TO
7 DATA.—Prior to implementation of this section, the
8 Secretary shall publish for public comment proposed
9 procedures that ensure—

10 “(A) the system developed under this sec-
11 tion does not disclose any personally identifiable
12 information and complies with the requirements
13 of section 444 of the General Education Provi-
14 sions Act (20 U.S.C. 1232g) (commonly known
15 as the ‘Family Educational Rights and Privacy
16 Act’) and other applicable Federal and State
17 privacy laws; and

18 “(B) there is a policy on the use of data
19 collected under this section that prevents any
20 use of data outside of the purposes of this sec-
21 tion.

22 “(g) PENALTIES FOR UNAUTHORIZED DISCLOSURE
23 OF DATA.—Any individual who willfully discloses any per-
24 sonally identifiable information, including personal identi-
25 fiers, provided under this section, in any manner to an

1 entity not authorized to receive such personally identifi-
2 able information, shall be charged with a class E felony,
3 punishable by up to 5 years in prison, a fine of \$250,000,
4 or both.

5 “(h) WEBSITE AND HOTLINE.—The Secretary shall
6 establish a website and free hotline number that will pro-
7 vide information to students, their families, and the public
8 about the student unit record data system established
9 under this section to answer any questions the public may
10 have about such system.

11 “(i) COOPERATION OF OTHER FEDERAL AGEN-
12 CIES.—The Commissioner of Social Security shall work
13 with the Secretary of Education to establish a process for
14 matching and obtaining the data required under sub-
15 section (c)(3)(E).

16 “(j) DATA SOVEREIGNTY.—The Secretary shall en-
17 sure all data maintained in the student unit record system
18 are stored within the boundaries of the United States or
19 in a facility owned and controlled by a contractor subject
20 to the legal jurisdiction of the United States.”.

1 **PART H—PROGRAM INTEGRITY**
2 **SEC. 496. PUBLIC DISCLOSURE OF FINALIZED ACCREDITA-**
3 **TION DOCUMENTS; PROHIBITION ON PRE-**
4 **DISPUTE ARBITRATION MANDATES.**

5 (a) REQUIREMENTS FOR ACCREDITING AGENCIES OR
6 ASSOCIATIONS.—Section 496 (20 U.S.C. 1099b) is
7 amended—

8 (1) in subsection (a)—

9 (A) in paragraph (7), by striking “and”
10 after the semicolon;

11 (B) in paragraph (8), by striking the pe-
12 riod and inserting a semicolon; and

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

14 “(9) such agency or association does not re-
15 quire any institution to enter into predispute arbi-
16 tration agreements with the students of the institu-
17 tion; and

18 “(10) such agency or association shall comply
19 with the requirements of section 444 of the General
20 Education Provisions Act (commonly known as the
21 ‘Family Educational Rights and Privacy Act of
22 1974’) (20 U.S.C. 1232g).”;

23 (2) in subsection (c)—

24 (A) in paragraph (3)(A), by striking “sec-
25 tion 487(f)” and inserting “section 487(e)”;

1 (B) in paragraph (8), by striking “and”
2 after the semicolon;

3 (C) in paragraph (9)(B), by striking the
4 period at the end and inserting “; and”; and

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

6 “(10) makes available on the website of the
7 agency or association, for each institution subject to
8 its jurisdiction, the accreditation documents relating
9 to academic and institutional quality, as described in
10 subsection (o), for the most recent accreditation pe-
11 riod.”;

12 (3) by redesignating subsections (o) through (q)
13 as subsections (p) through (r), respectively; and

14 (4) by inserting after subsection (n) the fol-
15 lowing:

16 “(o) FINALIZED ACCREDITATION DOCUMENTS RE-
17 LATING TO ACADEMIC AND INSTITUTIONAL QUALITY.—

18 “(1) IN GENERAL.—The finalized accreditation
19 documents relating to academic and institutional
20 quality that are subject to the requirements of sub-
21 section (c)(10) and section 487(a)(21) shall be any
22 final report or analysis of the agency or association,
23 as determined by the Secretary in consultation with
24 the National Advisory Committee on Institutional
25 Quality and Integrity, regarding whether an institu-

1 tion or program is in compliance with the standards
2 of the agency or association, including—

3 “(A) any finalized self-study report pre-
4 pared by the institution or program that in-
5 cludes the assessment of educational quality
6 and the institution’s or program’s continuing
7 efforts to improve educational quality;

8 “(B) any finalized report by the accred-
9 iting agency or association on each on-site re-
10 view conducted of the institution or program
11 (including any written response by the institu-
12 tion or program to such report);

13 “(C) any finalized written report by the ac-
14 crediting agency or association assessing the in-
15 stitution or program’s compliance with the ac-
16 crediting standards and the institution or pro-
17 gram’s performance with respect to student
18 achievement;

19 “(D) the documents required under section
20 496(c)(7) relating to any adverse accrediting
21 agency or association action regarding the insti-
22 tution or program, including any decision of
23 final denial, withdrawal, suspension, or termi-
24 nation of accreditation, placement on probation,

1 or other adverse action, and all supporting doc-
2 umentation for such action; and

3 “(E) a summary by the accrediting agency
4 or association that clearly explains to the public
5 the overall assessment, including key concerns,
6 of the relevant institution or program.

7 “(2) APPEALS PROCESS FOR FINALIZED AC-
8 CREDITATION DOCUMENTS.—The Secretary shall es-
9 tablish a clear and accessible process for an institu-
10 tion of higher education to appeal the public release
11 of finalized accreditation documents under para-
12 graph (1).

13 “(p) SINGLE WEBPAGE TO FINALIZED ACCREDITA-
14 TION DOCUMENTS.—

15 “(1) IN GENERAL.—The Secretary shall estab-
16 lish and maintain a webpage on the website of the
17 Department that provides a single point of access to
18 the finalized accreditation documents relating to the
19 academic and institutional quality that institutions
20 of higher education are required to make available
21 under section 487(a)(21).

22 “(2) PUBLIC EXPLANATION REGARDING RE-
23 DACTED OR UNAVAILABLE INFORMATION.—If the
24 Secretary makes a decision to delay the release of
25 the finalized accreditation documents, or to redact

1 information from any such documents, for an insti-
2 tution of higher education, the Secretary shall in-
3 clude a public explanation of such decision on the
4 webpage described in paragraph (1).”.

5 **SEC. 497. IMPROVED TARGETING OF PROGRAM REVIEWS.**

6 Section 498(k)(1) (20 U.S.C. 1099e(k)(1)) is amend-
7 ed by striking “section 487(f)” and inserting “section
8 487(e)”.

9 **SEC. 498. PROGRAM REVIEW AND DATA.**

10 Section 498A (20 U.S.C. 1099e–1) is amended to
11 read as follows:

12 **“SEC. 498A. PROGRAM REVIEW AND DATA.**

13 “(a) DEFINITIONS.—In this section:

14 “(1) EXECUTIVE COMPENSATION.—The term
15 ‘executive compensation’, when used with respect to
16 an institution of higher education, means the wages,
17 salary, fees, commissions, fringe benefits, deferred
18 compensation, retirement contributions, options, bo-
19 nuses, property, and any other form of remuneration
20 that the Secretary determines is appropriate, given
21 to the 5 percent of employees at the institution who
22 are the highest compensated.

23 “(2) RELEVANT FEDERAL AGENCY.—The term
24 ‘relevant Federal agency’ means—

25 “(A) the Department of Education;

1 “(B) the Department of Veterans Affairs;

2 “(C) the Department of Defense;

3 “(D) the Bureau of Consumer Financial
4 Protection;

5 “(E) the Federal Trade Commission; or

6 “(F) any other Federal agency that pro-
7 vides Federal student assistance or that the
8 Secretary determines appropriate.

9 “(3) RELEVANT STATE ENTITY OR AGENCY.—

10 The term ‘relevant State entity or agency’ means—

11 “(A) an appropriate State licensing or au-
12 thORIZING agency;

13 “(B) the attorney general (or the equiva-
14 lent thereof) of the State; or

15 “(C) any other State entity or agency that
16 the Secretary determines appropriate.

17 “(b) PROGRAM REVIEWS FOR INSTITUTIONS PAR-
18 TICIPATING UNDER TITLE IV.—

19 “(1) IN GENERAL.—The Secretary—

20 “(A) is authorized to conduct program re-
21 views, including on-site visits, of each institu-
22 tion of higher education participating in a pro-
23 gram authorized under this title; and

24 “(B) shall conduct a program review under
25 this subsection of each institution of higher

1 education that poses a significant risk of failure
2 to comply with this title, as described in para-
3 graphs (2) and (3).

4 “(2) MANDATORY REVIEWS.—

5 “(A) IN GENERAL.—The Secretary shall,
6 on an annual basis, conduct program reviews of
7 each institution of higher education partici-
8 pating in a program authorized under this title
9 that meets 1 or more of the following criteria:

10 “(i) As of the date of the determina-
11 tion—

12 “(I) more than 15 percent of the
13 students enrolled at the institution
14 have received a Federal Direct Unsub-
15 sidized Stafford Loan during the pre-
16 vious year; and

17 “(II) the institution has a cohort
18 default rate, as defined in section
19 435(m), that is more than 20 percent.

20 “(ii) As of the date of the determina-
21 tion—

22 “(I) the institution has a cohort
23 default rate, as defined in section
24 435(m), that exceeds the national av-

1 erage, as determined by the Secretary
2 in accordance with such section; and

3 “(II) the institution has an ag-
4 gregate amount of defaulted loans, as
5 determined by the Secretary, that
6 places the institution in the highest 1
7 percent of institutions participating in
8 programs authorized under this title
9 in terms of the aggregate amount of
10 defaulted loans.

11 “(iii) In the case of proprietary insti-
12 tutions of higher education, the institution
13 received more than 80 percent of the insti-
14 tution’s revenues from Federal funds as
15 defined in section 102(b)(2)(B), during the
16 2 most recent years for which data is avail-
17 able.

18 “(iv) The institution is among the top
19 1 percent of institutions participating in
20 programs authorized under this title in
21 terms of numbers or rates of complaints
22 related to Federal student financial aid,
23 educational practices and services, or re-
24 cruiting and marketing practices, as re-

1 ported in the complaint tracking system
2 established under section 161.

3 “(v) As of the date of the determina-
4 tion, the institution is among the top 1
5 percent of institutions in terms of low
6 graduation rates, as determined by the
7 Secretary, of all institutions participating
8 in programs authorized under this title.

9 “(vi) The institution spends more
10 than 20 percent of the institution’s reve-
11 nues on recruiting and marketing activities
12 and executive compensation.

13 “(vii) In the fiscal year immediately
14 following the most recent cohort default
15 rate period—

16 “(I) the institution’s loan de-
17 faults increased by 50 percent or
18 more as compared to the preceding
19 period; and

20 “(II) more than 50 percent of
21 the students attending the institution
22 received loans under this title.

23 “(viii) The institution has been put on
24 probation by, or is subject to a show cause
25 order from, a nationally recognized accred-

1 iting agency or association that is recog-
2 nized by the Secretary pursuant to part H
3 of title IV;

4 “(ix) The institution, or an executive
5 of the institution, has publicly acknowl-
6 edged or disclosed that the institution—

7 “(I) is in violation or noncompli-
8 ance with any provision of law admin-
9 istered by a relevant Federal agency
10 or relevant State entity or agency; or

11 “(II) is being investigated re-
12 garding a potential violation of such
13 provision of law.

14 “(x) The institution—

15 “(I) is a proprietary institution
16 of higher education that has acquired
17 a nonprofit institution of higher edu-
18 cation at any point during the 1-year
19 period preceding the date of the deter-
20 mination; or

21 “(II) was a proprietary institu-
22 tion of higher education and has be-
23 come a nonprofit institution of higher
24 education at any time during the 1-

1 and why the institution is being reviewed
2 and shall maintain such posting and expla-
3 nation for 1 year or until the Secretary has
4 issued its final program review report
5 under subsection (c)(5)(C), whichever oc-
6 curs sooner;

7 “(ii) provide a clear, conspicuous dis-
8 closure of the information described in
9 clause (i) to students who inquire about
10 admission to the institution or submit an
11 application for admission to the institution
12 prior to the student signing an enrollment
13 agreement with the institution, for 1 year
14 or until the Secretary has issued the final
15 program review report under subsection
16 (c)(6)(C), whichever occurs sooner; and

17 “(iii) include the information de-
18 scribed in clause (i) on materials of accept-
19 ance or admission submitted to each stu-
20 dent before the student enrolls in the insti-
21 tution, for 1 year or until the Secretary
22 has issued the final program review report
23 under subsection (c)(6)(C), whichever oc-
24 curs sooner.

25 “(3) RISK-BASED REVIEWS.—

1 “(A) IN GENERAL.—The Secretary shall
2 use a risk-based approach to select, on an an-
3 nual basis not less than 2 percent of institu-
4 tions of higher education participating in a pro-
5 gram authorized under this title that are not
6 reviewed under paragraph (2), for a program
7 review. This approach shall prioritize program
8 reviews of institutions that—

9 “(i) have received large increases in
10 funding under this title during the 5-year
11 period preceding the date of the determina-
12 tion;

13 “(ii) have a large proportion of overall
14 revenue from Federal funds, as defined in
15 section 102(b)(2)(B);

16 “(iii) have a significant fluctuation in
17 Federal Direct Stafford Loan volume, Fed-
18 eral Pell Grant award volume, or any com-
19 bination thereof, in the year for which the
20 determination is made, compared to the
21 year prior to such year, that is not ac-
22 counted for by changes in the Federal Di-
23 rect Stafford Loan program, the Federal
24 Pell Grant program, or any combination
25 thereof;

1 “(iv) have experienced sharp increases
2 in enrollment in absolute numbers or rate
3 of growth;

4 “(v) have high rates of defaults, rel-
5 ative to all other institutions of higher edu-
6 cation participating in a program author-
7 ized under this title, for loans issued under
8 this title over the lifetime of the loans;

9 “(vi) have a large aggregate dollar
10 amount of loans under this title in default,
11 or a high cohort default rate as described
12 in section 435(m);

13 “(vii) have a high student default
14 risk, as compared to the student default
15 risk for all institutions participating in a
16 program under this title;

17 “(viii) have a high proportion or high
18 rate of complaints related to Federal stu-
19 dent financial aid, educational practices
20 and services, or recruiting and marketing
21 practices, as reported in the complaint
22 tracking system established under section
23 161;

24 “(ix) have extremely low graduation
25 rates, as determined by the Secretary;

1 “(x) are in poor financial health ac-
2 cording to financial responsibility stand-
3 ards described in section 498(c);

4 “(xi) are spending a large percentage
5 of the institution’s revenues on recruiting
6 and marketing activities and executive
7 compensation;

8 “(xii) in the case of proprietary insti-
9 tutions of higher education, have large
10 profit margins and profit growth;

11 “(xiii) have been put on notice or
12 warning by its accrediting agency;

13 “(xiv) has been found to have compli-
14 ance problems under this title, or is at sig-
15 nificant risk of failing to comply with ap-
16 plicable Federal or State laws, by a rel-
17 evant Federal agency or a relevant State
18 entity or agency, including the Comptroller
19 General of the United States;

20 “(xv) has had a large amount of funds
21 returned under section 484B; or

22 “(xvi) in the case of proprietary insti-
23 tutions of higher education, have experi-
24 enced a change in ownership or control of
25 the institution, including a buyout.

1 “(B) CRITERIA FOR RISK-BASED RE-
2 VIEWS.—The Secretary shall publish, and up-
3 date as necessary, the specific criteria that the
4 Secretary will use to determine which institu-
5 tions of higher education are selected for risk-
6 based reviews under subparagraph (A).

7 “(4) PUBLIC DISCLOSURE OF VIOLATIONS.—
8 The Secretary shall—

9 “(A) post on the College Navigator
10 website, or any successor website, of the De-
11 partment, the name of each institution of high-
12 er education that is found to have violated a
13 provision of this title knowingly and willfully or
14 with gross negligence;

15 “(B) indicate on such website, with respect
16 to each such institution, which of the provisions
17 of this title the institution violated; and

18 “(C) maintain such posting until the date
19 the institution of higher education rectifies the
20 violation or the date that is 1 year after the
21 date the Secretary issues the final program re-
22 view report under subsection (c)(6)(C) with re-
23 spect to such institution, whichever date is
24 later.

1 “(5) INSTITUTIONAL DISCLOSURE OF VIOLA-
2 TIONS.—Each institution of higher education that is
3 found to have violated a provision of this title know-
4 ingly and willfully or with gross negligence shall—

5 “(A) not later than 15 days after the date
6 of issuance of the final program review report
7 containing the finding, post on the home page
8 of the institution’s website that the institution
9 has been found to have violated a provision of
10 this title knowingly and willfully or with gross
11 negligence, including the provision the institu-
12 tion was found to have violated;

13 “(B) maintain such posting until the date
14 the institution rectifies the violation or the date
15 that is 1 year after the date the Secretary
16 issues the final program review report under
17 subsection (c)(6)(C) with respect to such insti-
18 tution, whichever date is later; and

19 “(C) include the information described in
20 subparagraph (A) on materials of acceptance or
21 admission submitted to each student before the
22 student enrolls in the institution until the date
23 the institution rectifies the violation or the date
24 that is 1 year after the date the Secretary
25 issues the final program review report under

1 subsection (c)(6)(C) with respect to such insti-
2 tution, whichever date is later.

3 “(c) CHARACTERISTICS OF PROGRAM REVIEWS.—

4 “(1) NOTICE.—The Secretary may give not
5 more than 72 hours notice to an institution of high-
6 er education that will undergo a program review
7 pursuant to subsection (b) of such review.

8 “(2) SHARING OF INFORMATION.—The Sec-
9 retary shall share all final program review deter-
10 minations conducted under this section with relevant
11 Federal agencies and relevant State entities or agen-
12 cies, and appropriate accrediting agencies and asso-
13 ciations, to enable such agencies, entities, and asso-
14 ciations to determine the eligibility of institutions for
15 funds or accreditation.

16 “(3) INTERACTION WITH OTHER FEDERAL
17 AGENCIES AND LAWS.—To the extent practicable,
18 the Secretary shall coordinate program reviews con-
19 ducted under this section with other reviews and au-
20 dits conducted by the Department, and with relevant
21 Federal agencies and relevant State entities or agen-
22 cies.

23 “(4) VIOLATIONS DISCOVERED THROUGH PRO-
24 GRAM REVIEW.—

1 “(A) VIOLATIONS OF THIS TITLE.—If, in
2 the course of conducting a program review, the
3 Secretary obtains evidence that any institution
4 of higher education or person has engaged in
5 conduct that may constitute a violation of this
6 title, including a failure to fully comply with the
7 program review process and reporting require-
8 ments under this section, the Secretary may
9 sanction such institution or person, pursuant to
10 section 489A.

11 “(B) VIOLATIONS OF OTHER FEDERAL
12 LAWS.—If, in the course of conducting a pro-
13 gram review, the Secretary obtains evidence
14 that any institution of higher education or per-
15 son has engaged in conduct that may constitute
16 a violation of Federal law, the Secretary shall
17 transmit such evidence to the Attorney General
18 of the United States, the Director of the Bu-
19 reau of Consumer Financial Protection, the
20 Commissioner of the Federal Trade Commis-
21 sion, or the head of any other appropriate Fed-
22 eral agency who may institute proceedings
23 under appropriate law.

24 “(C) RULE OF CONSTRUCTION.—Nothing
25 in this paragraph shall be constructed to affect

1 any other authority of the Secretary to disclose
2 information.

3 “(5) CONDUCT OF REVIEWS.—When conducting
4 program reviews under this section, the Secretary
5 shall assess the institution of higher education’s
6 compliance with the provisions of this title. Each
7 program review shall include, at a minimum, the fol-
8 lowing:

9 “(A) With regard to the institutional infor-
10 mation, the Secretary shall assess financial ca-
11 pability, administrative capability, and program
12 integrity, including whether the institution—

13 “(i) knowingly and willfully misused
14 Federal student aid from any source;

15 “(ii) violated section 487(a)(20);

16 “(iii) engaged in any substantial mis-
17 representation or other serious violation, as
18 defined in section 489A; or

19 “(iv) violated the program integrity
20 regulations promulgated by the Secretary
21 under this Act.

22 “(B) With regard to student information,
23 the Secretary shall examine—

1 “(i) graduation rates compared with
2 all other institutions participating in a pro-
3 gram authorized under this title;

4 “(ii) student complaints, including
5 interviews with current and former stu-
6 dents, faculty and staff, and accrediting
7 agencies; and

8 “(iii) information from the complaint
9 data system established under section 161.

10 “(6) ADMINISTRATIVE PROCESS.—

11 “(A) TRAINING.—The Secretary shall pro-
12 vide training, including investigative training, to
13 personnel of the Department designed to im-
14 prove the quality of financial and compliance
15 audits and program reviews conducted under
16 this section, including instruction about appro-
17 priately and effectively conducting such audits
18 and reviews for institutions of higher education
19 from different sectors of higher education.

20 “(B) CARRYING OUT PROGRAM RE-
21 VIEWS.—In carrying out program reviews under
22 this section, the Secretary shall—

23 “(i) establish guidelines designed to
24 ensure uniformity of practice in the con-
25 duct of such reviews;

1 “(ii) make available to each institu-
2 tion of higher education participating in a
3 program authorized under this title com-
4 plete copies of all review guidelines and
5 procedures used in program reviews, except
6 that internal training materials for Depart-
7 ment staff related to identifying instances
8 of fraud, misrepresentation, or intentional
9 noncompliance shall not be disclosed;

10 “(iii) permit an institution of higher
11 education to correct or cure an administra-
12 tive, accounting, or recordkeeping error
13 within 90 days of the issuance of the final
14 program review report, if the error is not
15 part of a pattern of error and there is no
16 evidence of fraud or misconduct related to
17 the error;

18 “(iv) without sharing personally iden-
19 tifiable information and in accordance with
20 section 444 of the General Education Pro-
21 visions Act (20 U.S.C. 1232g, commonly
22 known as the ‘Family Educational Rights
23 and Privacy Act of 1974’), inform the rel-
24 evant Federal agencies and relevant State
25 entities or agencies, and accrediting agency

1 or association, whenever the Secretary
2 finds a violation of this title or sanctions
3 an institution of higher education under
4 section 432, 489A, or 498; and

5 “(v) provide to an institution of high-
6 er education 90 calendar days to review
7 and respond to any program review report
8 and relevant materials related to the report
9 before any final program review report is
10 issued.

11 “(C) FINAL PROGRAM REVIEW DETER-
12 MINATION.—

13 “(i) IN GENERAL.—Not later than
14 180 calendar days after issuing a program
15 review report under this section, the Sec-
16 retary shall review and consider an institu-
17 tion of higher education’s response, and
18 issue a final program review determination
19 or audit determination. The final deter-
20 mination shall include—

21 “(I) a written statement address-
22 ing the institution of higher edu-
23 cation’s response;

24 “(II) a written statement of the
25 basis for such determination; and

1 “(III) a copy of the institution’s
2 response.

3 “(ii) CONFIDENTIALITY.—The Sec-
4 retary shall maintain and preserve at all
5 times the confidentiality of any program
6 review report until a final program review
7 determination is issued, other than to in-
8 form the relevant Federal agencies and rel-
9 evant State entities or agencies, and ac-
10 crediting agency or association, as required
11 under this section.

12 “(D) REPORTS DISCLOSED TO THE INSTI-
13 TUTION.—The Secretary shall promptly disclose
14 each program review report and each final pro-
15 gram review determination to the institution of
16 higher education under review.

17 “(E) REMOVAL OF PERSONALLY IDENTIFI-
18 ABLE INFORMATION.—Any personally identifi-
19 able information from the education records of
20 students shall be removed from any program re-
21 view report or final program review determina-
22 tion before the report is shared with any rel-
23 evant Federal agency, State entity or agency, or
24 accrediting agency or association.

1 “(7) FOLLOW-UP REVIEWS AFTER VIOLA-
2 TIONS.—The Secretary shall conduct follow-up re-
3 views of each institution of higher education that
4 has been found in violation of a provision of this
5 title not later than 1 year after the date of such
6 finding. Such follow-up reviews may only assess
7 whether the institution of higher education has cor-
8 rected violations found in a previous program review
9 or final program review determination.”.

10 **PART I—STATE-FEDERAL COLLEGE**

11 **AFFORDABILITY PARTNERSHIP**

12 **SEC. 499. STATE-FEDERAL COLLEGE AFFORDABILITY PART-**
13 **nership.**

14 Title IV of the Higher Education Act of 1965 (20
15 U.S.C. 1070 et seq.) is amended by adding at the end
16 the following:

17 **“PART J—STATE-FEDERAL COLLEGE**

18 **AFFORDABILITY PARTNERSHIP**

19 **“SEC. 499-1. PURPOSE.**

20 “The purpose of this part is to establish a State-Fed-
21 eral partnership that incentivizes State investment in pub-
22 lic higher education.

23 **“SEC. 499-2. DEFINITIONS.**

24 “In this part:

1 “(1) ELIGIBLE STATE.—The term ‘eligible
2 State’ means a State that provides net State oper-
3 ating support per FTE student in an amount equal
4 to not less than 50 percent of the amount that re-
5 flects the maximum Federal Pell Grant award
6 amount.

7 “(2) FULL-TIME EQUIVALENT STUDENT NUM-
8 BER.—The term ‘full-time equivalent student num-
9 ber’ means a number that reflects the sum of the
10 number of students enrolled full time at a public in-
11 stitution of higher education in the State, plus the
12 full-time equivalent of the number of students en-
13 rolled part time (determined on the basis of the
14 quotient of the sum of the credit hours of all part-
15 time students divided by 12) at such institutions.
16 The Secretary may establish a methodology for cal-
17 culating the full-time equivalent student number and
18 may offer guidance to States in determining the
19 State’s full-time equivalent student number for pur-
20 poses of this part.

21 “(3) NET STATE OPERATING SUPPORT.—The
22 term ‘net State operating support’ means an amount
23 that is equal to the amount of State funds and local
24 government appropriations used to support public
25 higher education annual operating expenses in the

1 State, calculated in accordance with subparagraphs
2 (A) and (B).

3 “(A) CALCULATION.—A State’s net State
4 operating support shall be an amount that is
5 equal to the difference resulting from the gross
6 amount of State funds annually appropriated
7 for public higher education operating expenses
8 in the State; minus—

9 “(i) such appropriations that are re-
10 turned to the State;

11 “(ii) State-appropriated funds derived
12 from Federal sources, including funds pro-
13 vided under this part;

14 “(iii) local government funds not ap-
15 propriated for operating support for public
16 higher education;

17 “(iv) amounts that are portions of
18 multi-year appropriations to be distributed
19 over multiple years;

20 “(v) tuition charges remitted to the
21 State to offset State appropriations;

22 “(vi) State funding for students in
23 non-credit continuing or adult education
24 courses and non-credit extension courses;

1 “(vii) sums appropriated to private
2 nonprofit institutions of higher education,
3 or to proprietary institutions of higher
4 education, for capital outlay or operating
5 expenses; and

6 “(viii) any other funds excluded under
7 subparagraph (B).

8 “(B) EXCLUSIONS.—Net State operating
9 support does not include funds for—

10 “(i) student aid programs that provide
11 grants to students attending in-State pri-
12 vate nonprofit institutions of higher edu-
13 cation, in-State proprietary institutions of
14 higher education, independent institutions,
15 in-State public institutions, and out-of-
16 State institutions;

17 “(ii) capital outlay;

18 “(iii) deferred maintenance;

19 “(iv) research and development; or

20 “(v) any other funds that the Sec-
21 retary may exclude.

22 “(4) NET STATE OPERATING SUPPORT PER FTE
23 STUDENT.—The term ‘Net State Operating Support
24 per FTE student’ means, for a fiscal year—

1 “(A) the net State operating support for
2 the previous fiscal year; divided by

3 “(B) the full-time equivalent student num-
4 ber for the previous fiscal year.

5 “(5) PUBLIC INSTITUTION.—The term ‘public
6 institution’ means an institution of higher education
7 (as defined in section 101) whose liabilities are
8 backed by the full faith and credit of the State or
9 its equivalent, as determined in accordance with sec-
10 tion 668.15 of title 34, Code of Federal Regulations,
11 or any successor regulation.

12 “(6) PRIVATE NONPROFIT INSTITUTION OF
13 HIGHER EDUCATION.—The term ‘private nonprofit
14 institution of higher education’ means an institution
15 of higher education, as defined in section 102, that
16 is a private nonprofit institution.

17 “(7) PROPRIETARY INSTITUTION OF HIGHER
18 EDUCATION.—The term ‘proprietary institution of
19 higher education’ has the meaning given the term in
20 section 102(b).

21 **“SEC. 499-3. AUTHORIZATION; USE OF FUNDS.**

22 “(a) AUTHORIZATION.—The Secretary shall award
23 annual block grants to eligible States to encourage States
24 to provide additional funding for public higher education.

1 “(b) USE OF FUNDS BY STATES.—An eligible State
2 receiving a block grant under this part shall allocate 100
3 percent of block grant funding to public institutions for
4 public higher education expenditures in accordance with
5 subsection (c).

6 “(c) USE OF FUNDS BY PUBLIC INSTITUTIONS.—A
7 public institution that receives funds under this title
8 shall—

9 “(1) use a portion of such funds to directly re-
10 duce tuition costs or mitigate the need to raise tui-
11 tion and fees for students residing in the State;

12 “(2) use a portion of such funds to support the
13 enrollment of low-income students (as measured by
14 eligibility for Federal Pell Grants) in the institution;
15 and

16 “(3) create a publicly available report that doc-
17 uments an institution’s efforts to satisfy the require-
18 ments described in paragraphs (1) and (2).

19 “(d) PROHIBITIONS.—

20 “(1) NO USE FOR ENDOWMENTS.—A public in-
21 stitution may not use funds received under this title
22 to increase its endowment.

23 “(2) NO USE FOR ATHLETIC OR COMMERCIAL
24 VENUES.—No funds awarded under this title may be
25 used for the modernization, renovation, or repair of

1 stadiums or other facilities of a public institution
2 primarily used for athletic contests or events for
3 which admission is charged to the general public.

4 “(e) STATE LIMITATIONS ON INSTITUTIONS.—Noth-
5 ing in this section shall be construed to prohibit a State
6 from establishing additional requirements for public insti-
7 tutions in the State for the purpose of increasing the af-
8 fordability of higher education.

9 **“SEC. 499-4. GRANT FORMULA.**

10 “(a) GRANT FORMULA.—The Secretary shall award
11 a block grant to an eligible State for a fiscal year in an
12 amount equal to the product of—

13 “(1) the marginal Federal match amount, as
14 determined under subsection (b) for the fiscal year
15 and adjusted in accordance with subsection (c); mul-
16 tiplied by

17 “(2) the full-time equivalent student number for
18 the previous fiscal year.

19 “(b) FEDERAL MATCH AMOUNT.—The Federal
20 match amount will be determined in accordance with the
21 following table:

“Net State Operating Support Per FTE student	Federal match amount per FTE student
Below \$2865	No match
\$2,865 to \$4,388	20% of the excess over \$2865
\$4,389 to \$5,443	\$304.6, plus 30% of the excess over \$4389
\$5,444 to \$6,303	\$620.8, plus 40% of the excess over \$5444
\$6,304 to \$7,449	\$964.4, plus 50% of the excess over \$6304
\$7,450 to \$8,595	\$1536.9, plus 10% of the excess over \$7450
Above \$8595	No match above \$1651.4

1 “(c) ADJUSTMENTS BASED ON THE MAXIMUM FED-
2 ERAL PELL GRANT AMOUNT.—For each award year sub-
3 sequent to 2014, the dollar amounts in the table under
4 subsection (b) shall only be increased (rounded to the
5 nearest dollar) by the percentage by which—

6 “(1) the maximum Pell Grant award amount
7 for such award year, exceeds

8 “(2) \$5730.

9 “(d) RATABLE REDUCTION.—If the sums made avail-
10 able under this part for any fiscal year are insufficient
11 to pay the full amounts that all States are eligible to re-
12 ceive in accordance with this section for such year, the
13 Secretary shall establish procedures for ratably reducing
14 each State’s award amount.

15 **“SEC. 499-5. ACCOUNTABILITY AND ENFORCEMENT.**

16 “(a) ANNUAL REPORT.—

17 “(1) IN GENERAL.—Beginning for the first fis-
18 cal year after a State receives a block grant under
19 this part, the State shall prepare and submit an an-
20 nual report to the Secretary, which shall include de-
21 tailed information about the State’s use of grant
22 funds to increase the affordability of public higher
23 education and increase the enrollment of low-income
24 students (as measured by eligibility for a Federal
25 Pell Grant).

1 “(2) CONTENTS.—A report described in para-
2 graph (1) shall—

3 “(A) describe all actions taken to
4 incentivize public institutions to reduce tuition
5 costs, or mitigate the need to raise tuition and
6 fees for in-State students;

7 “(B) explain the extent to which public in-
8 stitutions supported the enrollment of low-in-
9 come students who are eligible for Federal Pell
10 Grants or other need-based financial assistance;

11 “(C) disclose how the State distributed the
12 allotment provided under this part to all public
13 institutions, and the rationale for such distribu-
14 tion;

15 “(D) include the aggregated graduation
16 rates for low-income students (based on eligi-
17 bility for Federal Pell Grants), part-time stu-
18 dents, and transfer students, disaggregated by
19 type of degree or credential; and

20 “(E) be publicly available in a manner that
21 is easily accessible to parents, students, and
22 consumer advocates.

23 “(b) MAINTAINING NET STATE OPERATING SUP-
24 PORT PER FTE STUDENT.—

1 “(1) IN GENERAL.—Each State receiving an al-
2 lotment under this part for a fiscal year shall—

3 “(A) ensure that the amount expended by
4 the State, from funds derived from non-Federal
5 sources, for net State operating support per
6 FTE student for the preceding fiscal year was
7 not less than the amount expended by the State
8 for net State operating support per FTE stu-
9 dent for the second preceding fiscal year; and

10 “(B) demonstrate the State’s compliance
11 with subparagraph (A) by providing the Sec-
12 retary with a written assurance and detailed
13 documentation.

14 “(2) PENALTY.—If a State does not comply
15 with paragraph (1), the State’s grant award under
16 this part shall be reduced by an amount equal to the
17 product of—

18 “(A) the difference between—

19 “(i) the net State operating support
20 per FTE student for the second preceding
21 fiscal year; minus

22 “(ii) the net State operating support
23 per FTE student for the preceding fiscal
24 year; multiplied by

1 “(B) the full-time equivalent student num-
2 ber for the previous fiscal year.

3 “(c) MAINTENANCE OF EFFORT FOR STATE-BASED
4 FINANCIAL AID.—Each State receiving an allotment
5 under this part for a fiscal year shall, as a condition of
6 receiving the allotment, maintain the level of State student
7 financial aid support provided for costs associated with
8 postsecondary education at not less than the level of such
9 support provided for the academic year immediately pre-
10 ceding the year for which the State is receiving the allot-
11 ment.

12 “(d) AUTHORITY TO COMPROMISE.—Notwith-
13 standing subsections (b) and (c), the Secretary may waive
14 any maintenance of support and effort requirement de-
15 scribed in such subsections for a State if there is a clear
16 case of a significant economic downturn in the State. Such
17 determination shall only be made by the Secretary fol-
18 lowing a written appeal by the State that documents re-
19 cent and significant decreases in economic activity in the
20 State.

21 **“SEC. 499-6. AUTHORIZATION OF APPROPRIATIONS.**

22 “‘There are authorized to be appropriated to carry out
23 this part such sums as may be necessary for fiscal year
24 2015 and each of the five succeeding fiscal years.’”.

1 **TITLE V—DEVELOPING**
2 **INSTITUTIONS**

3 **SEC. 501. RULE OF CONSTRUCTION.**

4 Section 501 (20 U.S.C. 1101) is amended—

5 (1) in the section heading, by striking “**AND**
6 **PROGRAM AUTHORITY**” and inserting “**PRO-**
7 **GRAM AUTHORITY; RULE OF CONSTRUCTION**”;
8 and

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

10 “(d) **RULE OF CONSTRUCTION.**—Nothing in this Act
11 shall be construed to restrict an institution from using
12 funds provided under a section of this title for activities
13 and uses that were authorized under such section on the
14 day before the date of enactment of the Higher Education
15 Affordability Act.”.

16 **SEC. 502. AUTHORIZED ACTIVITIES UNDER PART A OF**
17 **TITLE V.**

18 Section 503 (20 U.S.C. 1101b) is amended—

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

21 “(b) **AUTHORIZED ACTIVITIES.**—Grants awarded
22 under this section shall be used for 1 or more of the fol-
23 lowing activities:

24 “(1) The purchase, rental, or lease of edu-
25 cational resources.

1 “(2) The construction, maintenance, renovation,
2 or joint use and improvement of classrooms, librar-
3 ies, laboratories, or other instructional facilities, in-
4 cluding the integration of computer technology into
5 institutional facilities to create smart buildings.

6 “(3) Support of faculty exchanges, faculty de-
7 velopment, and faculty fellowships to assist members
8 of the faculty in attaining advanced degrees in their
9 field of instruction.

10 “(4) Student support services, including the de-
11 velopment and improvement of academic programs,
12 tutoring, counseling, school sanctioned travel, and fi-
13 nancial literacy for students and families.

14 “(5) Improving funds management, administra-
15 tive management, and the acquisition of equipment
16 for use in strengthening funds management.

17 “(6) Maintaining financial stability through es-
18 tablishing or developing a contributions development
19 office or endowment fund.

20 “(7) Other activities proposed in the application
21 submitted pursuant to section 521(b)(1) that—

22 “(A) contribute to carrying out the pur-
23 poses of the program assisted under this part;
24 and

1 “(B) are approved by the Secretary as part
2 of the review and acceptance of such applica-
3 tion.”; and

4 (2) in subsection (c)—

5 (A) in paragraph (2), by inserting “75 per-
6 cent of” after “equal to or greater than”; and

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

8 “(4) SCHOLARSHIP.—A Hispanic-serving insti-
9 tution that uses grant funds under this title to es-
10 tablish or increase an endowment fund may use the
11 interest proceeds from such endowment to provide
12 scholarships to students for the purposes of attend-
13 ing such institution.”.

14 **SEC. 503. DURATION OF GRANTS UNDER TITLE V.**

15 Section 504 (20 U.S.C. 1101c) is amended by adding
16 at the end the following:

17 “(c) REQUIREMENT FOR FOURTH AND FIFTH YEAR
18 OF FUNDING.—

19 “(1) IN GENERAL.—Before receiving funding
20 under this title for the fourth or fifth year of the
21 grant, each Hispanic-serving institution receiving a
22 grant under this title shall demonstrate to the Sec-
23 retary that the institution is making progress in im-
24 plementing the activities described in the institu-
25 tion’s application under section 521(b)(1) at a rate

1 that the Secretary determines will result in the full
2 implementation of those activities during the remain-
3 der of the grant period.

4 “(2) CONSIDERATION OF DATA AND INFORMA-
5 TION.—The Secretary shall consider any data or in-
6 formation provided to the Department by grantees
7 for the continued receipt of grants under this title
8 under paragraph (1) that is considered in accord-
9 ance with regulations issued by the Secretary before
10 the date of enactment of the Higher Education Af-
11 fordability Act. Any requirements the Secretary de-
12 velops for institutions in accordance with regulations
13 issued by the Secretary after the date of enactment
14 of the Higher Education Affordability Act to carry
15 out this subsection shall take into account the capac-
16 ity and resources of institutions to comply with such
17 requirements.”.

18 **SEC. 504. AUTHORIZED ACTIVITIES UNDER PART B OF**

19 **TITLE V.**

20 Section 513 (20 U.S.C. 1102b) is amended to read
21 as follows:

22 **“SEC. 513. AUTHORIZED ACTIVITIES.**

23 “Grants awarded under this part shall be used for
24 1 or more of the following activities:

1 “(1) The purchase, rental, or lease of edu-
2 cational resources.

3 “(2) The construction, maintenance, renovation,
4 or joint use and improvement of classrooms, librar-
5 ies, laboratories, or other instructional facilities, in-
6 cluding the integration of computer technology into
7 institutional facilities to create smart buildings.

8 “(3) Support of faculty exchanges, faculty de-
9 velopment, and faculty fellowships to assist members
10 of the faculty in attaining advanced degrees in their
11 field of instruction.

12 “(4) Support for low-income postbaccalaureate
13 students, including outreach, academic support serv-
14 ices, mentoring, scholarships, fellowships, and other
15 financial assistance to permit the enrollment of low-
16 income students in postbaccalaureate certificate pro-
17 grams and postbaccalaureate degree granting pro-
18 grams.

19 “(5) Collaboration with other institutions of
20 higher education to expand postbaccalaureate certifi-
21 cate and postbaccalaureate degree offerings.

22 “(6) Other activities proposed in the applica-
23 tions submitted pursuant to section 514(a) and sec-
24 tion 521(b)(1) that—

1 “(A) contribute to carrying out the pur-
2 poses of this part; and

3 “(B) are approved by the Secretary as part
4 of the review and acceptance of such applica-
5 tion.”.

6 **SEC. 505. DURATION OF GRANTS UNDER PART B OF TITLE**

7 **v.**

8 Section 514 (20 U.S.C. 1102c) is amended by adding
9 at the end the following:

10 “(d) REQUIREMENT FOR FOURTH AND FIFTH YEAR
11 OF FUNDING.—

12 “(1) IN GENERAL.—Before receiving funding
13 under this part for the fourth or fifth year of the
14 grant, each Hispanic-serving institution receiving a
15 grant under this part shall demonstrate to the Sec-
16 retary that the institution is making progress in im-
17 plementing the activities described in the institu-
18 tion’s applications under subsection (a) and section
19 521(b)(1) at a rate that the Secretary determines
20 will result in the full implementation of those activi-
21 ties during the remainder of the grant period.

22 “(2) CONSIDERATION OF DATA AND INFORMA-
23 TION.—The Secretary shall consider any data or in-
24 formation provided to the Department by grantees
25 for the continued receipt of grants under this title

1 under paragraph (1) that is considered in accord-
2 ance with regulations issued by the Secretary before
3 the date of enactment of the Higher Education Af-
4 fordability Act. Any requirements the Secretary de-
5 velops for institutions in accordance with regulations
6 issued by the Secretary after the date of enactment
7 of the Higher Education Affordability Act to carry
8 out this subsection shall take into account the capac-
9 ity and resources of institutions to comply with such
10 requirements.”.

11 **SEC. 506. WAIVER AUTHORITY; REPORTING REQUIREMENT;**
12 **TECHNICAL ASSISTANCE.**

13 Part C of title V (20 U.S.C. 1103 et seq.) is further
14 amended—

15 (1) by redesignating section 528 as section 529;

16 and

17 (2) by inserting after section 527 the following:

18 **“SEC. 528. TECHNICAL ASSISTANCE.**

19 “(a) IN GENERAL.—The Secretary shall provide tech-
20 nical assistance, as requested, to institutions that receive
21 grants under part A or B to assist such institutions in
22 the use or development of student data for the purposes
23 of supporting students’ progress and completion at such
24 institutions.

1 “(b) REQUIREMENTS.—In order to provide institu-
2 tions with the assistance necessary to carry out this sec-
3 tion, institutions who receive grants under part A shall
4 report to the Secretary on—

5 “(1) the number and percentage of under-
6 graduate students who, upon entry into the institu-
7 tion, matriculate into a major field of study or other
8 program leading to a postsecondary certificate, an
9 associate’s degree, or a baccalaureate degree;

10 “(2) student persistence data for the institu-
11 tion’s undergraduates, demonstrating how many stu-
12 dents are continuously enrolled in the institution,
13 which shall be measured in a manner proposed by
14 the institution and approved by the Secretary; and

15 “(3) data on the number of undergraduate stu-
16 dents making satisfactory academic progress, as de-
17 fined in regulations promulgated by the Department
18 at the time such data is reported.”.

19 **SEC. 507. AUTHORIZATIONS OF APPROPRIATIONS FOR DE-**
20 **VELOPING INSTITUTIONS.**

21 Section 529(a), as redesignated by paragraph (1) of
22 section 506, is amended—

23 (1) in paragraph (1), by striking
24 “\$175,000,000 for fiscal year 2009 and such sums
25 as may be necessary for each of the five succeeding

1 fiscal years” and inserting “such sums as may be
2 necessary for fiscal year 2015 and such sums as
3 may be necessary for each of the five succeeding fis-
4 cal years”; and

5 (2) in paragraph (2), by striking
6 “\$100,000,000 for fiscal year 2009 and such sums
7 as may be necessary for each of the five succeeding
8 fiscal years” and inserting “such sums as may be
9 necessary for fiscal year 2015 and such sums as
10 may be necessary for each of the five succeeding fis-
11 cal years”.

12 **TITLE VI—INTERNATIONAL**
13 **EDUCATION PROGRAMS**

14 **SEC. 601. TECHNICAL AND CONFORMING AMENDMENT.**

15 Section 631(a)(2) (20 U.S.C. 1132(a)(2)) is amended
16 by striking “and” after the semicolon.

17 **SEC. 602. AUTHORIZATION OF APPROPRIATIONS FOR**
18 **INTERNATIONAL AND FOREIGN LANGUAGE**
19 **STUDIES.**

20 Section 610 (20 U.S.C. 1128b) is amended by strik-
21 ing “2009” and inserting “2015”.

22 **SEC. 603. AUTHORIZATION OF APPROPRIATIONS FOR BUSI-**
23 **NESS AND INTERNATIONAL EDUCATION PRO-**
24 **GRAMS.**

25 Section 614 (20 U.S.C. 1130b) is amended—

1 (1) in subsection (a), by striking “2009” and
2 inserting “2015”; and

3 (2) in subsection (b), by striking “2009” and
4 inserting “2015”.

5 **SEC. 604. AUTHORIZATION OF APPROPRIATIONS FOR THE**
6 **INSTITUTE FOR INTERNATIONAL PUBLIC**
7 **POLICY.**

8 Section 629 (20 U.S.C. 1131f) is amended by strik-
9 ing “2009” and inserting “2015”.

10 **SEC. 605. AUTHORIZATION OF APPROPRIATIONS FOR THE**
11 **SCIENCE AND TECHNOLOGY ADVANCED FOR-**
12 **EIGN LANGUAGE EDUCATION GRANT PRO-**
13 **GRAM.**

14 Section 637(f) (20 U.S.C. 1132–6(f)) is amended by
15 striking “2009” and inserting “2015”.

16 **TITLE VII—GRADUATE AND**
17 **POSTSECONDARY IMPROVE-**
18 **MENT PROGRAMS**

19 **SEC. 701. AUTHORIZATION OF APPROPRIATIONS FOR THE**
20 **JACOB K. JAVITS FELLOWSHIP PROGRAM.**

21 Section 705 (20 U.S.C. 1134d) is amended by strik-
22 ing “\$30,000,000 for fiscal year 2009” and inserting
23 “such sums as may be necessary for fiscal year 2015”.

1 **SEC. 702. AUTHORIZATION OF APPROPRIATIONS FOR**
2 **GRADUATE ASSISTANCE IN AREAS OF NA-**
3 **TIONAL NEED.**

4 Section 716 (20 U.S.C. 1135e) is amended by strik-
5 ing “\$35,000,000 for fiscal year 2009” and inserting
6 “such sums as may be necessary for fiscal year 2015”.

7 **SEC. 703. AUTHORIZATION OF APPROPRIATIONS FOR THE**
8 **THURGOOD MARSHALL LEGAL EDUCATIONAL**
9 **OPPORTUNITY PROGRAM.**

10 Section 721(h) (20 U.S.C. 1136(h)) is amended by
11 striking “\$5,000,000 for fiscal year 2009” and inserting
12 “such sums as may be necessary for fiscal year 2015”.

13 **SEC. 704. AUTHORIZATION OF APPROPRIATIONS FOR MAS-**
14 **TERS DEGREE PROGRAMS AT HISTORICALLY**
15 **BLACK COLLEGES AND UNIVERSITIES AND**
16 **PREDOMINANTLY BLACK INSTITUTIONS.**

17 Section 725 (20 U.S.C. 1136c) is amended—

18 (1) in subsection (a), by striking “2009” and
19 inserting “2015”; and

20 (2) in subsection (b), by striking “2009” and
21 inserting “2015”.

22 **SEC. 705. AUTHORIZATION OF APPROPRIATIONS FOR THE**
23 **FUND FOR IMPROVEMENT OF POSTSEC-**
24 **ONDARY EDUCATION.**

25 Section 745 (20 U.S.C. 1138d) is amended by strik-
26 ing “2009” and inserting “2015”.

1 **SEC. 706. CORRECTLY RECOGNIZING EDUCATIONAL**
2 **ACHIEVEMENTS TO EMPOWER GRADUATES.**

3 Title VII (20 U.S.C. 1133 et seq.) is amended by in-
4 serting after part B the following:

5 **“PART C—CORRECTLY RECOGNIZING EDU-**
6 **CATIONAL ACHIEVEMENTS TO EMPOWER**
7 **GRADUATES**

8 **“SEC. 751. PURPOSE.**

9 “The purpose of this part is to award grants to
10 States to support efforts at institutions of higher edu-
11 cation, or within systems of higher education, to increase
12 postsecondary degree attainment by—

13 “(1) locating, and conferring degrees to, stu-
14 dents who have accumulated sufficient applicable
15 postsecondary credits and maintained satisfactory
16 academic progress to earn an associate’s degree but
17 did not receive one;

18 “(2) providing outreach to those students who
19 are within 12 credits of earning an associate’s de-
20 gree; and

21 “(3) establishing partnerships between 2-year
22 and 4-year institutions of higher education in States,
23 in order to strengthen the transition pathways into
24 4-year institutions of higher education for transfer
25 students.

1 **“SEC. 752. GRANTS TO INCREASE DEGREE ATTAINMENT.**

2 “(a) DEFINITION OF INSTITUTION OF HIGHER EDU-
3 CATION.—In this section, the term ‘institution of higher
4 education’ has the meaning given the term in section
5 101(a).

6 “(b) PROGRAM AUTHORIZED.—

7 “(1) IN GENERAL.—From amounts appro-
8 priated under subsection (j), the Secretary shall
9 award grants, on a competitive basis, to States to
10 enable the States to carry out the activities de-
11 scribed in subsections (e) and (f) in order to support
12 efforts at institutions of higher education, or within
13 systems of higher education, to increase degree at-
14 tainment.

15 “(2) PARTNERSHIPS ALLOWED.—A State may
16 apply for a grant under this section in partnership
17 with a nonprofit organization. In any such partner-
18 ship, the State higher education agency or other
19 State agency described in subsection (e)(1) shall
20 serve as the fiscal agent for purposes of the grant.

21 “(3) DURATION.—Grants awarded under this
22 section shall be for a period of 3 years.

23 “(c) SUBMISSION AND CONTENTS OF APPLICA-
24 TION.—

25 “(1) IN GENERAL.—The State, acting through
26 the State higher education agency or other State

1 agency determined appropriate by the Governor or
2 chief executive officer of the State, shall submit an
3 application to the Secretary at such time, in such
4 manner, and containing such information as the Sec-
5 retary may require.

6 “(2) CONTENTS.—An application submitted
7 under paragraph (1) shall include the following:

8 “(A) A description of the State’s capacity
9 to administer the grant under this section and
10 report annually to the Secretary on the
11 progress of the activities and services described
12 in subsection (e).

13 “(B) A description of how the State will
14 meet the purpose of the grant program under
15 this part through outreach and memoranda of
16 understanding with institutions of higher edu-
17 cation, including the State’s plan for using
18 grant funds to meet the requirements of sub-
19 sections (e) and (g) and, if the State elects to
20 use grant funds under such subsection to create
21 strong articulation agreements, subsection
22 (f)(2).

23 “(C) A description of how the State will
24 coordinate with appropriate stakeholders, in-
25 cluding institutions of higher education, data-

1 sharing agencies within the State, and other
2 States.

3 “(D) A description of—

4 “(i) the structure that the State has
5 in place to administer the activities and
6 services described in subsection (e), includ-
7 ing—

8 “(I) the capacity of the State’s
9 longitudinal data system to—

10 “(aa) be clean of record du-
11 plication and ensure alignment of
12 State and institutional credit
13 completion records;

14 “(bb) include transfer flags
15 and course and credit data to
16 allow the State to run initial de-
17 gree audits for institutions;

18 “(cc) include all postsec-
19 ondary educational institutions in
20 the State, including public, pri-
21 vate nonprofit, and private for-
22 profit institutions; and

23 “(dd) have in place mecha-
24 nisms to share data across insti-
25 tutions, systems, and States;

1 “(II) the capacity of the agency
2 governing the State’s longitudinal sys-
3 tem to respond to data requests accu-
4 rately and in a timely manner; and

5 “(III) the State’s plan to protect
6 student privacy with respect to data
7 in the State longitudinal data system
8 and comply with section 444 of the
9 General Education Provisions Act
10 (commonly referred to as the ‘Family
11 Educational Rights and Privacy Act
12 of 1974’); or

13 “(ii) the State’s plan to develop the
14 structure described in clause (i) as part of
15 the activities carried out under the grant.

16 “(d) AWARD BASIS AND PRIORITY.—The Secretary
17 shall award grants under this section to States based on
18 the quality of the applications submitted under subsection
19 (c). In awarding grants under this section, the Secretary
20 shall give priority to applications from States—

21 “(1) that do not have, as of the time of the ap-
22 plication, statewide policies or statewide initiatives in
23 place to retroactively award associate’s degrees to
24 students; or

1 “(2) that have a commitment to initiatives re-
2 garding the retroactive awarding of associate’s de-
3 grees that will continue after the period of the grant.

4 “(e) MANDATORY USE OF FUNDS.—

5 “(1) SUBGRANTS.—A State that receives a
6 grant under this section shall use not less than 80
7 percent of the grant funds provided to award sub-
8 grants, on a competitive basis, to institutions of
9 higher education or systems of higher education.
10 Each institution or system receiving a subgrant shall
11 carry out all of the following activities and services,
12 pursuant to the conditions under subsection (g):

13 “(A) Identify the group of current and
14 former students at the institution of higher
15 education or system of higher education that,
16 based on the data held by the institution, meet
17 both of the following requirements:

18 “(i) Each individual has earned not
19 less than 60 postsecondary credit hours (or
20 the minimum required by the State to earn
21 an associate’s degree) at the institution of
22 higher education or at an institution within
23 the system of higher education.

24 “(ii) Each individual has not had any
25 postsecondary degree, of any kind, issued

1 to the student by the institution of higher
2 education.

3 “(B) Identify a subset of the current and
4 former students described in subparagraph (A)
5 who have not already earned an associate’s or
6 baccalaureate degree elsewhere.

7 “(C) Perform a degree audit on each stu-
8 dent in the subset described in subparagraph
9 (B), and identify each such student as one of
10 the following:

11 “(i) Eligible to obtain an associate’s
12 degree.

13 “(ii) Eligible to obtain an associate’s
14 degree upon the completion of 12 or fewer
15 postsecondary credit hours (or the equiva-
16 lent).

17 “(iii) Not eligible under either clause
18 (i) or (ii).

19 “(D) Provide outreach to each student
20 identified in subparagraph (C)(i), and award
21 the earned associate’s degree to such student,
22 unless such student declines through a written
23 or oral declaration.

24 “(E) Provide outreach to each student
25 identified in subparagraph (C)(ii) that includes

1 information regarding next steps toward degree
2 attainment, including financial aid options.

3 “(2) APPLICATION PROCESS.—An institution of
4 higher education or a system of higher education de-
5 siring a subgrant under this subsection shall submit
6 an application to the State at such time, in such
7 manner, and containing such information as the
8 State may require. Such application shall include a
9 written commitment from the institution or system
10 of higher education that, upon receipt of a grant,
11 the institution or system of higher education will
12 carry out all of the activities described in paragraph
13 (1).

14 “(3) PRIORITY.—Each State awarding sub-
15 grants under this part shall give priority to applica-
16 tions from institutions of higher education or sys-
17 tems of higher education that—

18 “(A) use an opt-out, rather than an opt-in,
19 policy to award associate’s degrees, if such pol-
20 icy is permissible under applicable accreditation
21 or State standards;

22 “(B) waive nonacademic barriers to grad-
23 uation, such as swimming tests, library fines,
24 graduation fees, or parking tickets;

1 “(C) waive or amend residency and recency
2 requirements to prevent earned credits from ex-
3 piring, if such action is permissible under ac-
4 creditation or State standards; and

5 “(D) commit to, following the conclusion of
6 the activities described in paragraph (1) and
7 continuing after the end of the grant period—

8 “(i) conducting degree audits for each
9 enrolled student once the student earns 45
10 credits; and

11 “(ii) provide information about grad-
12 uation deadlines to remind students of rel-
13 evant requirements at least 4 months be-
14 fore the students graduate and again 1
15 month before graduation.

16 “(f) PERMISSIVE USE OF FUNDS.—A State receiving
17 a grant under this section may use—

18 “(1) not more than 15 percent of the total
19 amount received under this section for administra-
20 tive purposes relating to the grant under this sec-
21 tion, including technology needed to carry out the
22 purposes of this part; and

23 “(2) not more than 5 percent of the total
24 amount received under this section to create strong
25 articulation agreements between 2-year and 4-year

1 institutions of higher education, in order to enhance
2 collaboration and strengthen the transition pathways
3 between such institutions for transfer students.

4 “(g) SPECIAL CONDITIONS AND PROHIBITIONS.—

5 “(1) AVAILABILITY TO STUDENTS.—A State,
6 institution of higher education, or system of higher
7 education receiving a grant or subgrant, as the case
8 may be, under this section shall not charge any stu-
9 dent an additional fee or charge to participate in the
10 activities or services supported under this section.

11 “(2) PROHIBITED USES.—A State, institution
12 of higher education, or system of higher education
13 receiving a grant or subgrant, as the case may be,
14 under this section shall not use any grant or
15 subgrant funds for tuition, fees, room and board, or
16 any other purpose outside the goals of the grant.

17 “(3) FERPA REQUIREMENTS.—Each State, in-
18 stitution of higher education, or system of higher
19 education receiving a grant or subgrant, as the case
20 may be, under this section that enters into a con-
21 tract or other agreement with any outside entity to
22 assist in carrying out the activities or services under
23 such grant or subgrant, shall ensure that the outside
24 entity complies with all requirements of section 444
25 of the General Education Provisions Act (commonly

1 referred to as the ‘Family Educational Rights and
2 Privacy Act of 1974’) that would apply to the State,
3 institution, or system.

4 “(4) COORDINATION.—A State receiving a
5 grant under this section shall ensure the coordina-
6 tion of the activities and services carried out under
7 this section with any other activities carried out in
8 the State that are similar to the goals of this pro-
9 gram, and with any other entities that support the
10 existing activities in the State, with the goal of mini-
11 mizing duplication.

12 “(h) REPORT.—

13 “(1) IN GENERAL.—A State receiving a grant
14 under this section shall prepare and submit an an-
15 nual report to the Secretary on the activities and
16 services carried out under this section, and on the
17 implementation of such activities and services. The
18 report shall include, for each institution of higher
19 education or system of higher education receiving a
20 subgrant, the following information:

21 “(A) The number of students who were
22 first identified in the group described in sub-
23 section (e)(1)(A).

24 “(B) The number of students who were re-
25 moved from such group because the students

1 had received a degree elsewhere, in accordance
2 with subsection (e)(1)(B).

3 “(C) The number of degree audits per-
4 formed under subsection (e)(1)(C).

5 “(D) The number of students identified
6 under subsection (e)(1)(C)(i) as eligible to ob-
7 tain an associate’s degree.

8 “(E) The number of students identified
9 under subsection (e)(1)(C)(ii) as eligible to ob-
10 tain an associate’s degree upon the completion
11 of 12 or fewer postsecondary credit hours (or
12 the equivalent).

13 “(F) The number of students identified
14 under subsection (e)(1)(C)(iii) as ineligible to
15 obtain an associate’s degree and ineligible to
16 obtain such a degree upon the completion of 12
17 or fewer postsecondary credit hours (or the
18 equivalent).

19 “(G) The number of students awarded an
20 associate’s degree under subsection (e)(1)(D).

21 “(H) The number of students identified in
22 subsection (e)(1)(C)(ii) who are returning to an
23 institution of higher education after receiving
24 outreach described in subsection (e)(1)(E).

1 “(I) The average amount of credit hours
2 previously earned by students described in sub-
3 section (e)(1)(C)(i) when the associate’s degrees
4 are awarded.

5 “(J) The number of students who received
6 outreach described in subsection (e)(1)(D) and
7 who decline to receive the associate’s degree.

8 “(K) The number of students who could
9 not be located or reached as part of the process.

10 “(L) The reasons why students identified
11 in subsection (e)(1)(C)(ii) did not return to an
12 institution of higher education to receive a de-
13 gree.

14 “(M) Details of any policy changes imple-
15 mented as a result of implementing the activi-
16 ties and services and conducting the required
17 degree audits.

18 “(2) DISAGGREGATION.—The report shall in-
19 clude the information described in subparagraphs
20 (A) through (L) of paragraph (1) in the aggregate
21 and disaggregated by age, gender, race or ethnicity,
22 status as an individual with a disability, and socio-
23 economic status (including status as a Federal Pell
24 Grant recipient).

25 “(i) ENFORCEMENT PROVISIONS.—

1 “(1) RECOVERY OR WITHHOLDING.—The Sec-
2 retary may, after notice and an opportunity for a
3 hearing in accordance with chapter 5 of title 5,
4 United States Code—

5 “(A) withhold funds provided under a
6 grant or subgrant under this section if a State
7 system of higher education or an institution of
8 higher education is failing to comply substan-
9 tially with the requirements of this section; or

10 “(B) take actions to recover funds pro-
11 vided under a grant or subgrant under this sec-
12 tion, if the State system of higher education or
13 an institution of higher education made an un-
14 allowable expense, or otherwise failed to dis-
15 charge its responsibility to properly account for
16 funds.

17 “(2) USE OF RECOVERED OR UNUSED
18 FUNDS.—Any funds recovered or withheld under
19 paragraph (1) shall—

20 “(A) be credited to the appropriations ac-
21 count from which amounts are available to
22 make grants or enter cooperative agreements
23 under this section; and

1 “(B) remain available until expended for
2 any purpose of that account authorized by law
3 that relates to the program under this section.

4 “(j) AUTHORIZATION OF APPROPRIATIONS.—There
5 are authorized to be appropriated to carry out this section
6 such sums as may be necessary for fiscal year 2015 and
7 each of the 2 succeeding fiscal years.”.

8 **SEC. 707. AUTHORIZATION OF APPROPRIATIONS FOR DEM-**
9 **ONSTRATION PROJECTS TO SUPPORT POST-**
10 **SECONDARY FACULTY, STAFF, AND ADMINIS-**
11 **TRATORS IN EDUCATING STUDENTS WITH**
12 **DISABILITIES.**

13 Section 765 (20 U.S.C. 1140e) is amended by strik-
14 ing “2009” and inserting “2015”.

15 **SEC. 708. AUTHORIZATION OF APPROPRIATIONS FOR TRAN-**
16 **SITION PROGRAMS FOR STUDENTS WITH IN-**
17 **TELLECTUAL DISABILITIES.**

18 Section 769 (20 U.S.C. 1140i) is amended by striking
19 “2009” and inserting “2015”.

20 **SEC. 709. AUTHORIZATION OF APPROPRIATIONS FOR THE**
21 **COMMISSION ON ACCESSIBLE MATERIALS**
22 **AND PROGRAMS TO SUPPORT IMPROVED AC-**
23 **CESS TO MATERIALS.**

24 Section 775 (20 U.S.C. 1140o) is amended by strik-
25 ing “2009” and inserting “2015”.

1 **SEC. 710. AUTHORIZATION OF APPROPRIATIONS FOR THE**
2 **NATIONAL TECHNICAL ASSISTANCE CENTER;**
3 **COORDINATING CENTER.**

4 Section 778 (20 U.S.C. 1140r) is amended by strik-
5 ing “2009” and inserting “2015”.

6 **SEC. 711. FIRST IN THE WORLD COMPETITIVE GRANT PRO-**
7 **GRAM.**

8 Title VII (20 U.S.C. 1133 et seq.) is amended by
9 adding at the end the following:

10 **“PART F—FIRST IN THE WORLD COMPETITIVE**
11 **GRANT PROGRAM**

12 **“SEC. 783. PURPOSE.**

13 “The purpose of this part is—

14 “(1) to help institutions of higher education im-
15 plement innovative strategies and practices shown to
16 be effective in improving educational outcomes and
17 making postsecondary education more affordable for
18 students and families;

19 “(2) to raise the percentage of individuals in
20 the United States who have a degree from an insti-
21 tution of higher education or another postsecondary
22 credential by 2020; and

23 “(3) to develop an evidence base of effective
24 practices for ensuring that more students can ac-
25 cess, persist in, and complete postsecondary edu-
26 cation.

1 **“SEC. 784. PROGRAM AUTHORIZED.**

2 “(a) ELIGIBLE ENTITY DEFINED.—In this part ‘eli-
3 gible entity’ means—

4 “(1) a nonprofit institution of higher education;

5 “(2) a consortium of nonprofit institutions of
6 higher education; or

7 “(3) a nonprofit institution described in para-
8 graph (1), or a consortium described in paragraph
9 (2), in partnership with 1 or more public or private
10 organizations.

11 “(b) PROGRAM AUTHORIZED.—From amounts ap-
12 propriated under section 791, the Secretary shall award
13 grants, on a competitive basis and in accordance with sub-
14 section (d), to eligible entities to enable such eligible enti-
15 ties to support the activities described in section 786.

16 “(c) DURATION OF GRANTS.—Grants awarded under
17 this part shall be for a period of not more than 5 years.

18 “(d) LIMITATION.—An eligible entity shall not be
19 awarded more than 1 grant for each grant competition.

20 **“SEC. 785. APPLICATION; STANDARDS OF EVIDENCE; PRI-
21 ORITY.**

22 “(a) APPLICATION.—Each eligible entity that desires
23 to receive a grant under this part shall submit an applica-
24 tion to the Secretary at such time, in such manner, and
25 containing such information as the Secretary may reason-
26 ably require, including, at a minimum—

1 “(1) a description of—

2 “(A) the project for which the eligible enti-
3 ty is seeking a grant and how the evidence sup-
4 porting that project meets the standards of evi-
5 dence established by the Secretary under sub-
6 section (b);

7 “(B) the student population to be served
8 and how the proposed project will meet the
9 needs of those students;

10 “(C) the resources and capacity of the eli-
11 gible entity to carry out the proposed project;

12 “(D) the replicable and scalable reform
13 strategies the eligible entity will implement;

14 “(E) the eligible entity’s plan for con-
15 tinuing the proposed project after the eligible
16 entity no longer receives funding under this
17 part;

18 “(F) the eligible entity’s plans for inde-
19 pendently evaluating the effectiveness of activi-
20 ties carried out under the grant, including eval-
21 uating whether the strategies that the eligible
22 entity implements are showing evidence of effec-
23 tiveness; and

24 “(G) the eligible entity’s data collection
25 plan;

1 “(2) an estimate of the number of students that
2 the eligible entity plans to serve under the proposed
3 project, including the percentage of those students
4 who are from low-income families;

5 “(3) an assurance that the eligible entity will—

6 “(A) cooperate with evaluations, as re-
7 quested by the Secretary; and

8 “(B) make data available to third parties
9 for validation and further study; and

10 “(4) if applicable, a description of the partner-
11 ship the eligible entity has established with 1 or
12 more public or private organizations for the purpose
13 of carrying out activities under the grant.

14 “(b) STANDARDS OF EVIDENCE.—

15 “(1) IN GENERAL.—The Secretary shall estab-
16 lish standards for the quality of evidence that an ap-
17 plicant shall provide in accordance with subsection
18 (a)(1)(A) in order to demonstrate that the project
19 the applicant proposes to carry out with the funds
20 under this part is likely to succeed in improving stu-
21 dent outcomes according to the performance meas-
22 ures described in section 787. These standards shall
23 include the following:

24 “(A) Strong evidence that the activities
25 proposed by the applicant will have a statis-

1 tically significant effect on student outcomes,
2 including postsecondary enrollment rates, post-
3 secondary persistence rates, and postsecondary
4 completion rates.

5 “(B) Moderate evidence that the activities
6 proposed by the applicant will improve such
7 student outcomes.

8 “(C) A rationale based on research find-
9 ings or a reasonable hypothesis that the activi-
10 ties proposed by the applicant will improve such
11 student outcomes.

12 “(2) SUPPORT FOR NEW STANDARDS.—Subject
13 to paragraph (3), the Secretary shall ensure that not
14 less than one-half of the funds awarded under this
15 part are awarded for projects that—

16 “(A) meet a standard of evidence described
17 in subparagraph (B) or (C) of paragraph (1);
18 and

19 “(B) do not meet the evidence standard
20 described in subparagraph (A) of such para-
21 graph.

22 “(3) EXCEPTION.—The Secretary shall not be
23 required to meet the requirement described in para-
24 graph (2) unless a sufficient number of otherwise
25 high quality applications are received.

1 “(c) PRIORITY.—In awarding grants under this part,
2 the Secretary shall give priority to applicants that plan
3 to—

4 “(1) implement interventions that result in
5 measurable increases in the number of low-income
6 students who—

7 “(A) enroll and persist in postsecondary
8 education; and

9 “(B) complete a postsecondary degree or
10 certificate;

11 “(2) implement a systemwide design that would
12 have positive effects on low-income students;

13 “(3) increase successful transfers of low-income
14 students into higher level programs, such as from a
15 certificate program to an associate’s degree program
16 or from an associate’s degree program to a bach-
17 elor’s degree program;

18 “(4) increase enrollment and completion rates
19 for degrees or certificates in the fields of science,
20 technology, engineering, and mathematics for stu-
21 dents from groups that are historically underrep-
22 resented in those fields, including minorities and
23 women, by implementing new and substantially dif-
24 ferent strategies;

1 “(5) design and implement new and innovative
2 approaches to reduce the time it takes for students
3 to complete a program of study and earn a postsec-
4 ondary degree or certificate;

5 “(6) design and implement new and innovative
6 strategies to contain the cost of education for stu-
7 dents and families pursuing higher education; and

8 “(7) develop cross-system partnerships among
9 workforce, adult education, career and technical edu-
10 cation, postsecondary education, human service
11 agencies, and others.

12 **“SEC. 786. USES OF FUNDS.**

13 “Each eligible entity that receives funds under this
14 part shall use such funds to carry out 1 or more of the
15 following activities:

16 “(1) Designing innovative approaches to teach-
17 ing and learning that are designed to produce better
18 outcomes for postsecondary students.

19 “(2) Implementing promising practices that ac-
20 celerate the pace and success rate at which students
21 who need remedial coursework move into credit-bear-
22 ing coursework and toward a degree or certificate.

23 “(3) Establishing open postsecondary degree
24 pathways that—

1 “(A) are offered to students at low cost or
2 no cost;

3 “(B) are offered in fields that focus on the
4 education and skills employers are seeking; and

5 “(C) have the potential to deliver high
6 quality learning experiences and outcomes.

7 “(4) Redesigning courses and programs of
8 study that improve student learning at lower costs
9 than traditional courses.

10 “(5) Developing innovative student services ap-
11 proaches that address financial barriers to college
12 completion, such as access to comprehensive finan-
13 cial supports (including tax credits and Federal,
14 State, and local benefits programs), financial lit-
15 eracy, workforce development, and legal services.

16 “(6) Any other innovative program or strategy
17 approved by the Secretary.

18 **“SEC. 787. PERFORMANCE MEASURES.**

19 “(a) ESTABLISHMENT OF PERFORMANCE MEAS-
20 URES.—The Secretary shall establish performance meas-
21 ures for the programs and activities carried out under this
22 part. These measures, at a minimum, shall track the
23 grantee’s progress in improving postsecondary education
24 access, affordability, and completion—

25 “(1) for all students served by the grantee; and

1 “(2) for students served by the grantee,
2 disaggregated on the basis of race and ethnicity,
3 gender, and status as a recipient of a Federal Pell
4 Grant.

5 “(b) PERFORMANCE MEASURES INCLUDED.—The
6 performance measures described in subsection (a) shall in-
7 clude the following:

8 “(1) Postsecondary enrollment rates.

9 “(2) Persistence from semester to semester and
10 year to year.

11 “(3) On-time graduation rates.

12 “(4) Any other indicator determined by the Sec-
13 retary or grantee.

14 **“SEC. 788. REPORTING REQUIREMENT.**

15 “Each eligible entity that receives a grant under this
16 part shall submit to the Secretary, at such time and in
17 such manner as the Secretary may require, an annual re-
18 port that includes—

19 “(1) information about the eligible entity’s
20 progress as measured by the performance measures
21 established under section 787;

22 “(2) data relating to such performance meas-
23 ures;

24 “(3) the evaluation required in accordance with
25 section 785(a)(1)(F); and

1 “(4) any additional information that the Sec-
2 retary may require.

3 **“SEC. 789. EVALUATION.**

4 “The Secretary shall—

5 “(1) acting through the Director of the Insti-
6 tute of Education Sciences, evaluate the implementa-
7 tion and impact of activities supported under this
8 part; and

9 “(2) disseminate research on best practices re-
10 lating to those activities.

11 **“SEC. 790. SUPPLEMENT, NOT SUPPLANT.**

12 “Funds made available under this part shall be used
13 to supplement, and not supplant, other Federal, State,
14 and local funds that would otherwise be expended to carry
15 out activities under this section.

16 **“SEC. 791. AUTHORIZATION OF APPROPRIATIONS.**

17 “There are authorized to be appropriated to carry out
18 this part such sums as may be necessary for fiscal year
19 2015 and each of the 4 succeeding fiscal years.”.

20 **SEC. 712. DUAL ENROLLMENT AND EARLY COLLEGE HIGH**
21 **SCHOOL PROGRAMS.**

22 Title VII (20 U.S.C. 1134 et seq.), as amended by
23 section 711, is further amended by adding at the end the
24 following:

1 **“PART G—DUAL ENROLLMENT AND EARLY**
2 **COLLEGE HIGH SCHOOL PROGRAMS**
3 **“SEC. 793. DUAL ENROLLMENT PROGRAMS AND EARLY**
4 **COLLEGE HIGH SCHOOL PROGRAMS.**

5 “(a) PURPOSE.—The purpose of this section is to
6 help expand access to, and improve the quality of, dual
7 enrollment programs and early college high school pro-
8 grams.

9 “(b) DEFINITIONS.—In this section:

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

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

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

20 “(2) DUAL ENROLLMENT PROGRAM.—The term
21 ‘dual enrollment program’ means a program of study
22 provided by an institution of higher education
23 through which a student who has not graduated
24 from secondary school with a regular high school di-
25 ploma is able to earn secondary school credit and
26 transferable postsecondary credit that is accepted as

1 credit towards a postsecondary degree or certificate
2 at no cost to the participant or the participant's
3 family. A dual enrollment program shall consist of
4 not less than 2 postsecondary credit-bearing courses
5 and support and academic services that help a stu-
6 dent persist and complete such courses.

7 “(3) EARLY COLLEGE HIGH SCHOOL PRO-
8 GRAM.—The term ‘early college high school pro-
9 gram’ means a formal partnership between at least
10 1 local educational agency and at least 1 institution
11 of higher education that allows students to simulta-
12 neously complete, as part of an organized course of
13 study, requirements towards earning a regular high
14 school diploma and earning not less than 12 trans-
15 ferable postsecondary credits that are accepted as
16 credit towards a postsecondary degree or certificate
17 at no cost to the participant or the participant's
18 family.

19 “(4) ELIGIBLE ENTITY.—The term ‘eligible en-
20 tity’ means a partnership that—

21 “(A) shall include—

22 “(i) a high-need local educational
23 agency or a high-need high school; and

24 “(ii) an institution of higher education
25 operating in the same State as the high-

1 need local educational agency or high-need
2 school; and

3 “(B) may include—

4 “(i) a consortium of entities described
5 in clauses (i) and (ii) of subparagraph (A);
6 and

7 “(ii) a nonprofit or community-based
8 organization with demonstrated expertise
9 in serving low-income students and tradi-
10 tionally underrepresented students.

11 “(5) FOSTER CARE YOUTH.—The term ‘foster
12 care youth’ means—

13 “(A) youth whose care and placement is
14 the responsibility of the State or Tribal agency
15 that administers a State plan under part B or
16 E of title IV of the Social Security Act (42
17 U.S.C. 621 et seq. and 670 et seq.), without re-
18 gard to whether foster care maintenance pay-
19 ments are made under section 472 of such Act
20 (42 U.S.C. 672) on behalf of the child; and

21 “(B) includes individuals whose care and
22 placement was the responsibility of the State or
23 Tribal agency that administers a State plan
24 under part B or E of title IV of the Social Se-
25 curity Act (42 U.S.C. 621 et seq. and 670 et

1 seq.) when they were age 13 or older but who
2 are no longer the under the care of the State
3 or Tribal agency.

4 “(6) HIGH-NEED LOCAL EDUCATIONAL AGEN-
5 CY.—The term ‘high-need local educational agency’
6 means a local educational agency—

7 “(A) that serves not fewer than 10,000
8 children from families with incomes below the
9 poverty line;

10 “(B) for which not less than 20 percent of
11 the children served by the agency are from fam-
12 ilies with incomes below the poverty line; or

13 “(C) that is in the highest quartile of local
14 educational agencies in the State, based on stu-
15 dent poverty.

16 “(7) HIGH-NEED HIGH SCHOOL.—The term
17 ‘high-need high school’ means a secondary school
18 that serves students not less than 50 percent of
19 whom are either low-income students or traditionally
20 underrepresented students.

21 “(8) HIGH SCHOOL GRADUATION RATE.—The
22 term ‘high school graduation rate’ means the term
23 ‘four-year adjusted cohort graduation rate’ in section
24 200.19(b)(1)(i)(A) of title 34, Code of Federal Reg-
25 ulations, as such section was in effect on November

1 28, 2008, and the ‘extended-year adjusted cohort
2 graduation rate’ as defined in section
3 200.19(b)(1)(v)(A) of title 34, Code of Federal Reg-
4 ulations, as such section was in effect on November
5 28, 2008.

6 “(9) INSTITUTION OF HIGHER EDUCATION.—
7 The term ‘institution of higher education’ has the
8 meaning given the term in section 101.

9 “(10) LOW-INCOME STUDENT.—The term ‘low-
10 income student’ means a student who—

11 “(A) is eligible for a free or reduced priced
12 lunch under the Richard B. Russell National
13 School Lunch Act;

14 “(B) is eligible for, or is a member of a
15 family eligible for, means tested benefits or
16 public assistance at the Federal, State, or local
17 level; or

18 “(C) lives in a high-poverty area or attends
19 a secondary school that serves students in a
20 high-poverty area.

21 “(11) PERSONALIZED GRADUATION AND COL-
22 LEGE PLAN.—The term ‘personalized graduation
23 and college plan’ means a personalized document
24 that is developed in collaboration with a student, the
25 student’s family, and school personnel, is updated at

1 least annually, is informed by labor market informa-
2 tion, and does the following:

3 “(A) Sets postsecondary education and ca-
4 reer goals.

5 “(B) Develops a course-taking schedule to
6 meet graduation requirements.

7 “(C) As appropriate, outlines academic
8 and non-academic supports that are needed to
9 successfully achieve goals and graduate college
10 and career ready.

11 “(D) Allows the student and family to
12 track progress toward goals and graduation re-
13 quirements.

14 “(12) REGULAR HIGH SCHOOL DIPLOMA.—The
15 term ‘regular high school diploma’ means the stand-
16 ard secondary school diploma that is awarded to stu-
17 dents in the State and that is fully aligned with the
18 State’s academic content standards or a higher di-
19 ploma and does not include an alternative credential,
20 certificate of attendance, or any alternative award.

21 “(13) TRADITIONALLY UNDERREPRESENTED
22 STUDENT.—The term ‘traditionally underrep-
23 resented student’ means a student who—

24 “(A)(i) is a low-income student; and

1 “(ii)(I) is a first generation college stu-
2 dent, as defined in section 402A(h);

3 “(II) has a dependent;

4 “(III) is employed for not less than 25
5 hours a week; or

6 “(IV) left secondary school without a reg-
7 ular high school diploma or its equivalent;

8 “(B) is or has been a homeless child or
9 youth, as defined in section 725 of the McKin-
10 ney-Vento Homeless Assistance Act (42 U.S.C.
11 11434a);

12 “(C) is a foster care youth;

13 “(D) is an individual with a disability, as
14 defined in section 3 of the Americans with Dis-
15 abilities Act of 1990 (42 U.S.C. 12102);

16 “(E) is a child with a disability, as defined
17 in section 602 of the Individuals with Disabil-
18 ities Education Act; or

19 “(F) has been adjudicated in the juvenile
20 or criminal justice system.

21 “(c) PROGRAM AUTHORIZED.—

22 “(1) IN GENERAL.—The Secretary shall make
23 grants, from allotments determined under paragraph
24 (3), to States to enable the States to award sub-

1 grants to eligible entities to support dual enrollment
2 programs and early college high school programs.

3 “(2) RESERVATIONS.—

4 “(A) TECHNICAL ASSISTANCE.—The Sec-
5 retary shall reserve not more than 5 percent of
6 the total amount appropriated to carry out this
7 section for each fiscal year to provide technical
8 assistance to States and eligible entities award-
9 ed grants and subgrants under this section and
10 to evaluate the grant program established under
11 this section.

12 “(B) BIE AND OUTLYING AREAS.—The
13 Secretary shall reserve 1 percent of the total
14 amount appropriated to carry out this section
15 for each fiscal year for the Secretary of the In-
16 terior for programs under this section in
17 schools operated or funded by the Bureau of In-
18 dian Education and for outlying areas (as de-
19 fined under the Elementary and Secondary
20 Education Act of 1965).

21 “(C) LIMITATION.—Funds allotted for the
22 Commonwealth of Puerto Rico shall not exceed
23 0.5 percent of the total amount available to
24 States to carry out this section.

1 “(3) DETERMINATION OF ALLOTMENT.—From
2 the total amount appropriated to carry out this sec-
3 tion for a fiscal year and not reserved under para-
4 graph (2) and except as provided in paragraph (4),
5 the Secretary shall allot to each State the sum of—

6 “(A) an amount that bears the same rela-
7 tionship to 65 percent of such total amount
8 minus the reserved amount as the number of
9 low-income students in grades 9 through 12 in
10 the State, as determined by the Secretary on
11 the basis of the most recent satisfactory data,
12 bears to the number of such students in all
13 States, as so determined; and

14 “(B) an amount that bears the same rela-
15 tionship to 35 percent of such total amount
16 minus the reserved amount as the number of
17 students in grades 9 through 12 in the State,
18 as determined by the Secretary on the basis of
19 the most recent satisfactory data, bears to the
20 number of such students in all States, as so de-
21 termined.

22 “(4) MINIMUM ALLOTMENT.—The allotment for
23 each State under paragraph (3) for a fiscal year
24 shall be an amount that is not less than 0.5 percent

1 of the total amount available to States for such fis-
2 cal year to carry out this section.

3 “(5) SUBGRANT DURATION.—A subgrant
4 awarded under this section shall be for a 5-year pe-
5 riod.

6 “(d) APPLICATIONS.—

7 “(1) IN GENERAL.—A State that desires to re-
8 ceive a grant under this section shall submit an ap-
9 plication to the Secretary at such time, in such man-
10 ner, and accompanied by such information as the
11 Secretary may require.

12 “(2) CONTENTS.—Each application submitted
13 under paragraph (1) shall include the following:

14 “(A) A description of a comprehensive
15 statewide plan for improving access to dual en-
16 rollment programs and early college high school
17 programs, improving the completion rates and
18 quality of such programs, and the level of post-
19 secondary credit earned by participants in such
20 programs among low-income students and tra-
21 ditionally underrepresented students.

22 “(B) A coherent strategy for using grant
23 funds provided under this section with other
24 Federal, State, and local funds to—

1 “(i) increase access to dual enrollment
2 programs and early college high school
3 programs among low-income students and
4 traditionally underrepresented students;

5 “(ii) increase completion rates of dual
6 enrollment programs and early college high
7 school programs among low-income stu-
8 dents and traditionally underrepresented
9 students;

10 “(iii) implement appropriate sec-
11 ondary and postsecondary supports for
12 low-income students and traditionally
13 underrepresented students; and

14 “(iv) continuously improve the quality
15 of such programs.

16 “(C) Evidence of collaboration among the
17 State, the State educational agency, local edu-
18 cational agencies in the State, teachers, institu-
19 tions of higher education in the State, work-
20 force development partners, and other stake-
21 holders in developing and implementing the
22 plan under subparagraph (A).

23 “(D) How the State and eligible entities
24 receiving subgrants under this section will re-
25 cruit low-income students and traditionally

1 underrepresented students to participate in dual
2 enrollment programs and early college high
3 school programs funded under the grant.

4 “(E) An assurance that the State and eli-
5 gible entities receiving subgrants under this sec-
6 tion will track and report the performance
7 measures described in subsection (g).

8 “(F) Documentation of the record of the
9 State, or eligible entity, as applicable, in areas
10 to be measured by the performance measures
11 under subsection (g).

12 “(G) An assurance that the State has
13 taken and will take steps to eliminate statutory,
14 regulatory, procedural, or other barriers to fa-
15 cilitate the full implementation of the State’s
16 plan under subparagraph (A).

17 “(H) A description of how the State and
18 eligible entities receiving subgrants under this
19 section will sustain the activities proposed after
20 the grant period ends.

21 “(I) An assurance that the State will re-
22 quire each eligible entity, on behalf of a dual
23 enrollment program or early college high school
24 program that receives funds under a grant
25 awarded under this section, to enter into an ar-

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1 articulation agreement with other public institu-
2 tions of higher education that are located in the
3 State in which an institution of higher edu-
4 cation that is part of an eligible entity is lo-
5 cated. Such articulation agreements shall be de-
6 veloped in consultation with educators at insti-
7 tutions of higher education and secondary
8 schools. Such articulation agreement shall guar-
9 antee—

10 “(i) that students who earn postsec-
11 ondary credit as part of a dual enrollment
12 program or early college high school pro-
13 gram will be able to transfer those credits
14 to—

15 “(I) any public institution of
16 higher education in the State, and
17 that such credits will count toward
18 meeting specific degree or certificate
19 requirements; and

20 “(II) any private nonprofit insti-
21 tution of higher education that choos-
22 es to participate in an articulation
23 agreement;

1 “(ii) that common course numbering
2 is used to identify substantially similar
3 courses;

4 “(iii) that credits are recognized
5 throughout the system of higher education
6 in the State and count as credits earned
7 for both a regular high school diploma and
8 credit for a degree or certificate program
9 at a public institution of higher education
10 in the State and at any private nonprofit
11 institution of higher education that chooses
12 to participate; and

13 “(iv) that if a student earns an associ-
14 ate’s degree as part of a dual enrollment
15 program or early college program, that as-
16 sociate’s degree, awarded by the partici-
17 pating institution of higher education in
18 the State, shall be fully acceptable in
19 transfer and credited as the first 2 years
20 of a related baccalaureate program at a
21 public institution of higher education in
22 such State.

23 “(J) An assurance that the State will re-
24 quire all public institutions of higher education
25 in the State to establish credit transfer policies

1 and articulation agreements with each other so
2 that students can seamlessly transfer among
3 such institutions of higher education and pri-
4 vate nonprofit institutions of higher education if
5 such private nonprofit institutions of higher
6 education choose to participate.

7 “(K) A formal commitment from the insti-
8 tutions of higher education participating in the
9 program that students will not be required to
10 pay tuition and fees, room and board, or fees
11 for books and materials for any courses in dual
12 enrollment programs or early college high
13 school programs.

14 “(L) A plan to address the unique cir-
15 cumstances facing rural students and students
16 with transportation barriers who wish to par-
17 ticipate in dual enrollment programs and early
18 college high school programs, including difficul-
19 ties in providing such students with the oppor-
20 tunity to participate at campuses of institutions
21 of higher education.

22 “(M) An assurance that the State will de-
23 velop a plan to increase enrollment in, persist-
24 ence through, and completion of postsecondary
25 education among low-income students and tra-

1 “(ii) increase completion rates of dual
2 enrollment programs and early college high
3 school programs among low-income stu-
4 dents and traditionally underrepresented
5 students; and

6 “(iii) continuously improve the quality
7 of such programs;

8 “(B) a description of how the eligible enti-
9 ty will conduct an outreach strategy to ensure
10 that secondary school students, their families,
11 young people who have dropped out of school,
12 low-income students, traditionally underrep-
13 resented students, and community members are
14 aware of early college high school programs and
15 dual enrollment programs, which shall include
16 information on—

17 “(i) deadlines for enrolling in the
18 early college high school program or dual
19 enrollment program for the following
20 school year;

21 “(ii) the courses that will be available
22 to students;

23 “(iii) the secondary school and post-
24 secondary credit or credentials that can be
25 earned from available courses;

1 “(iv) as appropriate, the similarities
2 and differences between early college high
3 school programs and dual enrollment pro-
4 grams;

5 “(v) after the first year of implemen-
6 tation, achievement outcomes (such as
7 number of course credits earned) of stu-
8 dents participating in the early college high
9 school program or dual enrollment pro-
10 gram; and

11 “(vi) as soon as practicable as deter-
12 mined by the Secretary, outcomes on the
13 performance measures described under
14 subsection (g) of students participating in
15 the early college high school program or
16 dual enrollment program;

17 “(C) a description of the ongoing feedback
18 process between the participating institutions of
19 higher education and the participating local
20 educational agencies, including—

21 “(i) the provision of academic out-
22 come data, including the disaggregation of
23 such data by student subgroups described
24 in section 1111(b)(2)(C)(v)(II) of the Ele-
25 mentary and Secondary Education Act of

1 1965, from the institution to the local edu-
2 cational agency, on the remediation needs
3 of incoming students; and

4 “(ii) a description of how that infor-
5 mation is used by the local educational
6 agency to strengthen instruction and re-
7 duce the need for postsecondary remedi-
8 ation;

9 “(D) an assurance that instructors teach-
10 ing postsecondary courses in dual enrollment
11 programs and early college high school pro-
12 grams meet the same standards for faculty es-
13 tablished at the participating institutions of
14 higher education;

15 “(E) a description of the academic and so-
16 cial support services that will be provided to
17 participating students, including academic
18 counseling and guidance on the financial aid
19 process;

20 “(F) an assurance that the eligible entity
21 will establish polices that—

22 “(i) maximize, to the extent prac-
23 ticable and taking into account the geog-
24 raphy of the region, the number of dual
25 enrollment program and early college high

1 school program students on the campuses
2 of institutions of higher education and in
3 classrooms with postsecondary students,
4 and dual enrollment program and early
5 college high school program courses taught
6 by professors of the institutions of higher
7 education; and

8 “(ii) in any case where providing
9 courses of the dual enrollment program or
10 early college high school program on a
11 campus of an institution of higher edu-
12 cation is not practicable, ensure that each
13 course of the dual enrollment program or
14 early college high school program that is
15 taught in secondary schools is—

16 “(I) developed in collaboration
17 with an institution of higher edu-
18 cation;

19 “(II) fully comparable with the
20 courses offered on the campus of the
21 institution of higher education;

22 “(III) augmented with campus
23 experiences when reasonably achiev-
24 able; and

1 “(IV) taught by a faculty mem-
2 ber from the partner institution of
3 higher education, where practicable,
4 or, if not practicable, by an instructor
5 who is selected, supervised, and evalu-
6 ated by the institution of higher edu-
7 cation; and

8 “(G) an assurance that the eligible entity
9 will provide access to a dual enrollment pro-
10 gram or early college high school program to all
11 students, including low-income students and
12 traditionally underrepresented students in the
13 area or school.

14 “(e) USES OF FUNDS.—

15 “(1) REQUIRED STATE USES OF FUNDS.—

16 “(A) IN GENERAL.—The State may re-
17 serve not more than 5 percent of the total
18 amount allotted to carry out this section for
19 each fiscal year to carry out the requirements
20 of clauses (ii) through (vi) of subparagraph (B).
21 The remaining amount shall be used to award
22 subgrants to eligible entities in the State.

23 “(B) STATE USES OF FUNDS.—A State
24 that receives a grant under this section shall
25 carry out the following:

1 profit organization with expertise in such
2 programs.

3 “(2) REQUIRED LOCAL USES OF FUNDS.—An
4 eligible entity that receives a subgrant under this
5 section shall carry out the following:

6 “(A) Support dual enrollment programs
7 and early college high school programs in the
8 schools served by the high-need local edu-
9 cational agency.

10 “(B) Develop a personalized graduation
11 and college plan for each student participating
12 in a dual enrollment program or early college
13 high school program funded by the subgrant.

14 “(C) Enter into the articulation agreement
15 described in subsection (d)(2)(I).

16 “(D) Carry out outreach programs to ele-
17 mentary school students, secondary school stu-
18 dents, low-income students, traditionally under-
19 represented students, youth who have dropped
20 out of school, and their parents and families to
21 ensure awareness of dual enrollment programs
22 and early college high school programs and the
23 ability to earn college credit while in secondary
24 school and to reengage dropouts in school. Such
25 programs may be carried out in partnership

1 with a nonprofit or community-based organiza-
2 tion.

3 “(E) Provide academic and social support
4 services to students, including counseling activi-
5 ties, tutoring, and postsecondary education
6 readiness activities such as assistance with the
7 Federal financial aid application process.

8 “(F) Collect data for program improve-
9 ment and reporting of performance measures as
10 described in subsection (g).

11 “(G) Implement applied learning opportu-
12 nities.

13 “(H) Develop coordinated activities be-
14 tween institutions of higher education and local
15 educational agencies, including academic cal-
16 endars, provision of student services, and cur-
17 riculum development.

18 “(I) Pay for tuition and fees, transpor-
19 tation, and fees for books and materials.

20 “(J) Provide students with information
21 about how the credits they earn through partici-
22 pating in dual enrollment programs and early
23 college high school programs will be transferred
24 to an institution of higher education.

1 “(3) PERMISSIVE USES OF FUNDS.—A State
2 that receives a grant under this section or an eligible
3 entity that receives a subgrant under this section
4 may provide—

5 “(A) professional development, including
6 joint professional development, for secondary
7 and postsecondary instructors of courses in a
8 dual enrollment program or early college high
9 school program; or

10 “(B) extended learning time opportunities
11 for students participating in dual enrollment
12 programs and early college high school pro-
13 grams.

14 “(4) PRIORITIES.—In awarding subgrants
15 under this subsection, a State—

16 “(A) shall—

17 “(i) give priority to eligible entities
18 that include a high-need local educational
19 agency that serves students not less than
20 60 percent of whom are low-income stu-
21 dents or traditionally underrepresented
22 students; or

23 “(ii) give priority to eligible entities
24 that include a high-need high school that
25 demonstrates sufficient support and aca-

1 demic services in place to help partici-
2 pating students persist and complete a
3 dual enrollment program or early college
4 high school program; and

5 “(B) may give a priority to eligible entities
6 that—

7 “(i) develop innovative strategies for
8 expanding access to dual enrollment pro-
9 grams and early college high school pro-
10 grams for low-income students and tradi-
11 tionally underrepresented students, and in-
12 creasing the number of those students that
13 complete such programs; and

14 “(ii) demonstrate how the entity will
15 sustain funding for dual enrollment pro-
16 grams or early college high school pro-
17 grams after the grant period ends.

18 “(f) MATCHING REQUIREMENTS.—

19 “(1) STATE MATCHING REQUIREMENT.—A
20 State receiving a grant under this section shall pro-
21 vide, from non-Federal sources, in cash or in-kind,
22 an amount equal to 50 percent of the grant funds
23 awarded under this section.

24 “(2) ELIGIBLE ENTITY MATCHING REQUIRE-
25 MENT.—A State receiving a grant under this section

1 shall require each eligible entity that receives a
2 subgrant under this section to provide, from non-
3 Federal sources, in cash or in-kind, an amount equal
4 to not less than 25 percent of the amount of
5 subgrant funds awarded to that eligible entity.

6 “(g) PERFORMANCE MEASURES.—

7 “(1) IN GENERAL.—The Secretary shall, prior
8 to awarding grants under this section, establish per-
9 formance measures for the programs and activities
10 carried out under grants and subgrants awarded
11 under this section. The Secretary shall ensure that
12 the performance measures are made available to po-
13 tential applicants prior to seeking applications for
14 grants under this section.

15 “(2) MONITORING PROGRESS.—The perform-
16 ance measures established under paragraph (1), at
17 a minimum, shall collect data on the progress of
18 grantees and subgrantees in improving the outcomes
19 described in paragraph (3) for all students partici-
20 pating in dual enrollment programs or early college
21 high school programs funded with a grant or
22 subgrant under this section. This data shall be
23 disaggregated according to the categories described
24 in section 1111(b)(2)(C)(v)(II) of the Elementary
25 and Secondary Education Act of 1965.

1 “(3) OUTCOMES.—The performance measures
2 shall measure the progress of grantees and sub-
3 grantees in achieving the following outcomes:

4 “(A) Increasing high school graduation
5 rates.

6 “(B) Increasing dropout recovery (re-
7 entry) rates.

8 “(C) Decreasing the percentage of students
9 with less than a 90 percent attendance rate.

10 “(D) Increasing the percentage of students
11 who have on-time credit accumulation at the
12 end of each grade.

13 “(E) Increasing annual, average attend-
14 ance rates.

15 “(F) Reducing the need for remediation in
16 postsecondary education.

17 “(G) Increasing enrollment rates at insti-
18 tutions of higher education.

19 “(H) Increasing postsecondary education
20 persistence and completion rates.

21 “(I) Increasing the rate at which students
22 complete postsecondary education.

23 “(J) Measured increases in enrollment in
24 dual enrollment programs and early college high
25 school programs.

1 “(K) Increasing the percentage of students
2 who successfully complete and earn a minimum
3 of 12 credits for rigorous postsecondary edu-
4 cation courses while attending a secondary
5 school.

6 “(L) Increasing the percentage of students
7 who earn postsecondary credit and successfully
8 have such credit accepted by an institution of
9 higher education toward a degree or certificate.

10 “(h) REPORTING.—

11 “(1) STATE REPORTS.—Each State that re-
12 ceives a grant under this section shall submit to the
13 Secretary, at such time and in such manner as the
14 Secretary may require, an annual report that in-
15 cludes—

16 “(A) information about the State’s
17 progress on the performance measures estab-
18 lished under subsection (g) and the data sup-
19 porting that progress; and

20 “(B) information submitted to the State
21 from the eligible entities, as described in para-
22 graph (2).

23 “(2) ELIGIBLE ENTITY REPORTS.—Each eligi-
24 ble entity that receives a subgrant under this section
25 shall submit to the State, at such time and in such

1 manner as the State may require, an annual report
2 that includes information about the entity's progress
3 on the performance measures established under sub-
4 section (g) and the data supporting that progress, at
5 such time and in such manner as the State may re-
6 quire.

7 “(i) EVALUATION.—The Secretary shall—

8 “(1) acting through the Director of the Insti-
9 tute of Education Sciences, evaluate the implementa-
10 tion and impact of activities supported under this
11 section; and

12 “(2) disseminate research on best practices.

13 “(j) SUPPLEMENT, NOT SUPPLANT.—A State or eli-
14 gible entity shall use Federal funds received under this
15 section only to supplement the funds that would, in the
16 absence of such Federal funds, be made available from
17 non-Federal sources for activities described in this section,
18 and not to supplant such funds.

19 “(k) AUTHORIZATION.—There are authorized to be
20 appropriated to carry out this section such sums as may
21 be necessary for each of fiscal years 2015 through 2019.”.

1 **SEC. 713. MINORITY-SERVING INSTITUTIONS INNOVATION**
2 **FUND.**

3 Title VII (20 U.S.C. 1134 et seq.), as amended by
4 sections 711 and 712, is further amended by adding at
5 the end the following:

6 **“PART H—MINORITY-SERVING INSTITUTIONS**
7 **INNOVATION FUND**

8 **“SEC. 795. PURPOSE.**

9 “It is the purpose of this part to assist minority-serv-
10 ing institutions in planning, developing, implementing,
11 validating, and replicating innovations that provide solu-
12 tions to persistent challenges in enabling economically and
13 educationally disadvantaged students to enroll in, persist
14 through, and graduate from minority-serving institutions,
15 including initiatives designed to—

16 “(1) improve student achievement at minority-
17 serving institutions;

18 “(2) increase successful recruitment at minor-
19 ity-serving institutions of—

20 “(A) students from low-income families of
21 all races;

22 “(B) adults; and

23 “(C) military-affiliated students;

24 “(3) increase the rate at which students en-
25 rolled in minority-serving institutions make adequate

1 or accelerated progress towards graduation and suc-
2 cessfully graduate from such institutions;

3 “(4) increase the number of students pursuing
4 and completing degrees in science, technology, engi-
5 neering, and mathematics at minority-serving insti-
6 tutions and pursuing graduate work in such fields;

7 “(5) enhance the quality of teacher preparation
8 programs offered by minority-serving institutions;

9 “(6) redesign course offerings and institutional
10 student aid programs to help students obtain mean-
11 ingful employment; and

12 “(7) expand the effective use of technology at
13 minority-serving institutions.

14 **“SEC. 795A. DEFINITIONS.**

15 “In this part the term ‘eligible entity’ means—

16 “(1) an institution that is eligible for the re-
17 ceipt of funds under the programs authorized under
18 title III or V of this Act; or

19 “(2) a consortium that includes an institution
20 described in paragraph (1) and—

21 “(A) one or more other institutions of
22 higher education;

23 “(B) one or more nonprofit organizations;

24 or

1 “(C) one or more local educational agen-
2 cies.

3 **“SEC. 795B. GRANTS AUTHORIZED.**

4 “(a) IN GENERAL.—From funds made available for
5 this part under section 795F, the Secretary shall award
6 competitive planning and implementation grants, as de-
7 scribed in subsections (b) and (c), to eligible entities to
8 enable such entities to plan for the implementation of, in
9 the case of a planning grant, and implement, in the case
10 of an implementation grant, innovations authorized under
11 this part and to support the implementation, validation,
12 scaling up, and replication of such innovations.

13 “(b) PLANNING GRANTS.—

14 “(1) DURATION.—A planning grant authorized
15 under this subsection shall be for a 1-year period.

16 “(2) GRANT AMOUNTS.—Each planning grant
17 authorized under this subsection shall be an amount
18 that is not more than \$100,000.

19 “(c) IMPLEMENTATION GRANTS.—

20 “(1) IN GENERAL.—From funds made available
21 for this part under section 795F, the Secretary shall
22 award implementation grants to eligible entities to
23 further develop, pilot, field-test, implement, docu-
24 ment, validate, and, as applicable, scale up and rep-

1 licate innovations that address the purpose of this
2 part.

3 “(2) DURATION.—An implementation grant au-
4 thorized under this subsection shall be for a 5-year
5 period. Grant funding after the first 3 years shall be
6 conditional upon the eligible entity achieving satis-
7 factory progress towards carrying out the edu-
8 cational innovations, activities, and projects de-
9 scribed in section 795E, as determined by the Sec-
10 retary.

11 “(3) GRANT AMOUNT.—Each implementation
12 grant authorized under this subsection shall be an
13 amount that is not more than \$10,000,000.

14 “(d) CONSORTIUM ENTITIES.—

15 “(1) FISCAL AGENT.—In the case of an eligible
16 entity that applies for a grant under this part as a
17 consortium, each member of the consortium com-
18 prising the eligible entity shall sign a written agree-
19 ment designating 1 member of the consortium to
20 serve as the fiscal agent of the eligible entity and act
21 on behalf of the eligible entity in performing the fi-
22 nancial duties of the eligible entity.

23 “(2) SUBGRANTS.—The fiscal agent for an eli-
24 gible entity (as described in paragraph (1)) may

1 award subgrants to another member of the consor-
2 tium that comprises that eligible entity.

3 “(e) FEDERAL SHARE.—

4 “(1) PLANNING GRANTS.—The Federal share of
5 the total cost of carrying out a project funded by a
6 planning grant authorized under subsection (b) shall
7 be 100 percent of such total cost.

8 “(2) IMPLEMENTATION GRANTS.—

9 “(A) IN GENERAL.—The Federal share of
10 the total cost of carrying out a project funded
11 by an implementation grant authorized under
12 subsection (c) shall be not more than 85 per-
13 cent of such total cost.

14 “(B) REMAINING COST.—An eligible entity
15 that receives an implementation grant under
16 subsection (c) shall provide, from non-Federal
17 sources, an amount equal to not less than 15
18 percent of the total cost of carrying out the
19 project funded by the grant. Such amount may
20 be provided by in cash or in-kind.

21 **“SEC. 795C. APPLICATIONS.**

22 “(a) IN GENERAL.—An eligible entity desiring a
23 grant under this part shall submit an application to the
24 Secretary at such time, in such manner, and containing
25 such information as the Secretary may reasonably require.

1 “(b) CONSORTIUM ENTITIES.—An application under
2 this section for a planning grant or an implementation
3 grant by an eligible entity applying for a grant under this
4 part as a consortium shall include the written agreement
5 described in section 795B(d).

6 “(c) PLANNING GRANTS.—The Secretary shall en-
7 sure that the application requirements under this section
8 for a planning grant authorized under section 795B(b) in-
9 clude, in addition to the requirement under subsection (b),
10 only the minimal requirements that are necessary to re-
11 view the proposed process of an eligible entity for the plan-
12 ning and development of 1 or more educational innova-
13 tions that address the purpose of this part as described
14 in section 795.

15 “(d) IMPLEMENTATION GRANTS.—An application
16 under this section for an implementation grant authorized
17 under section 795B(c) shall include, in addition to the re-
18 quirement under subsection (b), a description of—

19 “(1) each educational innovation that the eligi-
20 ble entity will implement using the funds made avail-
21 able by such grant, including a description of the
22 evidence supporting the effectiveness of each such
23 innovation;

24 “(2) how each educational innovation proposed
25 to be implemented under such grant will address the

1 purpose of this part, as described in section 795,
2 and how each such innovation will further the insti-
3 tutional or organizational mission of the eligible en-
4 tity and any institution or organization that is a
5 member of a consortium comprising the eligible enti-
6 ty;

7 “(3) the specific activities that the eligible enti-
8 ty will carry out with funds made available by such
9 grant, including, for a consortium application a de-
10 scription of the activities that each member of the
11 consortium will carry out and a description of the
12 capacity of each member of the consortium to carry
13 out such activities;

14 “(4) the performance measures that the eligible
15 entity will use to track the eligible entity’s progress
16 in implementing each proposed educational innova-
17 tion, including a description of how the entity will
18 implement such performance measures and use in-
19 formation on performance to make adjustments and
20 improvements to activities, as needed, over the
21 course of the grant period;

22 “(5) how the eligible entity will provide the
23 amount required under section 795B(e)(2)(B);

24 “(6) how the eligible entity will provide for an
25 independent evaluation of the implementation and

1 impact of the projects funded by such grant that in-
2 cludes—

3 “(A) an interim report evaluating the
4 progress made in the first 3 years of the grant;
5 and

6 “(B) a final report to be completed at the
7 end of the grant period; and

8 “(7) the plan of the eligible entity for con-
9 tinuing each proposed educational innovation after
10 the grant period has ended.

11 **“SEC. 795D. PRIORITY.**

12 “In awarding grants under this part, the Secretary
13 shall give priority—

14 “(1) first to applications from eligible entities
15 that include institutions—

16 “(A) that serve a high percentage of stu-
17 dents that are eligible to receive a Federal Pell
18 Grant; and

19 “(B) that have endowment funds the mar-
20 ket value of which, per full-time equivalent stu-
21 dent, is less than the average current market
22 value of the endowment funds, per full-time
23 equivalent student at other applicant institu-
24 tions;

1 “(2) next, to applications that seek to address
2 issues of major national need, including—

3 “(A) educational innovations designed to
4 increase the rate of postsecondary degree at-
5 tainment for populations within minority groups
6 that have low relative rates of postsecondary de-
7 gree attainment, including African-American
8 males who attain a postsecondary degree;

9 “(B) innovative partnerships between mi-
10 nority-serving institutions and local educational
11 agencies that are designed to increase the en-
12 rollment and successful completion of postsec-
13 ondary education for populations that have been
14 historically underrepresented in higher edu-
15 cation;

16 “(C) educational innovations that bring to-
17 gether the resources of minority-serving institu-
18 tions and partner institutions in support of eco-
19 nomic development, entrepreneurship, and the
20 commercialization of funded research and the
21 development of an innovation ecosystem on
22 postsecondary school campuses;

23 “(D) educational innovations that support
24 developing programs and initiatives to support
25 undergraduate and graduate programs in

1 science, technology, engineering, and mathe-
2 matics; and

3 “(E) educational innovations described in
4 paragraphs (3) and (6) of section 795E(b).

5 **“SEC. 795E. USE OF FUNDS.**

6 “(a) PLANNING GRANTS.—An eligible entity receiv-
7 ing a planning grant authorized under section 795B(b)
8 shall use funds made available by such grant to conduct
9 a comprehensive institutional planning process that in-
10 cludes—

11 “(1) an assessment of the needs of the minor-
12 ity-serving institution and, in the case of an eligible
13 entity applying as a consortium, the needs of each
14 member of the consortium;

15 “(2) research on educational innovations, con-
16 sistent with the purpose of this part as described in
17 section 795, to meet the needs described in para-
18 graph (1);

19 “(3) the selection of 1 or more educational in-
20 novations to be implemented;

21 “(4) an assessment of the capacity of the mi-
22 nority-serving institution and, in the case of an eligi-
23 ble entity applying as a consortium, the capacity of
24 each member of the consortium, to implement each
25 such educational innovation; and

1 “(5) activities to further develop such capacity.

2 “(b) IMPLEMENTATION GRANTS.—An eligible entity
3 receiving an implementation grant under section 795B(c)
4 shall use the funds made available by such grant to further
5 develop, pilot, field-test, implement, document, validate,
6 and, as applicable, scale up and replicate educational inno-
7 vations that address the purpose of this part, as described
8 in section 795, such as educational innovations designed
9 to—

10 “(1) improve student achievement, such as
11 through activities designed to increase the number
12 or percentage of students who successfully complete
13 developmental or remedial coursework (which may
14 be accomplished through the evidence-based redesign
15 of such coursework) and pursue and succeed in post-
16 secondary studies;

17 “(2) improve and expand institutional recruit-
18 ment, postsecondary school awareness, and postsec-
19 ondary school preparation efforts targeting students,
20 including high-achieving students, from low-income
21 families, such as through activities undertaken in
22 partnership with local educational agencies and non-
23 profit organizations (including the introduction of
24 dual enrollment programs and the implementation of
25 activities designed to enable more students to enter

1 postsecondary education without the need for reme-
2 diation);

3 “(3) increase the number or percentage of stu-
4 dents, particularly students who are members of his-
5 torically underrepresented populations, who enroll in
6 science, technology, engineering, and mathematics
7 courses, graduate with degrees in such fields, and
8 pursue advanced studies in such fields;

9 “(4) increase (such as through the provision of
10 comprehensive academic and nonacademic student
11 support services) the number or percentage of stu-
12 dents who make satisfactory or accelerated progress
13 toward graduation from postsecondary school and
14 the number or percentage of students who graduate
15 from postsecondary school on time;

16 “(5) implement evidence-based improvements to
17 courses, particularly high-enrollment courses, to im-
18 prove student outcomes and reduce education costs
19 for students, including costs of remedial courses;

20 “(6) enhance the quality of teacher preparation
21 programs at minority-serving institutions, to enable
22 teachers at such institutions to be highly effective in
23 the classroom and to enable such programs to meet
24 the demands for accountability in teacher education;

1 “(7) expand the effective use of technology in
2 higher education, such as through inter-institutional
3 collaboration on implementing competency-based
4 technology-enabled delivery models (including hybrid
5 models) or through the use of open educational re-
6 sources and digital content; and

7 “(8) provide a continuum of solutions by incor-
8 porating activities that address multiple objectives
9 described in paragraphs (1) through (7).

10 **“SEC. 795F. AUTHORIZATION OF APPROPRIATIONS.**

11 “There are authorized to be appropriated such sums
12 as may be necessary for fiscal years 2015 through 2020
13 to carry out the activities under this part.”.

14 **SEC. 714. STATE COMPETITIVE GRANT PROGRAM FOR RE-**
15 **FORMS TO IMPROVE HIGHER EDUCATION**
16 **PERSISTENCE AND COMPLETION.**

17 Title VII (20 U.S.C. 1133 et seq.), as amended by
18 sections 711, 712, and 713, is further amended by adding
19 at the end the following:

1 **“PART I—STATE COMPETITIVE GRANT PROGRAM**
2 **FOR REFORMS TO IMPROVE HIGHER EDU-**
3 **CATION PERSISTENCE AND COMPLETION**

4 **“SEC. 796. PURPOSE.**

5 “The purpose of this part is to provide incentives for
6 States to implement comprehensive reforms and innova-
7 tive strategies that are designed to lead to—

8 “(1) significant improvements in postsecondary
9 outcomes for traditionally underrepresented stu-
10 dents, including improvements in postsecondary en-
11 rollment, persistence, and completion by 2020;

12 “(2) reductions in the need for remedial edu-
13 cation for postsecondary students;

14 “(3) increased alignment between elementary
15 and secondary education, postsecondary education,
16 and workforce systems; and

17 “(4) innovation in postsecondary education.

18 **“SEC. 796A. DEFINITIONS.**

19 “In this part:

20 “(1) **DUAL ENROLLMENT PROGRAM.**—The term
21 ‘dual enrollment program’ means a program of study
22 provided by an institution of higher education
23 through which a student who has not graduated
24 from secondary school with a regular high school di-
25 ploma is able to earn secondary school credit and
26 transferable postsecondary credit that is accepted as

1 credit toward a postsecondary degree or credential
2 at no cost to the participant or the participant's
3 family. A dual enrollment program shall consist of
4 not less than 2 postsecondary credit-bearing courses
5 and support and academic services that help a stu-
6 dent persist and complete such courses.

7 “(2) EARLY COLLEGE HIGH SCHOOL PRO-
8 GRAM.—The term ‘early college high school pro-
9 gram’ means a formal partnership between at least
10 1 local educational agency and at least 1 institution
11 of higher education that allows students to simulta-
12 neously complete, as part of an organized course of
13 study, requirements toward earning a regular high
14 school diploma and earning not less than 12 trans-
15 ferable postsecondary credits that are accepted as
16 credit toward a postsecondary degree or credential
17 at no cost to the participant or the participant's
18 family.

19 “(3) LOW INCOME STUDENT.—The term ‘low
20 income student’ means—

21 “(A) with respect to an elementary school
22 or secondary school student, a student who—

23 “(i) is eligible for a free or reduced
24 priced lunch under the Richard B. Russell

1 National School Lunch Act (42 U.S.C.
2 1751 et seq.);

3 “(ii) is eligible for or is a member of
4 a family eligible for means tested benefits
5 or public assistance at the Federal, State,
6 or local level; or

7 “(iii) lives in a high-poverty area or
8 attends a secondary school that serves stu-
9 dents in a high-poverty area; or

10 “(B) with respect to a postsecondary stu-
11 dent, a student who—

12 “(i) is eligible for a Federal Pell
13 Grant under section 401; or

14 “(ii) is eligible for means-tested bene-
15 fits or public assistance at the Federal,
16 State, or local level.

17 “(4) PERSIST.—The term ‘persist’ means to
18 continue enrollment in postsecondary education.

19 “(5) TRADITIONALLY UNDERREPRESENTED
20 STUDENT.—The term ‘traditionally underrep-
21 resented student’ means a student who—

22 “(A) is a low-income student and—

23 “(i) is a first generation college stu-
24 dent, as defined in section 402A(h);

25 “(ii) has a dependent;

1 “(iii) is employed for not less than 25
2 hours a week;

3 “(iv) has taken 2 or more develop-
4 mental education courses; or

5 “(v) left high school without a regular
6 high school diploma or its equivalent;

7 “(B) is or has been a homeless child or
8 youth, as defined in section 725 of the McKin-
9 ney-Vento Homeless Assistance Act (42 U.S.C.
10 11434a);

11 “(C) is a foster care youth;

12 “(D) is an individual with a disability, as
13 defined in section 3 of the Americans with Dis-
14 abilities Act (42 U.S.C. 12102);

15 “(E) is a child with a disability, as defined
16 in section 602 of the Individuals with Disabil-
17 ities Education Act; or

18 “(F) has been adjudicated in the juvenile
19 or criminal justice system.

20 **“SEC. 796B. STATE GRANT PROGRAM AUTHORIZED.**

21 “(a) RESERVATION OF FUNDS.—From amounts
22 made available to carry out this part for a fiscal year, the
23 Secretary may reserve not more than 2 percent to carry
24 out activities in accordance with this part related to tech-
25 nical assistance, evaluation, outreach, and dissemination.

1 “(b) PROGRAM AUTHORIZED.—

2 “(1) IN GENERAL.—From amounts made avail-
3 able to carry out this part and not reserved under
4 subsection (a), the Secretary shall award planning or
5 implementation grants under this part, in such a
6 manner as to achieve an equitable distribution of
7 grant funds throughout the United States, to States
8 to enable the States to plan or implement com-
9 prehensive reforms and innovative strategies to im-
10 prove postsecondary outcomes for all students, espe-
11 cially low-income and traditionally underrepresented
12 students.

13 “(2) PLANNING AND IMPLEMENTATION
14 GRANTS.—As described in paragraph (1), the Sec-
15 retary shall award grants to States for the purpose
16 described in section 796 by—

17 “(A) awarding planning grants, on a com-
18 petitive basis, to States to enable such States to
19 develop the comprehensive State plan described
20 in section 796D to increase postsecondary edu-
21 cation enrollment, persistence, and attainment
22 by 2020; and

23 “(B) awarding implementation grants, on
24 a competitive basis, to States to enable such

1 States to implement the comprehensive State
2 plan described in section 796D.

3 “(3) LIMITATIONS.—

4 “(A) LIMIT ON NUMBER OF GRANTS.—A
5 State may receive only 1 planning grant, and
6 only 1 implementation grant, under this section.

7 “(B) LIMIT ON NUMBER OF PLANNING
8 GRANTS.—The Secretary may elect to limit the
9 number and amount of planning grants award-
10 ed under this section during a grant period, if
11 the Secretary determines it would best promote
12 the purposes of this part.

13 “(4) DURATION.—

14 “(A) PLANNING GRANT.—Each planning
15 grant awarded under this part shall be for a pe-
16 riod of not more than 24 months.

17 “(B) IMPLEMENTATION GRANT.—Each im-
18 plementation grant awarded under this part
19 shall be for a period of not more than 5 years.

20 “(C) REQUIREMENTS FOR ADDITIONAL
21 FUNDING.—Before receiving funding for an im-
22 plementation grant for the third or any subse-
23 quent year of the grant, the State receiving the
24 grant shall demonstrate to the Secretary that
25 the State is—

1 “(i) making progress in implementing
2 the State plan described under section
3 796D at a rate that the Secretary deter-
4 mines will result in full implementation of
5 that plan during the remainder of the
6 grant period; and

7 “(ii) making progress, as measured by
8 the annual performance measures and tar-
9 gets described in section 796D(b)(2), at a
10 rate that the Secretary determines will re-
11 sult in reaching those targets and achiev-
12 ing the objectives of the grant, during the
13 remainder of the grant period.

14 **“SEC. 796C. APPLICATION PROCESS.**

15 “(a) PLANNING GRANTS.—Each State that desires to
16 receive a planning grant under this part shall submit an
17 application to the Secretary at such time, in such manner,
18 and containing such information as the Secretary may rea-
19 sonably require. At a minimum, each such application
20 shall include the following:

21 “(1) Documentation of the State’s record, in-
22 cluding demonstrating a need for the grant funds to
23 improve the State’s record, as applicable, in the
24 areas to be measured by the performance measures
25 under section 796D(b)(2).

1 “(2) A coherent strategy for using funds under
2 this part, and other Federal, State, and local funds,
3 to design a State plan as described in section 796D.

4 “(3) Evidence that there will be collaboration
5 among the State, the State educational agency, insti-
6 tutions of higher education located in the State,
7 postsecondary students, workforce partners, and
8 other stakeholders, in developing and implementing
9 such plan, including evidence of the State’s commit-
10 ment and capacity to implement such plan.

11 “(4) An assurance of the State’s commitment
12 to developing the State plan.

13 “(5) An assurance of the State’s commitment
14 to meeting, before the end of the planning grant pe-
15 riod, any requirements that the Secretary may es-
16 tablish.

17 “(b) IMPLEMENTATION GRANTS.—Each State that
18 desires to receive an implementation grant under this part
19 shall submit an application to the Secretary at such time,
20 in such manner, and containing such information as the
21 Secretary may reasonably require. At a minimum, each
22 such application shall include the following:

23 “(1) Documentation of the State’s record, in-
24 cluding demonstrating a need for the grant funds to
25 improve the State’s record, as applicable, in the

1 areas to be measured by the performance measures
2 under section 796D(b)(2).

3 “(2) A description of how the implementation
4 grant funds will be used to implement the com-
5 prehensive State plan described in section 796D,
6 which may be an existing (as of the date of applica-
7 tion) State plan that meets the requirements of such
8 section.

9 “(3) Evidence of conditions of innovation and
10 reform that the State has established and the
11 State’s plan for implementing additional conditions
12 for innovation and reform, including—

13 “(A) a description of how the State has
14 identified and eliminated ineffective practices in
15 the past, and a plan for doing so in the future;

16 “(B) a description of how the State has
17 identified and promoted effective practices in
18 the past, and a plan for doing so in the future;
19 and

20 “(C) steps the State has taken and will
21 take to eliminate statutory, regulatory, proce-
22 dural, or other barriers to facilitate the full im-
23 plementation of the State’s proposed plan under
24 section 796D.

1 “(4) The State’s annual performance measures
2 and targets, established in accordance with the re-
3 quirements of section 796D(b)(2).

4 “(5) A signed assurance from every public insti-
5 tution of higher education in the State that the in-
6 stitution will carry out any activities that the State
7 determines may be necessary to carry out the State
8 plan under section 796D.

9 “(6) An assurance from the State that the
10 State will provide equitable resources and technical
11 assistance to all public institutions of higher edu-
12 cation in the State to implement the reforms de-
13 scribed in this section.

14 “(c) CRITERIA FOR EVALUATING APPLICATIONS.—

15 “(1) IN GENERAL.—The Secretary shall award
16 grants under this part on a competitive basis to a
17 geographically diverse group of States, based on the
18 quality of the applications submitted by the States.

19 “(2) PUBLICATION OF EXPLANATION.—The
20 Secretary shall publish an explanation of how the
21 application review process will ensure an equitable,
22 transparent, and objective evaluation of applicants.

23 “(d) PRIORITY.—In awarding grants under this part,
24 the Secretary shall give priority to a State if—

1 “(1) the State has a significant percentage of
2 low-income students or traditionally underrep-
3 resented students residing within the State;

4 “(2) the State has a strong record of invest-
5 ment in postsecondary education; or

6 “(3) the State distributes State postsecondary
7 education aid on the basis of need.

8 **“SEC. 796D. COMPREHENSIVE STATE PLAN.**

9 “(a) ESTABLISHMENT OF PLAN.—Each State receiv-
10 ing a planning or implementation grant under this part
11 shall establish or implement, respectively, a comprehensive
12 State plan described in subsection (b) to increase student
13 access, persistence, and completion in postsecondary edu-
14 cation at—

15 “(1) public institutions of higher education
16 throughout the State; and

17 “(2) private nonprofit institutions of higher
18 education (as defined in section 101) that agree to
19 participate in and implement the State plan.

20 “(b) COMPREHENSIVE STATE PLAN.—The com-
21 prehensive State plan described in subsection (a) shall
22 contain the following:

23 “(1) A commitment to implement statewide re-
24 forms in the following areas:

1 “(A) Removing barriers to innovation in
2 postsecondary education by—

3 “(i) shortening the length of time to a
4 postsecondary degree;

5 “(ii) promoting efficiencies on cam-
6 puses that lead to lower net tuition prices
7 for students;

8 “(iii) promoting the use of technology
9 to increase personalized learning, advising,
10 and support services for students; and

11 “(iv) developing innovative education
12 delivery models, such as using technology
13 to enhance online and classroom learning,
14 in order to increase participation and re-
15 tention of students, particularly low-income
16 students and students who are in the first
17 generation in their family to attend an in-
18 stitution of higher education.

19 “(B) Improving the transition between ele-
20 mentary and secondary education and postsec-
21 ondary education and the workforce by—

22 “(i) reforming the process for identi-
23 fying students for developmental education,
24 offering developmental education examina-
25 tions while students are in secondary

1 school to identify knowledge and skills
2 gaps, and reducing the need for develop-
3 mental education by ensuring that develop-
4 mental education courses are reserved for
5 students who are substantially underpre-
6 pared and placing better-prepared students
7 in traditional courses;

8 “(ii) redesigning and standardizing
9 developmental education requirements and
10 assessments among institutions of higher
11 education;

12 “(iii) reforming the content, timing,
13 and delivery of developmental education to
14 help academically underprepared students
15 complete college through comprehensive
16 approaches;

17 “(iv) using technology, academic, and
18 student supports that engage students,
19 align developmental education to students’
20 academic and career goals, and accelerate
21 the students’ progression through remedi-
22 ation and credit-bearing coursework;

23 “(v) increasing access to dual enroll-
24 ment and early college high schools for
25 low-income students; and

1 its earned for a degree or credential
2 program at a public institution of
3 higher education in the State and at
4 any private nonprofit institution of
5 higher education that chooses to par-
6 ticipate, consistent with clause (I)(bb);
7 and

8 “(IV) that if a student earns an
9 associate’s degree, that associate’s de-
10 gree, awarded by the participating in-
11 stitution of higher education in the
12 State, shall be fully acceptable in
13 transfer and credited as the first 2
14 years of a related baccalaureate pro-
15 gram at a public institution of higher
16 education in such State.

17 “(iv) Including private nonprofit insti-
18 tutions of higher education that choose to
19 participate in the credit transfer policies
20 and articulation agreements described in
21 clause (iii).

22 “(v) Providing students residing in
23 the State with free degree audits.

24 “(vi) Providing students with an as-
25 surance that if a student receives an asso-

1 ciate’s degree from a public institution of
2 higher education in the State, that associ-
3 ate’s degree will translate into upper level
4 status at a receiving public institution of
5 higher education.

6 “(D) Increasing transparency of informa-
7 tion to students and their families by—

8 “(i) providing financial literacy infor-
9 mation to students and families, including
10 information regarding the benefits of post-
11 secondary education, planning for postsec-
12 ondary education, postsecondary education
13 opportunities, and career planning;

14 “(ii) providing information on financ-
15 ing options for postsecondary education
16 and activities that promote financial lit-
17 eracy and debt management among stu-
18 dents and families, including assistance in
19 completion of the Free Application for
20 Federal Student Aid or other common fi-
21 nancial reporting form under section
22 483(a);

23 “(iii) reporting workforce outcomes
24 for postsecondary graduates;

1 “(iv) developing multi-year tuition and
2 fee schedules;

3 “(v) improving postsecondary data
4 systems and linking those systems to exist-
5 ing State data systems for elementary and
6 secondary education and the workforce;
7 and

8 “(vi) developing practices for the con-
9 tinuous assessment of student learning and
10 for public reporting of non-personally iden-
11 tifiable student learning outcomes.

12 “(E) Increasing and improving the use of
13 funding in higher education by—

14 “(i) awarding State financial aid to
15 students on the basis of need, rather than
16 merit;

17 “(ii) developing performance funding
18 systems that measure and award funding
19 to institutions of higher education based
20 upon improvement in postsecondary edu-
21 cation outcomes for students, including
22 successful transfer from a 2-year institu-
23 tion of higher education to a 4-year insti-
24 tution of higher education and degree at-
25 tainment; and

1 “(iii) rewarding institutions that dis-
2 tribute their institutional aid based on
3 need.

4 “(2) Annual performance measures and targets
5 for the programs and activities carried out under
6 this part, which shall include measures and targets
7 for goals established by the Secretary under section
8 796G as well as measures and targets developed by
9 the State and approved by the Secretary. The an-
10 nual performance measures and targets shall, at a
11 minimum, track the State’s progress in—

12 “(A) implementing the plan described in
13 this section;

14 “(B) increasing the percentage of low in-
15 come and traditionally underrepresented stu-
16 dents who enroll in, persist through, and grad-
17 uate from higher education, as measured by—

18 “(i) reducing the need for higher edu-
19 cation remediation;

20 “(ii) increasing higher education en-
21 rollment rates;

22 “(iii) increasing persistence and com-
23 pletion rates in higher education;

1 “(iv) increasing the rate at which stu-
2 dents complete a program at an institution
3 of higher education;

4 “(v) increasing enrollment in dual en-
5 rollment programs and early college high
6 school programs;

7 “(vi) increasing the percentage of stu-
8 dents who successfully complete and earn a
9 minimum of 12 credits for rigorous post-
10 secondary education courses while attend-
11 ing a secondary school; and

12 “(vii) increasing the percentage of
13 students who earn postsecondary credit
14 and successfully have such credit accepted
15 by an institution of higher education to-
16 ward a degree or credential; and

17 “(C) making progress on any other per-
18 formance measure identified by the Secretary.

19 “(3) Goals for increasing postsecondary creden-
20 tial attainment by 2020 for traditionally underrep-
21 resented students.

22 “(c) REVIEW AND APPROVAL.—Each State plan de-
23 veloped under this section shall be reviewed and approved
24 by the Secretary

1 **“SEC. 796E. USE OF FUNDS.**

2 “(a) IN GENERAL.—A State receiving an implemen-
3 tation grant under this part shall use the funds to carry
4 out any purpose included in the State’s comprehensive
5 State plan described in section 796D.

6 “(b) PROHIBITIONS.—Federal funds made available
7 under this part shall not be used—

8 “(1) to promote any lender’s loans;

9 “(2) to supplement or supplant Federal, State,
10 or institutional financial aid; or

11 “(3) compensate for a decrease in State appro-
12 priations for higher education.

13 “(c) SUFFICIENT PROGRESS.—If the Secretary deter-
14 mines, by the end of the third year of the grant, that a
15 State receiving an implementation grant under this part
16 is not making substantial progress on meeting the require-
17 ments of the comprehensive State plan under section
18 796D and meeting the performance measures and targets
19 described in section 796D(b)(2), the Secretary—

20 “(1) shall cancel the grant; and

21 “(2) may use any funds returned or made avail-
22 able due to a cancellation under paragraph (1) to—

23 “(A) increase other grant awards under
24 this part; or

25 “(B) award new grants to other eligible en-
26 tities under this part.

1 **“SEC. 796F. MATCHING AND OTHER FINANCIAL REQUIRE-**
2 **MENTS.**

3 “(a) MATCHING REQUIREMENTS.—

4 “(1) IN GENERAL.—A State receiving a grant
5 under this part shall provide matching funds toward
6 the costs of the grant in the amount applicable
7 under paragraph (2).

8 “(2) AMOUNT OF MATCHING FUNDS.—The
9 matching funds required under this paragraph shall
10 be an amount equal to—

11 “(A) in the case of a planning grant, 20
12 percent of the amount of the grant for each
13 year of the grant; and

14 “(B) in the case of an implementation
15 grant—

16 “(i) 20 percent of such costs for the
17 first year of the grant;

18 “(ii) 30 percent of such costs for the
19 second year of the grant;

20 “(iii) 40 percent of such costs for the
21 third year of the grant;

22 “(iv) 50 percent of such costs for the
23 fourth year the grant; and

24 “(v) 60 percent of such for the fifth
25 year of the grant.

1 “(3) IN CASH OR IN-KIND.—Matching funds
2 provided under this subsection shall be from non-
3 Federal sources and may be provided in cash or in-
4 kind.

5 “(b) SUPPLEMENT NOT SUPPLANT.—Federal fund-
6 ing provided under this part shall be used to supplement
7 and not supplant other Federal, State, or institutional re-
8 sources that would otherwise be expended to carry out the
9 activities described in this part.

10 “(c) MAINTENANCE OF EFFORT.—

11 “(1) IN GENERAL.—With respect to each fiscal
12 year for which a State receives a grant under this
13 part, the State will maintain State support for pub-
14 lic institutions of higher education (excluding sup-
15 port for capital projects, for research and develop-
16 ment, and for tuition and fees paid by students) at
17 least at the level of such support for the previous fis-
18 cal year.

19 “(2) FINANCIAL HARDSHIP WAIVER.—A State
20 may apply to the Secretary for a waiver of, and the
21 Secretary may waive, the requirements of paragraph
22 (1) if the State is experiencing a financial hardship
23 due to a natural disaster, unforeseen decline in the
24 financial resources of the State, or other exceptional
25 or uncontrollable circumstances.

1 **“SEC. 796G. PERFORMANCE MEASURES.**

2 “The Secretary shall establish performance measures
3 for the programs and activities carried out under grants
4 awarded under this part prior to awarding grants under
5 this part. The Secretary shall ensure that such measures
6 are made available to potential applicants prior to seeking
7 applications for grants under this section.

8 **“SEC. 796H. REPORTS; EVALUATIONS.**

9 “(a) REPORTS.—

10 “(1) IMPLEMENTATION GRANTS.—A State that
11 receives an implementation grant under this part
12 shall submit to the Secretary, at such time and in
13 such manner as the Secretary may require, an an-
14 nual report including, at a minimum—

15 “(A) data on the State’s progress in
16 achieving the targets for the annual perform-
17 ance measures established under section 796G;
18 and

19 “(B) a description of the challenges the
20 State has faced in carrying out the implementa-
21 tion grant under this part, and how the State
22 has addressed, or plans to address, such chal-
23 lenges.

24 “(2) PLANNING GRANTS.—A State that receives
25 a planning grant under this part shall submit to the
26 Secretary, at such time and in such manner as the

1 Secretary may require, a report that includes a copy
2 of the State plan developed under the grant.

3 “(b) EVALUATION.—The Secretary shall—

4 “(1) acting through the Director of the Insti-
5 tute of Education Sciences, evaluate the implementa-
6 tion and impact of activities supported under this
7 part; and

8 “(2) disseminate research on best practices.

9 **“SEC. 796I. AUTHORIZATION OF APPROPRIATIONS.**

10 “There are authorized to be appropriated to carry out
11 this part such sums as may be necessary for fiscal year
12 2015 and each of the following 4 fiscal years.”.

13 **TITLE VIII—ADDITIONAL**
14 **PROGRAMS**

15 **SEC. 801. REORGANIZATION.**

16 Title VIII (20 U.S.C. 1161 et seq.) is amended—

17 (1) by striking parts E, H, I, K, M, N, O, R,
18 U, V, X, and Y;

19 (2) by redesignating parts F, G, J, L, P, Q, S,
20 T, W, Z, and AA as parts E, F, G, H, I, J, K, L,
21 M, N, and O, respectively; and

22 (3) by redesignating sections 851, 861, 872,
23 873, 892, 895, 897, and 898 as sections 831, 836,
24 841, 846, 851, 856, 861, and 862, respectively.

1 **SEC. 802. AUTHORIZATION OF APPROPRIATIONS FOR**
2 **PROJECT GRAD.**

3 Section 801(i) (20 U.S.C. 1161a(i)) is amended by
4 striking “2009” and inserting “2015”.

5 **SEC. 803. AUTHORIZATION OF APPROPRIATIONS FOR THE**
6 **MATHEMATICS AND SCIENCE SCHOLARS**
7 **PROGRAM.**

8 Section 802(f) (20 U.S.C. 1161b(f)) is amended by
9 striking “2009” and inserting “2015”.

10 **SEC. 804. COMMUNITY COLLEGE AND INDUSTRY PARTNER-**
11 **SHIPS PROGRAM.**

12 Part C of title VIII (20 U.S.C. 1161c et seq.) is
13 amended to read as follows:

14 **“PART C—COMMUNITY COLLEGE AND INDUSTRY**
15 **PARTNERSHIPS PROGRAM**

16 **“SEC. 803. DEFINITIONS.**

17 “In this part:

18 “(1) **COMMUNITY COLLEGE.**—The term ‘com-
19 munity college’ means a public institution of higher
20 education as defined in section 102 of the Higher
21 Education Act, where the highest degree offered is
22 predominantly the associate’s degree.

23 “(2) **LOCAL BOARD.**—The term ‘local board’
24 has the meaning given the term in section 3 of the
25 Workforce Innovation and Opportunity Act.

1 “(3) NONTRADITIONAL STUDENT.—The term
2 ‘nontraditional student’ means a student who is a
3 low-income student and—

4 “(A) who is an independent student, as de-
5 fined in section 480(d), or is an individual with
6 a disability as defined in section 3 of the Ameri-
7 cans with Disabilities Act of 1990 (42 U.S.C.
8 12102);

9 “(B) who attends an institution of higher
10 education—

11 “(i) on less than a full-time basis;

12 “(ii) via evening, weekend, modular,
13 or compressed courses; or

14 “(iii) via distance education methods;

15 and

16 “(C) who—

17 “(i) enrolled for the first time in an
18 institution of higher education 3 or more
19 years after completing secondary school; or

20 “(ii) is employed for not less than 25
21 hours per week.

22 “(4) RECOGNIZED POSTSECONDARY CREDEN-
23 TIAL.—The term ‘recognized postsecondary creden-
24 tial’ means a credential consisting of—

1 “(A) an industry-recognized certificate or
2 certification;

3 “(B) a certificate of completion of an ap-
4 prenticeship registered under the Act of August
5 16, 1937 (commonly known as the ‘National
6 Apprenticeship Act’; 50 Stat. 664, chapter 663;
7 29 U.S.C. 50 et seq.), referred to as a ‘reg-
8 istered apprenticeship’ for the purpose of this
9 part;

10 “(C) a license recognized by the State in-
11 volved or the Federal Government; or

12 “(D) an associate’s or baccalaureate de-
13 gree.

14 “(5) SECRETARIES.—The term ‘Secretaries’
15 means the Secretary of Education and the Secretary
16 of Labor.

17 “(6) STATE BOARD.—The term ‘State board’
18 has the meaning given the term in section 3 of the
19 Workforce Innovation and Opportunity Act.

20 **“SEC. 803A. COMMUNITY COLLEGE AND INDUSTRY PART-**
21 **NERSHIPS PROGRAM.**

22 “(a) GRANTS AUTHORIZED.—From funds appro-
23 priated under section 803C, the Secretaries, in accordance
24 with the interagency agreement described in section 803B,
25 shall award competitive grants to eligible entities described

1 in subsection (b) for the purpose of developing, offering,
2 improving, or providing educational or career training pro-
3 grams.

4 “(b) ELIGIBLE ENTITY.—

5 “(1) PARTNERSHIPS WITH EMPLOYERS OR AN
6 EMPLOYER OR INDUSTRY PARTNERSHIP.—In order
7 to be eligible for a grant under this section, an enti-
8 ty shall—

9 “(A) be—

10 “(i) a community college that will use
11 funds provided under this section for ac-
12 tivities at the certificate and associate’s de-
13 gree levels;

14 “(ii) a 4-year public institution of
15 higher education that offers 2-year de-
16 grees, and that will use funds provided
17 under this section for activities at the cer-
18 tificate and associate’s degree levels;

19 “(iii) a Tribal College or University
20 (as defined in section 316(b));

21 “(iv) a public or private nonprofit 2-
22 year institution of higher education (as de-
23 fined in section 102) in the Commonwealth
24 of Puerto Rico, Guam, the United States
25 Virgin Islands, American Samoa, the Com-

1 monwealth of the Northern Mariana Is-
2 lands, or any of the Freely Associated
3 States; or

4 “(v) a consortium of entities described
5 in any of clauses (i) through (iv); and

6 “(B) for purposes of the grant, be in part-
7 nership with—

8 “(i) an employer; or

9 “(ii) an industry partnership rep-
10 resenting multiple employers.

11 “(2) ADDITIONAL PARTNERS.—

12 “(A) AUTHORIZATION OF ADDITIONAL
13 PARTNERS.—In addition to partnering with an
14 entity described in paragraph (1)(B), an entity
15 described in paragraph (1)(A) may include in
16 the partnership 1 or more of the following enti-
17 ties:

18 “(i) An adult education provider or
19 institution of higher education.

20 “(ii) A community-based organization
21 with demonstrated expertise in serving
22 non-traditional students or providing edu-
23 cation and training to workers or discon-
24 nected youth.

1 “(iii) A joint labor-management part-
2 nership.

3 “(iv) A State board or local board.

4 “(v) Any other organization that the
5 Secretaries consider appropriate.

6 “(B) COLLABORATION WITH STATE AND
7 LOCAL BOARDS.—An eligible entity shall col-
8 laborate with the State board or local board, as
9 appropriate, in the area served by the eligible
10 entity.

11 “(c) APPLICATION.—An eligible entity seeking a
12 grant under this section shall submit an application to the
13 Secretaries at such time and containing such information
14 as the Secretaries determine is required, including a de-
15 tailed description of—

16 “(1) the specific educational or career training
17 program that the eligible entity proposes and how
18 the program meets the criteria established under
19 subsection (d), including the manner in which the
20 grant will be used to develop, offer, improve, or pro-
21 vide the educational or career training program;

22 “(2) the extent to which the program will meet
23 the educational or career training needs of workers
24 in the area served by the eligible entity;

1 “(3) the extent to which the program will meet
2 the skill needs of employers in the area for workers
3 in in-demand industry sectors and occupations;

4 “(4) the extent to which the proposed program
5 fits within any overall strategic plan regarding edu-
6 cation and training developed by the eligible entity;

7 “(5)(A) any previous experience of the eligible
8 entity in providing educational or career training
9 programs, including the use of research-based mod-
10 els to provide such programs; or

11 “(B) in the case of an eligible entity without
12 previous experience, a detailed description of how
13 the entity will carry out the activities required under
14 the grant, including the research-based model the
15 entity plans to use to provide such programs;

16 “(6) the recognized postsecondary credentials
17 that participants in the proposed educational or ca-
18 reer training program will obtain, and how the pro-
19 gram meets quality criteria for programs leading to
20 such credentials, as established by the Governor of
21 a State in which at least 1 of the entities described
22 in subsection (b)(1)(A) that comprise the eligible en-
23 tity is located;

1 “(7) how the eligible entity will sustain the edu-
2 cational or career training program after the end of
3 grant period;

4 “(8) how any educational or career training
5 program developed under this grant will be coordi-
6 nated with existing education and training pro-
7 grams, as of the date of the application, in the rel-
8 evant State and region that are supported by Fed-
9 eral, State, or other funds; and

10 “(9) how the eligible entity will measure the
11 performance of, and evaluate, the educational or ca-
12 reer training program to be supported by this grant,
13 including the performance outcomes to be used by
14 the eligible entity and an assurance that such entity
15 will provide the information requested by the Secre-
16 taries for evaluations and reports under subsection
17 (f).

18 “(d) CRITERIA FOR AWARD.—

19 “(1) IN GENERAL.—Grants under this section
20 shall be awarded based on criteria established by the
21 Secretaries that include the following:

22 “(A) A determination of the merits of the
23 proposal, in each application, to develop, offer,
24 improve, or provide an educational or career
25 training program. In making such a determina-

1 tion, the Secretaries shall not automatically dis-
2 qualify an eligible entity because of the absence
3 of previous experience described in subsection
4 (c)(5)(A).

5 “(B) An assessment of the current and
6 projected employment opportunities available
7 (as of the date of the application) in the area
8 to individuals who complete an educational or
9 career training program that the eligible entity
10 proposes to develop, offer, improve, or provide.

11 “(C) An assessment of prior demand for
12 training programs by individuals eligible for
13 training and served by the eligible entity, as
14 well as availability and capacity of existing (as
15 of the date of the assessment) training pro-
16 grams to meet future demand for training pro-
17 grams.

18 “(2) PRIORITY.—In awarding grants under this
19 section, the Secretaries shall give priority to eligible
20 entities that—

21 “(A) are in a partnership with an employer
22 or an industry partnership that—

23 “(i) agrees to pay a portion of the
24 costs for participants of educational or ca-

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1 reer training programs supported under
2 the grant; or

3 “(ii) agrees to hire individuals who
4 have attained a recognized postsecondary
5 credential resulting from the educational or
6 career training program supported under
7 the grant;

8 “(B) enter into a partnership with a labor
9 organization, labor-management training pro-
10 gram, or registered apprenticeship program, to
11 provide, through the educational or career
12 training program, technical expertise for occu-
13 pationally specific education necessary for a rec-
14 ognized postsecondary credential leading to a
15 skilled occupation in an in-demand industry sec-
16 tor;

17 “(C) demonstrate a partnership with a
18 State board or local board, as appropriate;

19 “(D) are focused on serving individuals
20 with barriers to employment, youth who are
21 out-of-school or not in the workforce, low-in-
22 come, nontraditional students, students who are
23 dislocated workers, students who are veterans,
24 or students who are long-term unemployed;

1 “(E) include community colleges serving
2 areas with high unemployment rates, including
3 rural areas and areas with high unemployment
4 rates for youth;

5 “(F) are eligible entities that include an
6 institution of higher education eligible for as-
7 sistance under title III or V; or

8 “(G) are in a partnership, with an em-
9 ployer or industry partnership, that increases
10 domestic production of goods, such as advanced
11 manufacturing or production of clean energy
12 technology.

13 “(e) USE OF FUNDS.—Grant funds awarded under
14 this section shall be used for 1 or more of the following:

15 “(1) The development, offering, improvement,
16 or provision of educational or career training pro-
17 grams that—

18 “(A) provide relevant job training for occu-
19 pations that will meet the needs of employers in
20 in-demand industry sectors; and

21 “(B) may include registered apprenticeship
22 programs, on-the-job training programs, and
23 programs that support employers in upgrading
24 the skills of their workforce.

1 “(2) The development and implementation of
2 policies and programs to expand opportunities for
3 students to earn a recognized postsecondary creden-
4 tial, including a degree, in in-demand industry sec-
5 tors or occupations, including by—

6 “(A) facilitating the transfer of academic
7 credits between institutions of higher education
8 in the State, including the transfer of academic
9 credits for courses in the same field of study;

10 “(B) expanding articulation agreements
11 and policies that guarantee transfers between
12 such institutions, including through common
13 course numbering and use of a general core
14 curriculum; and

15 “(C) developing or enhancing student sup-
16 port services programs.

17 “(3) The creation or enhancement of programs
18 that provide a sequence or integration of education
19 and occupational training that leads to a recognized
20 postsecondary credential, including a degree, includ-
21 ing programs that—

22 “(A) provide adult education and literacy
23 activities concurrently and contextually with oc-
24 cupational training, and support services for

1 participants, which may include such activities
2 and services provided along a career pathway;

3 “(B) facilitate means of transitioning par-
4 ticipants from non-credit occupational, adult
5 education, or developmental coursework to for-
6 credit coursework within and across institu-
7 tions;

8 “(C) build or enhance linkages, including
9 the development of dual enrollment programs
10 and early college high schools, between sec-
11 ondary education or adult education programs
12 (including programs established under the Carl
13 D. Perkins Career and Technical Education Act
14 of 2006 (20 U.S.C. 2301 et seq.) and the Adult
15 Education and Family Literacy Act (20 U.S.C.
16 9201 et seq.));

17 “(D) are innovative programs designed to
18 increase the provision of training for students,
19 including students who are members of the Na-
20 tional Guard or Reserves, to enter occupations
21 in in-demand industry sectors; or

22 “(E) support paid internships that will
23 allow students to simultaneously earn postsec-
24 ondary credit and gain relevant employment ex-
25 perience in an in-demand industry sector or oc-

1 cupation through work-based learning, which
2 shall include opportunities that transition indi-
3 viduals into employment.

4 “(4) The support of skills consortia in an in-de-
5 mand industry sector that will identify pressing
6 workforce needs and develop solutions such as—

7 “(A) standardizing industry certifications;

8 “(B) developing new training technologies;

9 and

10 “(C) collaborating with industry employers

11 to define and describe how specific skills lead to
12 particular jobs and career opportunities.

13 “(f) EVALUATIONS AND REPORTS.—

14 “(1) ANNUAL REPORTS TO SECRETARIES.—

15 “(A) IN GENERAL.—Each eligible entity
16 receiving a grant under this section shall sub-
17 mit to the Secretaries an annual report regard-
18 ing the activities carried out under the grant,
19 including the progress made by the educational
20 or career training program with respect to the
21 performance outcomes described in subsection
22 (c)(9) and any other information the Secre-
23 taries may require.

24 “(B) DISAGGREGATION.—The data pro-
25 vided to the Secretaries in accordance with this

1 subsection shall be disaggregated by, at a min-
2 imum, race, ethnicity, and eligibility to receive
3 a Federal Pell Grant, except that such
4 disaggregation shall not be required when the
5 number of participants in a category is insuffi-
6 cient to yield statistically reliable information or
7 when the results would reveal personally identi-
8 fiable information about an individual partici-
9 pant.

10 “(2) EVALUATIONS.—The Secretaries shall, di-
11 rectly or by contract, conduct an annual evaluation
12 of the grant program carried out under this section,
13 which will include a determination of the progress
14 made by each educational or career training pro-
15 gram supported by the grant with respect to the per-
16 formance outcomes described in subsection (c)(9),
17 using the reports provided by the eligible entities
18 under paragraph (1) and any other information that
19 the Secretaries request from the eligible entities for
20 purposes of the evaluation.

21 “(3) REPORTS TO CONGRESS.—The Secretaries
22 shall jointly develop and submit a biennial report to
23 the authorizing committees regarding the grants
24 awarded under this section and the outcomes of such
25 grants, including the progress made by each edu-

1 cational or career training program supported under
2 such grant with respect to the performance outcomes
3 described in subsection (c)(9) and the results of the
4 evaluations described in paragraph (2).

5 **“SEC. 803B. INTERAGENCY AGREEMENT.**

6 “(a) IN GENERAL.—The Secretary of Labor and the
7 Secretary of Education shall jointly develop policies for the
8 administration of this part in accordance with such terms
9 as the Secretaries shall set forth in an interagency agree-
10 ment. Such interagency agreement, at a minimum, shall
11 include a description of the respective roles and respon-
12 sibilities of the Secretaries in carrying out this part (both
13 jointly and separately), including—

14 “(1) how the funds available under this part
15 will be obligated and disbursed and compliance with
16 applicable laws (including regulations) will be en-
17 sured, as well as how the recipients of the grants
18 will be selected and monitored;

19 “(2) how evaluations and research will be con-
20 ducted on the effectiveness of grants awarded under
21 this part in addressing the education and employ-
22 ment needs of workers, and employers;

23 “(3) how technical assistance will be provided
24 to applicants and grant recipients;

1 “(4) how information will be disseminated, in-
2 cluding through electronic means, on best practices
3 and effective strategies and service delivery models
4 for activities carried out under this part; and

5 “(5) how policies and processes critical to the
6 successful achievement of the education, training,
7 and employment goals of this part will be estab-
8 lished.

9 “(b) **TRANSFER AUTHORITY.**—The Secretary of
10 Labor and the Secretary of Education shall have the au-
11 thority to transfer funds between the Department of
12 Labor and the Department of Education to carry out this
13 part in accordance with the agreement described in sub-
14 section (a).

15 **“SEC. 803C. AUTHORIZATION OF APPROPRIATIONS.**

16 “‘There are authorized to be appropriated such sums
17 as may be necessary to carry out this part for fiscal year
18 2015 and each of the 4 succeeding fiscal years.’”.

19 **SEC. 805. AUTHORIZATION OF APPROPRIATIONS FOR CA-
20 PACITY FOR NURSING STUDENTS AND FAC-
21 ULTY.**

22 Section 804(f) (20 U.S.C. 1161d(f)) is amended by
23 striking “2009” and inserting “2015”.

1 **SEC. 806. AUTHORIZATION OF APPROPRIATIONS FOR**
2 **TEACH FOR AMERICA.**

3 Section 806(f) (20 U.S.C. 1161f)(f) is amended by
4 striking paragraph (1) and inserting the following:

5 “(1) IN GENERAL.—For the purpose of car-
6 rying out this section, there are authorized to be ap-
7 propriated such sums as may be necessary for fiscal
8 year 2015 and each of the five succeeding fiscal
9 years.”.

10 **SEC. 807. AUTHORIZATION OF APPROPRIATIONS FOR THE**
11 **PATSY T. MINK FELLOWSHIP PROGRAM.**

12 Section 807(f) (20 U.S.C. 1161g(f))is amended by
13 striking “2009” and inserting “2015”.

14 **SEC. 808. AUTHORIZATION OF APPROPRIATIONS FOR IM-**
15 **PROVING SCIENCE, TECHNOLOGY, ENGI-**
16 **NEERING, AND MATHEMATICS EDUCATION**
17 **WITH A FOCUS ON ALASKA NATIVE AND NA-**
18 **TIVE HAWAIIAN STUDENTS.**

19 Section 819(i) (20 U.S.C. 1161j(i)) is amended by
20 striking “2009” and inserting “2015”.

21 **SEC. 809. AUTHORIZATION OF APPROPRIATIONS FOR STU-**
22 **DENT SAFETY AND CAMPUS EMERGENCY**
23 **MANAGEMENT.**

24 Section 821(f) (20 U.S.C. 1161l(f)) is amended by
25 striking “2009” and inserting “2015”.

1 **SEC. 810. AUTHORIZATION OF APPROPRIATIONS FOR THE**
2 **EDUCATION DISASTER AND EMERGENCY RE-**
3 **LIEF PROGRAM.**

4 Section 824(i) (20 U.S.C. 11611–3(i)) is amended by
5 striking “2009” and inserting “2015”.

6 **SEC. 811. AUTHORIZATION OF APPROPRIATIONS FOR THE**
7 **JOBS TO CAREERS PROGRAM.**

8 Section 831(j), as redesignated by paragraph (3) of
9 section 801, (20 U.S.C. 1161p(j)) is amended by striking
10 “2009” and inserting “2015”.

11 **SEC. 812. AUTHORIZATION OF APPROPRIATIONS FOR**
12 **RURAL DEVELOPMENT GRANTS FOR RURAL-**
13 **SERVING COLLEGES AND UNIVERSITIES.**

14 Section 861(g), as redesignated by paragraph (3) of
15 section 801, (20 U.S.C. 1161q(g)) is amended by striking
16 “2009” and inserting “2015”.

17 **SEC. 813. AUTHORIZATION OF APPROPRIATIONS FOR**
18 **TRAINING FOR REALTIME WRITERS.**

19 Section 841(e), as redesignated by paragraph (3) of
20 section 801, (20 U.S.C. 1161s(e)) is amended by striking
21 “2009” and inserting “2015”.

1 **SEC. 814. AUTHORIZATION OF APPROPRIATIONS FOR CEN-**
2 **TERS OF EXCELLENCE FOR VETERAN STU-**
3 **DENT SUCCESS.**

4 Section 846(f), as redesignated by paragraph (3) of
5 section 801, (20 U.S.C. 1161t(f)) is amended by striking
6 “2009” and inserting “2015”.

7 **SEC. 815. AUTHORIZATION OF APPROPRIATIONS FOR PATH**
8 **TO SUCCESS.**

9 Section 851(g), as redesignated by paragraph (3) of
10 section 801, (20 U.S.C. 1161w(g)) is amended by striking
11 “2009” and inserting “2015”.

12 **SEC. 816. AUTHORIZATION OF APPROPRIATIONS FOR THE**
13 **HENRY KUUALOHA GIUGNI KUPUNA MEMO-**
14 **RIAL ARCHIVES.**

15 Section 856(c), as redesignated by paragraph (3) of
16 section 801, (20 U.S.C. 1161z(c)) is amended by striking
17 “2009” and inserting “2015”.

18 **SEC. 817. APPROPRIATIONS FOR MASTERS DEGREE PRO-**
19 **GRAMS.**

20 Section 861 as redesignated by paragraph (3) of sec-
21 tion 801, (20 U.S.C. 1161aa) is amended by striking
22 “\$11,500,000 for fiscal year 2009” and inserting “such
23 sums as may be necessary for fiscal year 2015”.

1 **SEC. 818. APPROPRIATIONS FOR POSTBACCALAUREATE**
2 **PROGRAMS.**

3 Section 862 as redesignated by paragraph (3) of sec-
4 tion 801, (20 U.S.C. 1161aa–1) is amended by striking
5 “\$11,500,000 for fiscal year 2009” and inserting “such
6 sums as may be necessary for fiscal year 2015”.

7 **SEC. 819. TYLER CLEMENTI PROGRAM.**

8 Title VIII (20 U.S.C. 1161 et seq.), as amended by
9 section 801, is further amended by adding at the end the
10 following:

11 **“PART P—TYLER CLEMENTI PROGRAM**

12 **“SEC. 864. TYLER CLEMENTI PROGRAM.**

13 “(a) DEFINITIONS.—In this section:

14 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-
15 tity’ means—

16 “(A) an institution of higher education, in-
17 cluding an institution of higher education in a
18 collaborative partnership with a nonprofit orga-
19 nization; or

20 “(B) a consortium of institutions of higher
21 education located in the same State.

22 “(2) HARASSMENT.—The term ‘harassment’
23 has the meaning given the term in section
24 485(f)(6)(A).

25 “(b) PROGRAM AUTHORIZED.—The Secretary is au-
26 thorized to award grants, on a competitive basis, to eligible

1 entities to enable eligible entities to carry out the author-
2 ized activities described in subsection (d).

3 “(c) AMOUNT OF GRANT AWARDS.—The Secretary
4 shall ensure that each grant awarded under this section
5 is of sufficient amount to enable the grantee to meet the
6 purpose of this section.

7 “(d) AUTHORIZED ACTIVITIES.—An eligible entity
8 that receives a grant under this section shall use the funds
9 made available through the grant to address 1 or more
10 of the types of harassment listed in section
11 485(f)(6)(A)(vi) by initiating, expanding, or improving
12 programs—

13 “(1) to prevent the harassment of students at
14 institutions of higher education;

15 “(2) at institutions of higher education that
16 provide counseling or redress services to students
17 who have suffered such harassment or students who
18 have been accused of subjecting other students to
19 such harassment; or

20 “(3) that educate or train students, faculty, or
21 staff of institutions of higher education about ways
22 to prevent harassment or ways to address such har-
23 assment if it occurs.

24 “(e) APPLICATION.—To be eligible to receive a grant
25 under this section, an eligible entity shall submit an appli-

1 cation to the Secretary at such time, in such manner, and
2 containing such information, as the Secretary may re-
3 quire.

4 “(f) DURATION; RENEWAL.—A grant under this sec-
5 tion shall be awarded for a period of not more than 3
6 years. The Secretary may renew a grant under this section
7 for 1 additional period of not more than 2 years.

8 “(g) AWARD CONSIDERATIONS.—In awarding a
9 grant under this section, the Secretary shall select eligible
10 entities that demonstrate the greatest need for a grant
11 and the greatest potential benefit from receipt of a grant.

12 “(h) REPORT AND EVALUATION.—

13 “(1) EVALUATION AND REPORT TO THE SEC-
14 RETARY.—Not later than 6 months after the end of
15 the eligible entity’s grant period, the eligible entity
16 shall—

17 “(A) evaluate the effectiveness of the ac-
18 tivities carried out with the use of funds award-
19 ed pursuant to this section in decreasing har-
20 assment and improving tolerance; and

21 “(B) prepare and submit to the Secretary
22 a report on the results of the evaluation con-
23 ducted by the entity.

24 “(2) EVALUATION AND REPORT TO CON-
25 GRESS.—Not later than 12 months after the date of

1 receipt of the first report submitted pursuant to
2 paragraph (1) and annually thereafter, the Secretary
3 shall provide to Congress a report that includes the
4 following:

5 “(A) The number and types of eligible en-
6 tities receiving assistance under this section.

7 “(B) The anti-harassment programs being
8 implemented with assistance under this section
9 and the costs of such programs.

10 “(C) Any other information determined by
11 the Secretary to be useful in evaluating the
12 overall effectiveness of the program established
13 under this section in decreasing incidents of
14 harassment at institutions of higher education.

15 “(3) BEST PRACTICES REPORT.—The Secretary
16 shall use the information provided under paragraph
17 (1) to publish a report of best practices for com-
18 bating harassment at institutions of higher edu-
19 cation. The report shall be made available to all in-
20 stitutions of higher education and other interested
21 parties.

22 “(i) AUTHORIZATION OF APPROPRIATIONS.—There
23 are authorized to be appropriated to carry out this section
24 such sums as may be necessary for fiscal year 2015 and
25 each of the 4 succeeding fiscal years.”.

1 **TITLE IX—HIGHER EDUCATION**
2 **OPPORTUNITIES AND SUP-**
3 **PORTS FOR STUDENTS WITH**
4 **DISABILITIES**

5 **SEC. 901. HIGHER EDUCATION OPPORTUNITIES AND SUP-**
6 **PORTS FOR STUDENTS WITH DISABILITIES.**

7 The Act (20 U.S.C. 1001 et seq.) is amended by add-
8 ing at the end the following:

9 **“TITLE IX—HIGHER EDUCATION**
10 **OPPORTUNITIES AND SUP-**
11 **PORTS FOR STUDENTS WITH**
12 **DISABILITIES**

13 **“PART A—NATIONAL ACTIVITIES**

14 **“SEC. 901. NATIONAL TECHNICAL ASSISTANCE CENTERS**
15 **FOR HIGHER EDUCATION ACCESS.**

16 “(a) PURPOSE.—It is the purpose of this section to
17 provide technical assistance and information—

18 “(1) about the rights and responsibilities of
19 postsecondary students with disabilities under the
20 Americans with Disabilities Act of 1990 (42 U.S.C.
21 12101 et seq.) and the Rehabilitation Act of 1973
22 (29 U.S.C. 701 et seq.); and

23 “(2) to support the recruitment, enrollment, re-
24 tention, graduation, and education of such students.

1 “(b) ADMINISTRATION.—The activities under this
2 section shall be jointly administered by the Office of Post-
3 secondary Education and the Office of Special Education
4 and Rehabilitative Services.

5 “(c) NATIONAL TECHNICAL ASSISTANCE CENTER
6 FOR COLLEGE STUDENTS WITH DISABILITIES AND
7 THEIR FAMILIES.—

8 “(1) IN GENERAL.—From amounts appro-
9 priated to carry out this section, the Secretary shall
10 award a grant to, or enter into a contract or cooper-
11 ative agreement with, an eligible entity to provide
12 for the establishment and support of a National
13 Technical Assistance Center for College Students
14 With Disabilities and Their Families (hereafter re-
15 ferred to as the ‘National Center for Students With
16 Disabilities’). The National Center for Students
17 With Disabilities shall carry out the duties set forth
18 in paragraph (3).

19 “(2) ELIGIBLE ENTITY.—In this subsection, the
20 term ‘eligible entity’ means an institution of higher
21 education, a nonprofit organization, or a partnership
22 of 2 or more such institutions or organizations, with
23 demonstrated expertise in—

24 “(A) the recruitment, enrollment, reten-
25 tion, graduation, and education of students with

1 disabilities, including students with autism
2 spectrum disorder and other developmental dis-
3 abilities, in postsecondary education;

4 “(B) the technical knowledge necessary for
5 the dissemination of information in accessible
6 formats; and

7 “(C) creating and disseminating convenient
8 and credible online resources.

9 “(3) DUTIES.—The National Center for Stu-
10 dents With Disabilities shall provide information and
11 technical assistance to postsecondary students with
12 disabilities and the families of postsecondary stu-
13 dents with disabilities to support students across the
14 broad spectrum of disabilities, including individuals
15 with autism spectrum disorder and other develop-
16 mental disabilities, which may include providing—

17 “(A) information to assist individuals with
18 disabilities who are prospective students of an
19 institution of higher education in planning for
20 postsecondary education while in secondary
21 school, and earlier;

22 “(B) information and technical assist-
23 ance—

24 “(i) including self-advocacy skills, to
25 individualized education program teams (as

1 defined in section 614(d)(1) of the Individ-
2 uals with Disabilities Education Act) for
3 secondary school students with disabilities;
4 and

5 “(ii) to early outreach and student
6 services programs to support students
7 across a broad spectrum of disabilities with
8 the successful transition to postsecondary
9 education;

10 “(C) information on evidence-based sup-
11 ports, services, and accommodations that are
12 available in postsecondary settings, including
13 services such as vocational rehabilitation that
14 are provided by other agencies, and providing
15 information about how to qualify for those serv-
16 ices;

17 “(D) information on student mentoring
18 and networking opportunities for students with
19 disabilities;

20 “(E) information on effective recruitment
21 and transition programs at postsecondary edu-
22 cational institutions; and

23 “(F) information on support (including
24 tuition, as appropriate) for advanced training in
25 a science, technology, engineering, or mathe-

1 matics (including computer science) field, medi-
2 cine, law, or business.

3 “(d) NATIONAL TECHNICAL ASSISTANCE CENTER
4 FOR DISABILITY SUPPORT SERVICES AT INSTITUTIONS
5 OF HIGHER EDUCATION.—

6 “(1) IN GENERAL.—From amounts appro-
7 priated to carry out this section, the Secretary shall
8 award a grant to, or enter into a contract or cooper-
9 ative agreement with, an eligible entity to provide
10 for the establishment and support of a National
11 Technical Assistance Center for Disability Support
12 Services at Institutions of Higher Education (here-
13 after referred to as the ‘National Center for Institu-
14 tions of Higher Education’). The National Center
15 for Institutions of Higher Education shall carry out
16 the duties set forth in paragraph (3).

17 “(2) ELIGIBLE ENTITY.—In this subsection, the
18 term ‘eligible entity’ means an institution of higher
19 education, a nonprofit organization, or a partnership
20 of 2 or more such institutions or organizations, with
21 demonstrated expertise in—

22 “(A) the recruitment, enrollment, reten-
23 tion, graduation, and education of students with
24 disabilities in postsecondary education, includ-

1 ing students with autism spectrum disorder and
2 other developmental disabilities;

3 “(B) supporting faculty and understanding
4 best practices in working with students with
5 disabilities, including students with autism
6 spectrum disorder and other developmental dis-
7 abilities;

8 “(C) technical knowledge necessary for the
9 dissemination of information in accessible for-
10 mats; and

11 “(D) identifying instructional strategies
12 that are effective for students with disabilities,
13 including students with autism spectrum dis-
14 order and other developmental disabilities.

15 “(3) DUTIES.—The National Center for Insti-
16 tutions of Higher Education shall provide informa-
17 tion and technical assistance to faculty, staff, and
18 administrators of institutions of higher education to
19 improve the services provided to, the accommoda-
20 tions for, the retention rates of, and the completion
21 rates of, students with disabilities, including stu-
22 dents with autism spectrum disorder and other de-
23 velopmental disabilities, in higher education settings,
24 which may include—

1 “(A) collecting, developing, and dissemi-
2 nating quality indicators and best and prom-
3 ising practices and materials for accommo-
4 dating and supporting students with disabilities;

5 “(B) training and supporting students
6 with disabilities to enhance and support their
7 self-advocacy skills;

8 “(C) promoting awareness of, and the use
9 of, assistive technology and augmentative com-
10 munication in postsecondary education settings;

11 “(D) developing and providing training
12 modules for higher education faculty and staff
13 on exemplary practices for accommodating and
14 supporting postsecondary students with disabil-
15 ities across a range of academic fields, which
16 may include universal design for learning;

17 “(E) developing technology-based tutorials
18 for higher education faculty and staff, including
19 new faculty and graduate students, on evidence-
20 based best and promising practices related to
21 support and retention of students with disabil-
22 ities in postsecondary education;

23 “(F) developing and providing training and
24 technical assistance for faculty and staff of in-
25 stitutions of higher education on emerging evi-

1 ative agreement with, an eligible entity to provide
2 for the establishment and support of a National
3 Data Center on Higher Education and Disability (in
4 this part referred to as the ‘National Data Center’).
5 The National Data Center shall carry out the duties
6 set forth in paragraph (4).

7 “(2) ADMINISTRATION.—The program under
8 this section shall be jointly administered by the Of-
9 fice of Postsecondary Education and the Office of
10 Special Education and Rehabilitative Services.

11 “(3) ELIGIBLE ENTITY.—In this section, the
12 term ‘eligible entity’ means an institution of higher
13 education, a nonprofit organization, or a partnership
14 of 2 or more such institutions or organizations, with
15 demonstrated expertise in—

16 “(A) supporting students with disabilities
17 in postsecondary education;

18 “(B) technical knowledge necessary for the
19 dissemination of information in accessible for-
20 mats; and

21 “(C) working with diverse types of institu-
22 tions of higher education, including community
23 colleges.

24 “(4) DUTIES.—The duties of the National Data
25 Center shall include the following:

1 “(A) INFORMATION COLLECTION AND DIS-
2 SEMINATION.—

3 “(i) DATABASE.—The National Data
4 Center shall be responsible for using the
5 data submitted in accordance with section
6 903—

7 “(I) to build, maintain, and up-
8 date a database of information about
9 disability support services provided by
10 institutions of higher education; or

11 “(II) to expand and update any
12 existing database containing such in-
13 formation.

14 “(ii) CONTENTS OF DATABASE.—The
15 database described in clause (i) shall con-
16 tain de-identified, individual student-level
17 data for every student who discloses the
18 student’s disability to, and seeks disability
19 accommodations from, the institution of
20 higher education that the student attends,
21 including—

22 “(I) the student’s disability cat-
23 egory described in section 903(a);

24 “(II) the supports and accom-
25 modations provided to the student;

692

1 “(cc) policies on accom-
2 modations for students with dis-
3 abilities; and

4 “(dd) accessible instruc-
5 tional materials;

6 “(II) regularly updated reports
7 regarding the students with disabil-
8 ities who sought disability accom-
9 modations through the institution’s
10 disability support services office, in-
11 cluding information about the services
12 received by such students;

13 “(III) other information relevant
14 to students with disabilities, as deter-
15 mined by the Secretary; and

16 “(IV) the information described
17 in subparagraphs (A) through (D) of
18 paragraph (5).

19 “(iv) WEBSITE.—The National Data
20 Center shall make available to the general
21 public, through a website that is built to
22 high technical standards of accessibility
23 practicable for the broad spectrum of indi-
24 viduals with disabilities—

1 “(I) the data described in clause
2 (ii), aggregated at the institution
3 level;

4 “(II) the information described in
5 clause (iii); and

6 “(III) links to information about
7 student financial aid, including Fed-
8 eral and institutional student aid.

9 “(B) DISABILITY SUPPORT SERVICES.—

10 The National Data Center shall work with or-
11 ganizations and individuals that have proven ex-
12 pertise related to disability support services for
13 postsecondary students with disabilities to
14 evaluate, improve, and disseminate information
15 related to the delivery of high-quality disability
16 support services at institutions of higher edu-
17 cation.

18 “(5) REVIEW AND REPORT.—Not later than 3
19 years after the establishment of the National Data
20 Center, and every 2 years thereafter, the National
21 Center shall prepare and disseminate a report to the
22 Secretary and the authorizing committees of Con-
23 gress analyzing the condition of postsecondary serv-
24 ices and success for students with disabilities. Such
25 report shall include—

1 “(A) a review of the activities and the ef-
2 fectiveness of the programs authorized under
3 this part;

4 “(B) annual enrollment, retention, and
5 graduation rates of students with disabilities in
6 institutions of higher education that receive
7 funds under title IV, disaggregated by disability
8 according to the categories established under
9 section 903(a) (unless disaggregation results in
10 possible identification of a student);

11 “(C) recommendations for effective post-
12 secondary supports and services for students
13 with disabilities, and how such supports and
14 services may be widely implemented at institu-
15 tions of higher education;

16 “(D) recommendations on reducing bar-
17 riers to full participation for students with dis-
18 abilities in higher education; and

19 “(E) a description of disability support
20 services and strategies with a demonstrated
21 record of effectiveness in improving the success
22 of such students in postsecondary education.

23 “(6) STAFFING OF THE NATIONAL DATA CEN-
24 TER.—In hiring employees of the National Data
25 Center, the National Data Center shall consider the

1 expertise and experience of prospective employees in
2 creating and maintaining high quality national data-
3 bases focused on the experiences and outcomes of in-
4 dividuals with disabilities.

5 **“SEC. 903. REQUIREMENT FOR SUBMITTING DATA TO THE**
6 **NATIONAL DATA CENTER.**

7 “(a) **DISABILITY CATEGORIES.**—The National Data
8 Center, the National Center for Students With Disabil-
9 ities, and the National Center for Institutions of Higher
10 Education shall adopt the following categories to describe
11 data collected, analyzed, and disseminated about students
12 with disabilities:

13 “(1) Attention Deficit Hyperactivity Disorder
14 (ADHD).

15 “(2) Autism, including Asperger Syndrome.

16 “(3) Blind or visually impaired.

17 “(4) Brain Injury, including acquired brain in-
18 jury and traumatic brain injury.

19 “(5) Deaf or hard of hearing.

20 “(6) Deaf-blind.

21 “(7) Intellectual disability.

22 “(8) Learning disability.

23 “(9) Long-term health condition.

24 “(10) Physical or mobility disability.

25 “(11) Psychiatric disability.

1 “(12) Speech or language disability.

2 “(13) Other disability.

3 “(b) DATA TO BE SUBMITTED.—Each institution of
4 higher education that receives funds under title IV shall
5 collect and submit the following data to the National Data
6 Center:

7 “(1) The institution’s disability documentation
8 requirements.

9 “(2) The support services available at the insti-
10 tution.

11 “(3) Links to information about institutional fi-
12 nancial aid.

13 “(4) The institution’s accommodations policies.

14 “(5) The institution’s accessible instructional
15 materials.

16 “(6) Individual-level, de-identified data describ-
17 ing services and accommodations provided to stu-
18 dents with disabilities, as well as the retention and
19 graduation rates of students with disabilities who
20 sought disability services and accommodations from
21 the institution of higher education.

22 “(7) The institution’s annual budget devoted to
23 providing disability supports, services, and accom-
24 modations.

1 “(8) Other information relevant to students
2 with disabilities, as required by the Secretary.

3 “(c) DISAGGREGATION OF DATA.—Institutions of
4 higher education submitting the data required under sub-
5 section (b) shall collect, organize, and submit such data
6 in a way that supports disaggregation by the disability cat-
7 egories specified in subsection (a).

8 “(d) PUBLIC AVAILABILITY OF DATA.—All data sub-
9 mitted to the National Data Center by institutions of
10 higher education in accordance with subsection (b) shall
11 be made available to the public not later than 1 year after
12 that data is submitted to the National Data Center.

13 **“PART B—TRANSITION PROGRAMS FOR**
14 **POSTSECONDARY STUDENTS WITH DISABILITIES**
15 **“Subpart 1—Inclusive Higher Education for Students**
16 **With Intellectual Disabilities**

17 **“SEC. 911. PURPOSE; DEFINITIONS.**

18 “(a) PURPOSE.—It is the purpose of this subpart to
19 promote the successful transition of students with intellec-
20 tual disabilities into higher education that leads to suc-
21 cessful employment outcomes in the integrated, competi-
22 tive workforce.

23 “(b) DEFINITIONS.—In this subpart:

24 “(1) INCLUSIVE HIGHER EDUCATION PROGRAM
25 FOR STUDENTS WITH INTELLECTUAL DISABIL-

1 ITIES.—The term ‘inclusive higher education pro-
2 gram for students with intellectual disabilities’
3 means a degree, certificate, or non-degree program
4 that—

5 “(A) is offered by an institution of higher
6 education;

7 “(B) is designed to support students with
8 intellectual disabilities who are seeking to con-
9 tinue academic, career and technical, or inde-
10 pendent living instruction at an institution of
11 higher education in order to prepare for com-
12 petitive integrated employment;

13 “(C) includes an advisement component
14 and program of study;

15 “(D) requires students with intellectual
16 disabilities to participate in work-based training
17 or internships with nondisabled individuals; and

18 “(E) requires students with intellectual
19 disabilities to participate, on not less than a
20 half-time basis, each academic term (as deter-
21 mined by the institution), with such participa-
22 tion focusing on academic components and oc-
23 ccurring through one or more of the following
24 activities:

1 “(i) Regular enrollment in credit-bear-
2 ing courses with nondisabled students of-
3 fered by the institution.

4 “(ii) Auditing or participating in
5 courses with nondisabled students offered
6 by the institution for which the student
7 does not receive regular academic credit.

8 “(iii) Enrollment in noncredit-bearing,
9 nondegree courses with nondisabled stu-
10 dents.

11 “(2) STUDENT WITH AN INTELLECTUAL DIS-
12 ABILITY.—The term ‘student with an intellectual
13 disability’ means a student—

14 “(A) with a cognitive impairment, charac-
15 terized by significant limitations in—

16 “(i) intellectual and cognitive func-
17 tioning; and

18 “(ii) adaptive behavior as expressed in
19 conceptual, social, and practical adaptive
20 skills; and

21 “(B) who is currently, or was formerly, eli-
22 gible for a free appropriate public education
23 under the Individuals with Disabilities Edu-
24 cation Act.

1 **“SEC. 912. INCLUSIVE HIGHER EDUCATION PROGRAM FOR**
2 **STUDENTS WITH INTELLECTUAL DISABIL-**
3 **ITIES.**

4 “(a) GRANTS AUTHORIZED.—

5 “(1) IN GENERAL.—From amounts appro-
6 priated to carry out this section, the Secretary shall
7 annually award grants, on a competitive basis, to in-
8 stitutions of higher education (or consortia of insti-
9 tutions of higher education), to enable the institu-
10 tions or consortia to create or expand high quality,
11 inclusive higher education programs for students
12 with intellectual disabilities. The Secretary shall
13 award grants under this section in a manner that
14 ensures that new 5-year grants are awarded each
15 fiscal year.

16 “(2) ADMINISTRATION.—The program under
17 this section shall be administered by the Office of
18 Postsecondary Education, in collaboration with the
19 Office of Special Education and Rehabilitative Serv-
20 ices.

21 “(3) DURATION OF GRANTS.—A grant under
22 this section shall be awarded for a period of 5 years.
23 An institution of higher education (or a consortium)
24 is only eligible for one 5-year grant under this sec-
25 tion. A recipient institution or consortium shall sus-
26 tain the program carried out under this section after

1 the expiration of the grant period using funding
2 from another source.

3 “(b) APPLICATION.—An institution of higher edu-
4 cation (or a consortium) desiring a grant under this sec-
5 tion shall submit an application to the Secretary at such
6 time, in such manner, and containing such information as
7 the Secretary may require.

8 “(c) AWARD BASIS.—In awarding grants under this
9 section, the Secretary shall—

10 “(1) prohibit grantees from the 2010–2014
11 grant cycle under this section from competing for
12 the 2014–2018 grant cycle, in order to generate a
13 larger number of self-sustaining inclusive higher
14 education programs for students with intellectual
15 disabilities across the United States;

16 “(2) provide for an equitable geographic dis-
17 tribution of such grants;

18 “(3) to the greatest extent possible, provide for
19 an equitable distribution of such grants between 4-
20 year institutions of higher education and 2-year in-
21 stitutions of higher education, including community
22 colleges;

23 “(4) provide grant funds for inclusive higher
24 education programs for students with intellectual

1 disabilities that will serve areas that are underserved
2 by programs of this type; and

3 “(5) give preference to applicants that agree to
4 incorporate into the inclusive higher education pro-
5 grams for students with intellectual disabilities car-
6 ried out under the grant, 1 or more of the following
7 elements:

8 “(A) The formation of a partnership with
9 any relevant State or local agency serving stu-
10 dents with intellectual disabilities, such as a vo-
11 cational rehabilitation agency.

12 “(B) In the case of an institution of higher
13 education that provides institutionally owned or
14 operated housing for students attending the in-
15 stitution, the integration of students with intel-
16 lectual disabilities into the housing offered to
17 nondisabled students.

18 “(C) The involvement of students attend-
19 ing the institution of higher education who are
20 studying special education, general education,
21 vocational rehabilitation, assistive technology, or
22 related fields in the program.

23 “(d) USE OF FUNDS.—An institution of higher edu-
24 cation (or a consortium) receiving a grant under this sec-
25 tion shall use the grant funds to establish an inclusive

1 higher education program for students with intellectual
2 disabilities that—

3 “(1) serves students with intellectual disabil-
4 ities;

5 “(2) provides individual supports and services
6 for the academic and social inclusion of students
7 with intellectual disabilities in academic courses, ex-
8 tracurricular activities, and other aspects of the in-
9 stitution of higher education’s regular postsecondary
10 program;

11 “(3) with respect to the students with intellec-
12 tual disabilities participating in the program, pro-
13 vides a focus on—

14 “(A) academic enrichment;

15 “(B) integrated socialization with non-
16 disabled students;

17 “(C) independent living skills, including
18 self-advocacy skills; and

19 “(D) integrated work experiences and ca-
20 reer skills that lead to competitive integrated
21 employment;

22 “(4) provides integrated person-centered plan-
23 ning in the development of the course of study for
24 each student with an intellectual disability partici-
25 pating in the program;

1 “(5) participates with the inclusive higher edu-
2 cation programs for students with intellectual dis-
3 abilities coordinating center established under sec-
4 tion 913 (referred to in this part as the ‘coordi-
5 nating center’) in the evaluation of the program, in-
6 cluding by regularly submitting data on the experi-
7 ences and outcomes of individual students partici-
8 pating in the program;

9 “(6) partners with 1 or more local educational
10 agencies to support students with intellectual disabil-
11 ities participating in the program who are still eligi-
12 ble for special education and related services under
13 the Individuals with Disabilities Education Act, in-
14 cluding the use of funds available under part B of
15 such Act to support the participation of such stu-
16 dents in the program;

17 “(7) plans for the sustainability of the program
18 after the end of the grant period;

19 “(8) offers an existing meaningful credential to
20 students with intellectual disabilities upon comple-
21 tion of the inclusive program, or, if such credentials
22 are not available, creates a meaningful credential
23 that aligns with existing industry or discipline ap-
24 proved credentials to students with intellectual dis-
25 abilities upon completion of the program; and

1 “(9) provides for the collection and trans-
2 mission of data in accordance with subsection (e).

3 “(e) DATA COLLECTION AND TRANSITION.—

4 “(1) IN GENERAL.—An institution or consor-
5 tium receiving a grant under this section shall col-
6 lect, and transmit to the coordinating center on an
7 annual basis and for each student who is enrolled in
8 the program, student-level information related to the
9 experiences and outcomes of students who partici-
10 pate in the inclusive higher education program for
11 students with intellectual disabilities.

12 “(2) LONGITUDINAL DATA.—Each grantee shall
13 collect longitudinal outcome data from former stu-
14 dents who participated in the program and transmit
15 such data to the coordinating center. Such longitu-
16 dinal data shall be collected for every student each
17 year for 5 years after the student graduates from,
18 or otherwise exits, the program.

19 “(3) DATA TO BE COLLECTED.—The program-
20 level information and data and student-level infor-
21 mation and data to be collected under this sub-
22 section shall include—

23 “(A) the number and type of postsec-
24 ondary education courses taken and completed
25 by the student;

1 “(B) academic outcomes;

2 “(C) competitive, integrated employment
3 outcomes;

4 “(D) independent living outcomes; and

5 “(E) social outcomes.

6 “(f) MATCHING REQUIREMENT.—An institution of
7 higher education (or consortium) that receives a grant
8 under this section shall provide matching funds toward the
9 costs of the inclusive higher education program for stu-
10 dents with intellectual disabilities carried out under the
11 grant. Such matching funds may be provided in cash or
12 in-kind, and shall be in an amount of not less than 25
13 percent of the amount of such costs.

14 “(g) REPORT.—Not later than 5 years after the date
15 of the first grant awarded under this section, the Sec-
16 retary shall prepare and disseminate a report to the au-
17 thorizing committees and to the public that—

18 “(1) reviews the activities of the inclusive high-
19 er education programs for students with intellectual
20 disabilities funded under this section; and

21 “(2) provides guidance and recommendations
22 on how effective programs can be replicated.

23 “(h) RULE OF CONSTRUCTION.—Nothing in this sub-
24 part shall be construed to reduce or expand—

1 “(1) the obligation of a State or local edu-
2 cational agency to provide a free appropriate public
3 education, as defined in section 602 of the Individ-
4 uals with Disabilities Education Act; or

5 “(2) eligibility requirements under any Federal,
6 State, or local disability law, including the Ameri-
7 cans with Disabilities Act of 1990 (42 U.S.C. 12101
8 et seq.), the Rehabilitation Act of 1973 (29 U.S.C.
9 701 et seq.), or the Developmental Disabilities As-
10 sistance and Bill of Rights Act of 2000 (42 U.S.C.
11 15001 et seq.).

12 “(i) AUTHORIZATION OF APPROPRIATIONS AND RES-
13 ERVATION.—

14 “(1) AUTHORIZATION OF APPROPRIATIONS.—
15 There are authorized to be appropriated to carry out
16 this subpart such sums as may be necessary for fis-
17 cal year 2015 and each of the 5 succeeding fiscal
18 years.

19 “(2) RESERVATION OF FUNDS.—For any fiscal
20 year for which appropriations are made for this sub-
21 part, the Secretary shall reserve funds to enter into
22 a cooperative agreement to establish the coordi-
23 nating center under section 913(b), in an amount
24 that is not less than \$1,000,000. Not less than 40
25 percent of this sum shall be used for the administra-

1 tion of continued collection of data from inclusive
2 higher education programs for students with intellec-
3 tual disabilities grantees, and the dissemination ef-
4 forts of such grantees, from earlier grant cycles.

5 **“SEC. 913. COORDINATING CENTER FOR THE INCLUSIVE**
6 **HIGHER EDUCATION PROGRAMS FOR STU-**
7 **DENTS WITH INTELLECTUAL DISABILITIES.**

8 “(a) DEFINITION OF ELIGIBLE ENTITY.—In this
9 subsection, the term ‘eligible entity’ means an entity, or
10 a partnership of entities, that has demonstrated expertise
11 in—

12 “(1) higher education;

13 “(2) the education of students with intellectual
14 disabilities;

15 “(3) the development of inclusive higher edu-
16 cation programs for students with intellectual dis-
17 abilities; and

18 “(4) evaluation and technical assistance.

19 “(b) IN GENERAL.—From amounts appropriated
20 under section 912(i)(2), the Secretary shall enter into a
21 cooperative agreement with an eligible entity (determined
22 on a competitive basis) for the purpose of establishing a
23 coordinating center for institutions of higher education
24 that offer inclusive higher education programs for stu-
25 dents with intellectual disabilities (referred to in this sec-

1 tion as ‘inclusive higher education programs’). The coordi-
2 nating center shall carry out the activities described in
3 subsection (e) and shall provide—

4 “(1) recommendations related to the develop-
5 ment of standards for inclusive higher education
6 programs;

7 “(2) technical assistance for such programs;
8 and

9 “(3) evaluations for such programs, including
10 systematic collection of data on the experiences and
11 outcomes of individuals with intellectual disabilities.

12 “(c) ADMINISTRATION.—The program under this sec-
13 tion shall be administered by the Office of Postsecondary
14 Education, in collaboration with the Office of Special Edu-
15 cation and Rehabilitative Services.

16 “(d) DURATION.—The Secretary shall enter into a
17 cooperative agreement, as described in subsection (b) for
18 a period of 5 years.

19 “(e) COORDINATING CENTER ACTIVITIES.—The co-
20 ordinating center established under subsection (b) shall
21 carry out the following activities:

22 “(1) Evaluating participant progress by cre-
23 ating and maintaining a database of student-level in-
24 formation and data related to the experiences and
25 outcomes of youth who participate in each inclusive

1 higher education program that receives a grant
2 under this subpart. The program and student-level
3 information and data that the coordinating center
4 will collect and maintain in the database shall in-
5 clude the information described in section 912(e)(3).

6 “(2) Creating and maintaining a mechanism for
7 continuing to collect outcome information from stu-
8 dents who participated in inclusive higher education
9 programs that were developed in previous grant
10 award cycles.

11 “(3) Creating and maintaining a mechanism for
12 collaborating with highly integrated, inclusive higher
13 education programs from earlier grant cycles, with
14 the purpose of disseminating and publicizing best
15 practices for implementing such programs.

16 “(4) Serving as the technical assistance entity
17 for all inclusive higher education programs for stu-
18 dents with intellectual disabilities, including by pro-
19 viding technical assistance regarding the develop-
20 ment, evaluation, and continuous improvement of
21 such programs.

22 “(5) Developing an evaluation protocol for in-
23 clusive higher education programs that includes
24 qualitative and quantitative methodologies for meas-

1 uring student outcomes and program strengths in
2 the areas of—

3 “(A) inclusive academics;

4 “(B) socialization;

5 “(C) independent living; and

6 “(D) the achievement of competitive, inte-
7 grated employment.

8 “(6) Assisting recipients of a grant under this
9 subpart in efforts to consider how to ensure their
10 meaningful credentials align with existing approved
11 credentials and to seek institution of higher edu-
12 cation approval for any newly developed credentials.

13 “(7) Developing recommendations for the nec-
14 essary components of such programs, such as—

15 “(A) the development of academic, voca-
16 tional, social, and independent living skills;

17 “(B) program administration and evalua-
18 tion;

19 “(C) student eligibility; and

20 “(D) issues regarding the equivalency of a
21 student’s participation in such programs to se-
22 mester, trimester, quarter, credit, or clock
23 hours at an institution of higher education, as
24 the case may be.

1 “(8) Analyzing possible funding streams for in-
2 clusive higher education programs and providing rec-
3 ommendations regarding those funding streams.

4 “(9) Developing model memoranda of agree-
5 ment for use between or among institutions of high-
6 er education and State and local agencies providing
7 funding for such programs.

8 “(10) Developing mechanisms for regular com-
9 munication, outreach, and dissemination of informa-
10 tion about inclusive higher education programs re-
11 ceiving a grant under this subpart between or among
12 such programs and to families and prospective stu-
13 dents who may wish to participate in such programs.

14 “(11) Hosting a meeting of all grant recipients
15 not less often than once each year.

16 “(12) Convening a workgroup to—

17 “(A) develop and recommend model cri-
18 teria, standards, and components of such pro-
19 grams, that are appropriate for the development
20 of accreditation standards, that shall include—

21 “(i) an expert in higher education;

22 “(ii) an expert in special education;

23 “(iii) a disability organization that
24 represents students with intellectual dis-
25 abilities;

1 “(b) DEFINITIONS.—In this subpart:

2 “(1) COMPREHENSIVE TRANSITION AND POST-
3 SECONDARY PROGRAM FOR STUDENTS WHO ARE
4 DEAF-BLIND.—The term ‘comprehensive transition
5 and postsecondary program for students who are
6 deaf-blind’ means a degree, certificate, or nondegree
7 program of postsecondary education that—

8 “(A) is offered by an institution of higher
9 education;

10 “(B) is designed to support students who
11 are deaf-blind and who are seeking to continue
12 academic, career and technical, and inde-
13 pendent living instruction at an institution of
14 higher education in order to prepare for com-
15 petitive integrated employment;

16 “(C) includes an advising and curriculum
17 structure;

18 “(D) requires students who are deaf-blind
19 to participate in internships or work-based
20 training in competitive, integrated workplace
21 settings with nondisabled individuals; and

22 “(E) requires students who are deaf-blind
23 to participate in the program on not less than
24 a half-time basis, as determined by the institu-
25 tion, with such participation focusing on aca-

1 demic components and occurring through 1 or
2 more of the following activities:

3 “(i) Regular enrollment in credit-bear-
4 ing courses with nondisabled students of-
5 fered by the institution.

6 “(ii) Auditing or participating in
7 courses with nondisabled students offered
8 by the institution for which the student
9 does not receive regular academic credit.

10 “(iii) Enrollment in noncredit-bearing,
11 nondegree courses with nondisabled stu-
12 dents.

13 “(2) INSTITUTION OF HIGHER EDUCATION.—
14 The term ‘institution of higher education’ has the
15 meaning given the term in section 101(a).

16 “(3) STUDENT WHO IS DEAF-BLIND.—The term
17 ‘student who is deaf-blind’ means a student—

18 “(A)(i) who has a central visual acuity of
19 20/200 or less in the better eye with corrective
20 lenses, or a field defect such that the peripheral
21 diameter of visual field subtends an angular
22 distance no greater than 20 degrees, or a pro-
23 gressive visual loss having a prognosis leading
24 to one or both these conditions;

1 “(ii) who has a chronic hearing impair-
2 ment so severe that most speech cannot be un-
3 derstood with optimum amplification, or a pro-
4 gressive hearing loss having a prognosis leading
5 to this condition; and

6 “(iii) for whom the combination of impair-
7 ments described in clauses (i) and (ii) cause ex-
8 treme difficulty in attaining independence in
9 daily life activities, achieving psychosocial ad-
10 justment, or obtaining a vocation; or

11 “(B) who despite the inability to be meas-
12 ured accurately for hearing and vision loss due
13 to cognitive or behavioral constraints, can be
14 determined through functional and performance
15 assessments to have severe hearing and visual
16 disabilities that cause extreme difficulty in at-
17 taining independence in daily life activities,
18 achieving psychosocial adjustment, or obtaining
19 a vocation.

20 **“SEC. 922. MODEL COMPREHENSIVE TRANSITION AND**
21 **POSTSECONDARY PROGRAMS FOR STUDENTS**
22 **WHO ARE DEAF-BLIND.**

23 “(a) GRANTS AUTHORIZED.—

24 “(1) IN GENERAL.—From amounts appro-
25 priated under section 951 and not reserved under

1 section 923(c), the Secretary shall annually award
2 grants, on a competitive basis, to institutions of
3 higher education, or consortia of institutions of high-
4 er education, to enable the institutions or consortia
5 to create or expand high quality, inclusive model
6 comprehensive transition and postsecondary pro-
7 grams for students who are deaf-blind. The Sec-
8 retary shall award grants under this section in a
9 manner that ensures that new 5-year grants are
10 awarded each fiscal year.

11 “(2) ADMINISTRATION.—The program under
12 this section shall be administered by the Office of
13 Postsecondary Education, in collaboration with the
14 Office of Special Education and Rehabilitative Serv-
15 ices.

16 “(3) DURATION OF GRANTS.—A grant under
17 this section shall be awarded for a period of 5 years.
18 An institution of higher education (or a consortium
19 of such institutions) is eligible for only one 5-year
20 grant under this program.

21 “(b) APPLICATION.—An institution of higher edu-
22 cation (or a consortium of such institutions) desiring a
23 grant under this section shall submit an application to the
24 Secretary at such time, in such manner, and containing
25 such information as the Secretary may require. Such in-

1 formation shall include a demonstration of how the insti-
2 tution or consortium intends to sustain the program after
3 the end of the grant period, including an identification of
4 other sources of funds for the program.

5 “(c) AWARD BASIS.—In awarding grants under this
6 section, the Secretary shall—

7 “(1) provide for an equitable geographic dis-
8 tribution of such grants;

9 “(2) provide for an equitable distribution of
10 such grants between 4-year degree-granting and 2-
11 year degree-granting institutions of higher edu-
12 cation;

13 “(3) provide grant funds for model comprehen-
14 sive transition and postsecondary programs for stu-
15 dents who are deaf-blind that will serve areas that
16 are underserved by programs of this type; and

17 “(4) give preference to applications that agree
18 to incorporate, into the model comprehensive transi-
19 tion and postsecondary program for students who
20 are deaf-blind carried out under the grant, 1 or
21 more of the following elements:

22 “(A) The formation of a partnership with
23 any relevant agency serving students who are
24 deaf-blind, such as a vocational rehabilitation
25 agency.

1 “(B) In the case of an institution of higher
2 education that provides institutionally owned or
3 operated housing for students attending the in-
4 stitution, the integration of students who are
5 deaf-blind into the housing offered to non-
6 disabled students.

7 “(C) The involvement of students attend-
8 ing the institution of higher education who are
9 studying special education, general education,
10 vocational rehabilitation, assistive technology, or
11 related fields in the model program.

12 “(d) USE OF FUNDS.—An institution of higher edu-
13 cation (or consortium of such institutions) receiving a
14 grant under this section shall use the grant funds to estab-
15 lish a model comprehensive transition and postsecondary
16 program for students who are deaf-blind that—

17 “(1) provides individual supports and services
18 for the academic and social inclusion of students
19 who are deaf-blind in academic courses, extra-
20 curricular activities, and other aspects of the institu-
21 tion of higher education’s regular postsecondary pro-
22 gram;

23 “(2) with respect to the students who are deaf-
24 blind and who are participating in the model pro-
25 gram, provides a focus on—

1 “(A) academic enrichment;

2 “(B) integrated socialization with non-
3 disabled students;

4 “(C) independent living skills, including
5 self-advocacy skills; and

6 “(D) integrated work experiences and ca-
7 reer skills that lead to competitive integrated
8 employment;

9 “(3) provides integrated individual-centered
10 planning in the development of the course of study
11 for each student who is deaf-blind participating in
12 the model program;

13 “(4) participates with the coordinating center
14 established under section 923 in the evaluation of
15 the model program, including regular submission of
16 data on the experiences and outcomes of individual
17 students participating in the program;

18 “(5) partners with 1 or more local educational
19 agencies to support students who are deaf-blind par-
20 ticipating in the model program who are still eligible
21 for special education and related services under the
22 Individuals with Disabilities Education Act, includ-
23 ing the use of funds available under part B of such
24 Act to support the participation of such students in
25 the model program;

1 “(6) plans for the sustainability of the model
2 program after the end of the grant period;

3 “(7) creates and offers a meaningful credential
4 for students who are deaf-blind upon the completion
5 of the model program; and

6 “(8) provides for the collection and trans-
7 mission of data in accordance with subsection (e).

8 “(e) DATA COLLECTION.—

9 “(1) IN GENERAL.—An institution of higher
10 education (or consortium of such institutions) receiv-
11 ing a grant under this section shall collect and
12 transmit to the coordinating center established
13 under section 923, on an annual basis, student in-
14 formation related to the experiences and outcomes of
15 each student who participates in the comprehensive
16 transition and postsecondary program for students
17 who are deaf-blind.

18 “(2) LONGITUDINAL DATA.—In addition to the
19 requirements of paragraph (1), each institution of
20 higher education (or consortium of such institutions)
21 shall implement a mechanism by which the institu-
22 tion or consortium will collect longitudinal outcomes
23 data from former students who participate in the
24 comprehensive transition and postsecondary program
25 supported under this section, and transmit that data

1 to the coordinating center established under section
2 923. Such longitudinal data shall be collected for
3 every student for the 5 years after the student grad-
4 uates from, or otherwise exits, the program.

5 “(3) DATA TO BE COLLECTED.—The student
6 information to be collected and transmitted under
7 this subsection shall include—

8 “(A) the number and type of postsec-
9 ondary education courses taken and completed
10 by the student;

11 “(B) academic outcomes;

12 “(C) competitive, integrated employment
13 outcomes;

14 “(D) independent living outcomes; and

15 “(E) social outcomes.

16 “(f) MATCHING REQUIREMENT.—An institution of
17 higher education (or consortium of such institutions) that
18 receives a grant under this section shall provide matching
19 funds toward the cost of the model comprehensive transi-
20 tion and postsecondary program for students who are
21 deaf-blind carried out under the grant. Such matching
22 funds may be provided in cash or in-kind, and shall be
23 in an amount of not less than 25 percent of the amount
24 of such costs.

1 “(g) REPORT.—Not later than 5 years after the date
2 of the first grant awarded under this section, the Sec-
3 retary shall prepare and disseminate a report to the au-
4 thorizing committees and to the public that—

5 “(1) reviews the activities of the model com-
6 prehensive transition and postsecondary programs
7 for students who are deaf-blind that receive funds
8 under this section; and

9 “(2) provides guidance and recommendations
10 on how effective model programs can be replicated.

11 “(h) RULE OF CONSTRUCTION.—Nothing in this sec-
12 tion shall be construed to reduce or expand—

13 “(1) the obligation of a State or local edu-
14 cational agency to provide a free appropriate public
15 education, as defined in section 602 of the Individ-
16 uals with Disabilities Education Act; or

17 “(2) eligibility requirements under any Federal,
18 State, or local disability law, including the Ameri-
19 cans with Disabilities Act of 1990 (42 U.S.C. 12101
20 et seq.), the Rehabilitation Act of 1973 (29 U.S.C.
21 701 et seq.), or the Developmental Disabilities As-
22 sistance and Bill of Rights Act of 2000 (42 U.S.C.
23 15001 et seq.).

1 **“SEC. 923. COORDINATING CENTER FOR THE MODEL COM-**
2 **PREHENSIVE TRANSITION AND POSTSEC-**
3 **ONDARY PROGRAMS FOR STUDENTS WHO**
4 **ARE DEAF-BLIND.**

5 “(a) DEFINITION OF ELIGIBLE ENTITY.—In this sec-
6 tion, the term ‘eligible entity’ means an entity, or a part-
7 nership of entities, that has demonstrated expertise in—

8 “(1) higher education;

9 “(2) the education of students who are deaf-
10 blind;

11 “(3) the development of comprehensive transi-
12 tion and postsecondary programs for students who
13 are deaf-blind; and

14 “(4) evaluation and technical assistance.

15 “(b) IN GENERAL.—From amounts appropriated to
16 carry out this section that are reserved under subsection
17 (c), the Secretary shall enter into a cooperative agreement,
18 on a competitive basis, with an eligible entity for the pur-
19 pose of establishing a coordinating center for institutions
20 of higher education that offer inclusive comprehensive
21 transition and postsecondary programs for students who
22 are deaf-blind (referred to in this section as a ‘coordi-
23 nating center’). The coordinating center shall carry out
24 the activities described in subsection (f) and shall pro-
25 vide—

1 “(1) recommendations related to the develop-
2 ment of standards for such programs;

3 “(2) technical assistance for such programs;
4 and

5 “(3) evaluations for such programs, including
6 systematic collection of data on the experiences and
7 outcomes of individuals who are deaf-blind.

8 “(c) RESERVATION OF FUNDS.—For any fiscal year
9 for which appropriations are made for this subpart in an
10 amount greater than \$10,000,000, the Secretary shall re-
11 serve 4 percent of such funds to carry out this section.
12 For any fiscal year for which appropriations are made for
13 this subpart in an amount that is equal to or less than
14 \$10,000,000, the Secretary shall reserve not less than
15 \$400,000 to carry out this section. Not less than 40 per-
16 cent of the amount reserved under this subsection shall
17 be used for the administration of continued collection of
18 data and dissemination of best practices, as described in
19 paragraphs (2) and (3) of subsection (f).

20 “(d) ADMINISTRATION.—The program under this
21 section shall be administered by the Office of Postsec-
22 ondary Education, in collaboration with the Office of Spe-
23 cial Education and Rehabilitative Services.

24 “(e) DURATION.—A cooperative agreement under
25 this subsection shall be for a period of 5 years.

1 “(f) REQUIREMENTS OF COOPERATIVE AGREE-
2 MENT.—The coordinating center established under sub-
3 section (b) shall carry out the following activities:

4 “(1) Evaluating student progress by creating
5 and maintaining a database of student-level informa-
6 tion related to the experiences and outcomes of
7 youth students who participate in each comprehen-
8 sive transition and postsecondary program for stu-
9 dents who are deaf-blind. The student-level informa-
10 tion and data that the coordinating center will col-
11 lect and maintain in the database shall include the
12 information described in section 922(e)(3).

13 “(2) Creating and maintaining a mechanism for
14 continuing to collect outcomes information from stu-
15 dents participating in comprehensive programs that
16 were developed in previous cycles of the program.

17 “(3) Creating and maintaining a mechanism for
18 collaborating with highly integrated comprehensive
19 programs with the purpose of disseminating and
20 publicizing best practices for implementing com-
21 prehensive transition and postsecondary programs
22 for students who are deaf-blind.

23 “(4) Serving as the technical assistance entity
24 for all comprehensive transition and postsecondary
25 programs for students who are deaf-blind, including

1 by providing technical assistance regarding the de-
2 velopment, evaluation, and continuous improvement
3 of such comprehensive programs.

4 “(5) Developing an evaluation protocol for such
5 programs that includes qualitative and quantitative
6 methodologies for measuring student outcomes and
7 program strengths in the areas of—

8 “(A) academic enrichment;

9 “(B) socialization;

10 “(C) independent living, and

11 “(D) the attainment of competitive or sup-
12 ported employment by students who participate
13 in the program.

14 “(6) Assisting recipients of grants under this
15 subpart in efforts to award a meaningful credential
16 to students who are deaf-blind upon the completion
17 of a comprehensive program, which credential shall
18 take into consideration unique State factors.

19 “(7) Developing recommendations for the nec-
20 essary components of such programs, such as—

21 “(A) development of academic, career and
22 technical, social, and independent living skills;

23 “(B) program administration and evalua-
24 tion;

25 “(C) student eligibility; and

1 “(D) issues regarding the equivalency of a
2 student’s participation in such programs to se-
3 mester, trimester, quarter, credit, or clock
4 hours at an institution of higher education, as
5 the case may be.

6 “(8) Analyzing possible funding streams for
7 such programs and providing recommendations re-
8 garding the funding streams.

9 “(9) Developing model memoranda of agree-
10 ment for use between or among institutions of high-
11 er education and State and local agencies providing
12 funding for such programs.

13 “(10) Developing mechanisms for regular com-
14 munication, outreach, and dissemination of informa-
15 tion about comprehensive transition and postsec-
16 ondary programs for students who are deaf-blind
17 that receive funds under section 922 between or
18 among such programs and to families and prospec-
19 tive students.

20 “(11) Hosting a meeting of all recipients of
21 grants under section 922 not less often than once
22 each year.

23 “(12) Convening a workgroup to develop and
24 recommend model criteria, standards, and compo-
25 nents of such programs that are appropriate for the

1 development of accreditation standards. The
2 workgroup shall include—

3 “(A) an expert in higher education;

4 “(B) an expert in special education;

5 “(C) a disability organization that rep-
6 resents students who are deaf-blind;

7 “(D) a representative from the National
8 Advisory Committee on Institutional Quality
9 and Integrity; and

10 “(E) a representative of a regional or na-
11 tional accreditation agency or association.

12 “(g) REPORT.—Not later than 2 years after the date
13 of enactment of the Higher Education Affordability Act,
14 the coordinating center shall report to the Secretary, the
15 authorizing committees, and the National Advisory Com-
16 mittee on Institutional Quality and Integrity on the rec-
17 ommendations of the workgroup described in subsection
18 (f)(12).

19 **“PART C—PROVIDING ACCESSIBLE INSTRUC-**
20 **TIONAL MATERIALS TO STUDENTS WITH DIS-**
21 **ABILITIES ON COLLEGE CAMPUSES**

22 **“SEC. 931. GUIDELINES FOR ACCESSIBLE INSTRUCTIONAL**
23 **MATERIALS.**

24 “(a) PURPOSE.—The purpose of this section is to au-
25 thorize the Architectural and Transportation Barriers

1 Compliance Board (referred to in this section as the ‘Ac-
2 cess Board’) to establish guidelines for accessible instruc-
3 tional materials that will be used in postsecondary edu-
4 cation settings.

5 “(b) IN GENERAL.—Not later than 18 months after
6 the date of enactment of Higher Education Affordability
7 Act, the Access Board (established pursuant to section
8 502 of the Rehabilitation Act of 1973 (29 U.S.C. 792))
9 shall establish guidelines for the accessibility of all instruc-
10 tional materials for students who are attending institu-
11 tions of higher education that receive funds under title IV,
12 including electronic instructional materials and related in-
13 formation technologies. Such guidelines shall—

14 “(1) include performance criteria to ensure that
15 such materials and technologies are accessible to
16 students with disabilities, as defined in section 3 of
17 the Americans with Disabilities Act of 1990 (42
18 U.S.C. 12102); and

19 “(2) if applicable, be consistent with the stand-
20 ards for technical and functional performance cri-
21 teria issued pursuant to section 508(a)(2)(A)(ii) of
22 the Rehabilitation Act of 1973 (29 U.S.C.
23 794d(a)(2)(A)(ii)).

24 “(c) HARMONIZATION WITH NATIONAL AND INTER-
25 NATIONAL STANDARDS.—The Access Board shall, to the

1 extent practicable, ensure that the guidelines established
2 under subsection (b) are consistent with national and
3 international accessibility standards for electronic instruc-
4 tional materials and related information technologies.

5 “(d) REVIEW AND AMENDMENT.—Not later than 3
6 years after the effective date of the guidelines described
7 in subsection (b), and every 3 years thereafter, the Access
8 Board shall review and, as appropriate, amend such guide-
9 lines to reflect technological advances or changes in in-
10 structional materials and related information technologies.

11 “(e) SAFE HARBOR PROTECTIONS.—An institution
12 of higher education that uses instructional materials that
13 comply with the accessibility guidelines described in sub-
14 section (b) shall be deemed to be in compliance with the
15 non-discrimination provisions in section 504 of the Reha-
16 bilitation Act of 1973 (29 U.S.C. 794) and titles II and
17 III of the Americans with Disabilities Act of 1990 (42
18 U.S.C. 12131 et seq., 42 U.S.C. 12181 et seq.) with re-
19 spect to the use of such materials.

20 “(f) NONCOMPLIANT INSTRUCTIONAL MATERIALS.—
21 Nothing in this section shall be construed to require an
22 institution of higher education to use instructional mate-
23 rials that conform to the accessibility guidelines described
24 in subsection (b). If an institution of higher education
25 chooses not to provide materials that conform to the acces-

1 sibility guidelines described in subsection (b), such institu-
2 tion of higher education shall provide an assurance to the
3 Secretary that the institution of higher education will pro-
4 vide instructional materials in a manner that is equally
5 effective, integrated, and timely, and provides for a sub-
6 stantially equivalent ease of use, as compared to the man-
7 ner in which such materials or technologies are provided
8 to non-disabled students.

9 **“SEC. 932. DEMONSTRATION PROGRAM FOR IMPROVED**
10 **POSTSECONDARY INSTRUCTIONAL MATE-**
11 **RIALS IN SPECIALIZED FORMATS.**

12 “(a) PURPOSE.—It is the purpose of this section to
13 support model demonstration programs for the purpose
14 of—

15 “(1) encouraging the development of systems to
16 improve the quality of postsecondary instructional
17 materials in specialized formats;

18 “(2) encouraging the timely delivery of such
19 materials to postsecondary students with print dis-
20 abilities; and

21 “(3) improving efficiency and reducing duplica-
22 tive efforts across multiple institutions of higher
23 education relating to the development and delivery of
24 such materials.

1 “(b) DEFINITION OF ELIGIBLE PARTNERSHIP.—In
2 this section, the term ‘eligible partnership’ means a part-
3 nership that—

4 “(1) shall include—

5 “(A) an institution of higher education
6 with demonstrated expertise in meeting the
7 needs of students with print disabilities, includ-
8 ing the retention of such students in, and such
9 students’ completion of, postsecondary edu-
10 cation; and

11 “(B) a public or private entity, other than
12 an institution of higher education, with—

13 “(i) demonstrated expertise in devel-
14 oping accessible instructional materials in
15 specialized formats for postsecondary stu-
16 dents with print disabilities; and

17 “(ii) the technical development exper-
18 tise necessary for the efficient dissemina-
19 tion of such materials, including proce-
20 dures to protect against copyright infringe-
21 ment with respect to the creation, use, and
22 distribution of instructional materials in
23 specialized formats; and

24 “(2) may include representatives of the pub-
25 lishing industry.

1 “(c) PROGRAM AUTHORIZED.—From amounts appro-
2 priated to carry out this section, the Secretary shall award
3 grants or contracts, on a competitive basis, to not less
4 than 1 eligible partnership to enable the eligible partner-
5 ship to carry out the activities described in subsection (f)
6 and, as applicable, subsection (g).

7 “(d) APPLICATION.—An eligible partnership that de-
8 sires a grant or contract under this section shall submit
9 an application at such time, in such manner, and in such
10 format as the Secretary may prescribe. The application
11 shall include information on how the eligible partnership
12 will implement activities under subsection (f) and, as ap-
13 plicable, subsection (g).

14 “(e) PRIORITY.—In awarding grants or contracts
15 under this section, the Secretary shall give priority to any
16 applications that include a plan for the development and
17 implementation of the procedures and approaches de-
18 scribed in paragraphs (2) and (3) of subsection (g).

19 “(f) REQUIRED ACTIVITIES.—An eligible partnership
20 that receives a grant or contract under this section shall
21 use the grant or contract funds to carry out the following:

22 “(1) Supporting the development and imple-
23 mentation of the following:

24 “(A) Processes and systems to help iden-
25 tify, and verify the eligibility of, postsecondary

1 students with print disabilities in need of in-
2 structional materials in specialized formats.

3 “(B) Procedures and systems to facilitate
4 and simplify the methods through which eligible
5 students described in subparagraph (A) may re-
6 quest accessible instructional materials in spe-
7 cialized formats, which may include a single
8 point-of-entry system.

9 “(C) Procedures and systems to coordinate
10 among institutions of higher education, pub-
11 lishers of instructional materials, and entities
12 that produce materials in specialized formats,
13 to efficiently facilitate—

14 “(i) requests for such materials;

15 “(ii) the responses to such requests;

16 and

17 “(iii) the delivery of such materials.

18 “(D) Delivery systems that will ensure the
19 timely provision of instructional materials in
20 specialized formats to eligible students, which
21 may include electronic file distribution.

22 “(E) Systems to reduce duplicative conver-
23 sions and improve sharing of the same instruc-
24 tional materials in specialized formats for mul-

1 tiple eligible students at multiple institutions of
2 higher education.

3 “(F) Procedures to protect against copy-
4 right infringement with respect to the develop-
5 ment, use, and distribution of instructional ma-
6 terials in specialized formats while maintaining
7 accessibility for eligible students, which may in-
8 clude digital technologies such as watermarking,
9 fingerprinting, and other emerging approaches.

10 “(G) Awareness, outreach, and training ac-
11 tivities for faculty, staff, and students related to
12 the acquisition and dissemination of instruc-
13 tional materials in specialized formats and in-
14 structional materials utilizing universal design.

15 “(2) Providing recommendations on how effec-
16 tive procedures and systems described in paragraph
17 (1) may be disseminated and implemented on a na-
18 tional basis.

19 “(g) AUTHORIZED APPROACHES.—An eligible part-
20 nership that receives a grant or contract under this section
21 may use the grant or contract funds to support the devel-
22 opment and implementation of the following:

23 “(1) Approaches for the provision of instruc-
24 tional materials in specialized formats limited to in-
25 structional materials used in smaller categories of

1 postsecondary courses, such as introductory, first-
2 year courses, and second-year courses.

3 “(2) Approaches supporting a unified search for
4 instructional materials in specialized formats across
5 multiple databases or lists of available materials.

6 “(3) Market-based approaches for making in-
7 structional materials in specialized formats directly
8 available to eligible students at prices comparable to
9 standard instructional materials.

10 “(h) REPORT.—Not later than 3 years after the date
11 that the first grant or contract is awarded under this sec-
12 tion, the Secretary shall submit to the authorizing commit-
13 tees a report that includes—

14 “(1) the number of grants and contracts and
15 the amount of funds distributed under this section;

16 “(2) a summary of the purposes for which the
17 grants and contracts were provided and an evalua-
18 tion of the progress made under such grants and
19 contracts;

20 “(3) a summary of the activities implemented
21 under subsection (f) and, as applicable, subsection
22 (g), including data on the number of postsecondary
23 students with print disabilities served and the num-
24 ber of instructional material requests executed and
25 delivered in specialized formats; and

1 “(4) an evaluation of the effectiveness of pro-
2 grams funded under this section.

3 “(i) REQUIREMENT FOR PRODUCERS OF INSTRUC-
4 TIONAL MATERIALS.—Producers of instructional mate-
5 rials for the postsecondary education market that are in-
6 volved in or affecting interstate commerce, produce such
7 materials for institutions of higher education that receive
8 Federal funds, and incorporate synchronized audio and
9 visual formats (including DVDs, CDs, video, web video,
10 and similar formats) shall provide closed captions or sub-
11 titles.

12 **“PART D—COMMISSION ON SERVING AND SUP-
13 PORTING STUDENTS WITH PSYCHIATRIC DIS-
14 ABILITIES IN INSTITUTIONS OF HIGHER
15 EDUCATION**

16 **“SEC. 941. COMMISSION ON SERVING AND SUPPORTING
17 STUDENTS WITH PSYCHIATRIC DISABILITIES
18 IN INSTITUTIONS OF HIGHER EDUCATION.**

19 “(a) ESTABLISHMENT OF ADVISORY COMMISSION ON
20 SERVING AND SUPPORTING STUDENTS WITH PSY-
21 CHIATRIC DISABILITIES ON COLLEGE CAMPUSES.—

22 “(1) IN GENERAL.—The Secretary shall estab-
23 lish a commission to be known as the Advisory Com-
24 mission on Serving and Supporting Students with
25 Psychiatric Disabilities in Institutions of Higher

1 Education (referred to in this section as the ‘Com-
2 mission’).

3 “(2) MEMBERSHIP.—

4 “(A) TOTAL NUMBER OF MEMBERS.—The
5 Commission shall include not more than 15
6 members, who shall be appointed by the Sec-
7 retary in accordance with subparagraphs (B)
8 and (C).

9 “(B) MEMBERS OF THE COMMISSION.—
10 The Commission members shall include 1 rep-
11 resentative from each of the following cat-
12 egories:

13 “(i) The Office of Postsecondary Edu-
14 cation of the Department.

15 “(ii) The Office of Special Education
16 and Rehabilitative Services of the Depart-
17 ment.

18 “(iii) The Office for Civil Rights of
19 the Department.

20 “(iv) The National Council on Dis-
21 ability.

22 “(v) The Association on Higher Edu-
23 cation and Disability, or a similar organi-
24 zation, as determined by the Secretary.

1 “(vi) The Protection and Advocacy for
2 Individuals with Mental Illness program of
3 the National Disability Rights Network, or
4 a similar program, as determined by the
5 Secretary.

6 “(vii) A national organization rep-
7 resenting postsecondary education students
8 with psychiatric disabilities.

9 “(C) ADDITIONAL MEMBERS OF THE COM-
10 MISSION.—The Commission members shall in-
11 clude 4 representatives from each of the fol-
12 lowing categories:

13 “(i) Staff from institutions of higher
14 education with demonstrated experience in
15 successfully supporting the retention and
16 graduation of students with psychiatric
17 disabilities. With respect to the 4 members
18 appointed under this clause—

19 “(I) 1 member shall be a staff
20 member of a 2-year degree-granting
21 institution and 1 member shall be a
22 staff member from a 4-year degree-
23 granting institution; and

1 “(II) the 4 members selected
2 shall represent institutions of differing
3 sizes.

4 “(ii) Individuals with psychiatric dis-
5 abilities, including not less than 2 cur-
6 rently enrolled postsecondary education
7 students.

8 “(D) TIMING.—The Secretary shall estab-
9 lish the Commission and appoint the members
10 of the Commission not later than 120 days
11 after the date of enactment of the Higher Edu-
12 cation Affordability Act.

13 “(3) CHAIRPERSON AND VICE CHAIRPERSON.—
14 The Commission shall select a chairperson and vice
15 chairperson from among the members of the Com-
16 mission.

17 “(4) MEETINGS.—

18 “(A) IN GENERAL.—The Commission shall
19 meet at the call of the Chairperson.

20 “(B) FIRST MEETING.—Not later than 60
21 days after the appointment of the members of
22 the Commission under paragraph (2), the Com-
23 mission shall hold the Commission’s first meet-
24 ing.

1 “(5) QUORUM.—A majority of the members of
2 the Commission shall constitute a quorum, but a
3 lesser number of members may hold hearings.

4 “(b) DUTIES OF THE COMMISSION.—

5 “(1) STUDY.—

6 “(A) IN GENERAL.—The Commission shall
7 conduct a comprehensive study to—

8 “(i) assess the barriers and systemic
9 issues that may affect, and support- and
10 service-delivery solutions that may im-
11 prove, the rates of retention and gradua-
12 tion for postsecondary students with psy-
13 chiatric disabilities; and

14 “(ii) make recommendations related
15 to the development of a comprehensive ap-
16 proach to improve the opportunities for
17 postsecondary students with psychiatric
18 disabilities to receive services and supports
19 that optimize their rates of retention and
20 graduation.

21 “(B) EXISTING INFORMATION.—To the ex-
22 tent practicable, in carrying out the study
23 under this paragraph, the Commission shall
24 identify and use existing research, recommenda-

1 tions, and information, as of the time of the
2 study.

3 “(C) RECOMMENDATIONS.—Based on the
4 findings of the study under subparagraph (A),
5 the Commission shall develop recommenda-
6 tions—

7 “(i) to inform Federal regulations and
8 legislation regarding the recruitment, re-
9 tention, and support of students with psy-
10 chiatric disabilities at institutions of higher
11 education; and

12 “(ii) to identify best practices for
13 serving and supporting students with psy-
14 chiatric disabilities in postsecondary set-
15 tings, and maintaining the privacy protec-
16 tions provided under the regulations pro-
17 mulgated under section 264(e) of the
18 Health Insurance Portability and Account-
19 ability Act of 1996 (Public Law 104-191;
20 110 Stat. 2033) and section 444 of the
21 General Education Provisions Act (com-
22 monly referred to as the ‘Family Edu-
23 cational Rights and Privacy Act of 1974’).

24 “(2) REPORT.—Not later than 1 year after the
25 first meeting of the Commission, the Commission

1 shall submit a report to the Secretary and the au-
2 thorizing committees describing the findings and
3 recommendations of the study conducted under
4 paragraph (1).

5 “(3) DISSEMINATION OF INFORMATION.—In
6 carrying out the study under paragraph (1), the
7 Commission shall disseminate a final report
8 through—

9 “(A) the National Technical Assistance
10 Centers established under sections 901 and
11 902; and

12 “(B) other means, as determined by the
13 Commission.

14 “(c) TERMINATION OF THE COMMISSION.—The Com-
15 mission shall terminate on the date that is 90 days after
16 the date on which the Commission submits the report
17 under subsection (b)(2) to the Secretary and the author-
18 izing committees.

19 **“PART E—AUTHORIZATION OF APPROPRIATIONS**
20 **“SEC. 951. AUTHORIZATION OF APPROPRIATIONS.**

21 “There are authorized to carry out this title such
22 sums as may be necessary for fiscal year 2015 and each
23 of the 5 succeeding fiscal years.”.

1 **TITLE X—AMENDMENTS TO**
2 **OTHER LAWS**

3 **PART A—TRUTH IN LENDING ACT**

4 **Subpart 1—Definitions**

5 **SEC. 1010. DEFINITIONS.**

6 In this part—

7 (1) the terms “alternative repayment arrange-
8 ment”, “billing group”, “postsecondary education
9 loan”, and “student loan servicer” have the mean-
10 ings given those terms in section 188 of the Truth
11 in Lending Act, as added by section 1016;

12 (2) the term “appropriate committees of Con-
13 gress” means—

14 (A) the Committee on Banking, Housing,
15 and Urban Affairs of the Senate;

16 (B) the Committee on Health, Education,
17 Labor, and Pensions of the Senate;

18 (C) the Committee on Financial Services of
19 the House of Representatives; and

20 (D) the Committee on Education and
21 Workforce of the House of Representatives;

22 (3) the term “Bureau” means the Bureau of
23 Consumer Financial Protection; and

1 (4) the term “private education loan” has the
2 meaning given that term in section 140(a) of the
3 Truth in Lending Act (15 U.S.C. 1650(a)).

4 **Subpart 2—Amendments to Truth in Lending Act**

5 **SEC. 1011. EXEMPTED TRANSACTIONS.**

6 Section 104 of the Truth in Lending Act (15 U.S.C.
7 1603) is amended—

8 (1) in the matter preceding paragraph (1), by
9 striking “This title” and inserting “(a) IN GEN-
10 ERAL.—This title”; and

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

12 “(b) RULE OF CONSTRUCTION.—Nothing in sub-
13 section (a) shall prevent or be construed to prevent the
14 provisions of chapter 6 from applying to any postsec-
15 ondary education lender, loan holder, or student loan
16 servicer (as those terms are defined in section 188).”.

17 **SEC. 1012. MANDATORY CERTIFICATION.**

18 (a) AMENDMENTS.—Section 128(e) of the Truth in
19 Lending Act (15 U.S.C. 1638(e)) is amended—

20 (1) by striking paragraph (3) and inserting the
21 following:

22 “(3) INSTITUTIONAL CERTIFICATION RE-
23 QUIRED.—

24 “(A) IN GENERAL.—Except as provided in
25 subparagraph (B), before a creditor may issue

1 any funds with respect to an extension of credit
2 described in this subsection, the creditor shall
3 obtain from the relevant institution of higher
4 education at which such loan is to be used for
5 a student, such institution's certification of—

6 “(i) the enrollment status of the stu-
7 dent;

8 “(ii) the student's cost of attendance
9 at the institution as determined by the in-
10 stitution under part F of title IV of the
11 Higher Education Act of 1965 (20 U.S.C.
12 1087kk et seq.); and

13 “(iii) the difference between—

14 “(I) such cost of attendance; and

15 “(II) the student's estimated fi-
16 nancial assistance, including financial
17 assistance received under title IV of
18 the Higher Education Act of 1965 (20
19 U.S.C. 1070 et seq.) if the student
20 pursued such assistance, and other fi-
21 nancial assistance known to the insti-
22 tution, as applicable.

23 “(B) LIMITATION ON EXTENSION OF
24 CREDIT.—A creditor shall not issue funds with
25 respect to an extension of credit described in

1 this subsection in an amount that is greater
2 than the amount described in subparagraph
3 (A)(iii).

4 “(C) EXCEPTION.—Notwithstanding sub-
5 paragraph (A), a creditor may issue funds with
6 respect to an extension of credit described in
7 this subsection without obtaining from the rel-
8 evant institution of higher education such insti-
9 tution’s certification if such institution fails to
10 provide within 15 business days of the credi-
11 tor’s request for such certification—

12 “(i) the requested certification;

13 “(ii) a notification of a refusal to cer-
14 tify pursuant to section
15 487(a)(28)(A)(i)(II) of the Higher Edu-
16 cation Act of 1965 (20 U.S.C.
17 1094(a)(28)(A)(i)(II)); or

18 “(iii) notification that the institution
19 has received the request for certification
20 and will need additional time to comply
21 with the certification request.

22 “(D) LOANS DISBURSED WITHOUT CER-
23 TIFICATION.—If a creditor issues funds without
24 obtaining a certification, as described in sub-
25 paragraph (C), such creditor shall report the

1 issuance of such funds in a manner determined
2 by the Director of the Bureau.”;

3 (2) by redesignating paragraphs (9), (10), and
4 (11) as paragraphs (10), (11), and (12), respec-
5 tively;

6 (3) by inserting after paragraph (8) the fol-
7 lowing:

8 “(9) PROVISION OF INFORMATION.—

9 “(A) PROVISION OF INFORMATION TO STU-
10 DENTS.—

11 “(i) LOAN STATEMENT.—A creditor
12 that issues any funds with respect to an
13 extension of credit described in this sub-
14 section shall send loan statements, where
15 such loan is to be used for a student, to
16 borrowers of such funds not less than once
17 every 3 months during the time that such
18 student is enrolled at an institution of
19 higher education.

20 “(ii) CONTENTS OF LOAN STATE-
21 MENT.—Each statement described in
22 clause (i) shall—

23 “(I) report the borrower’s total
24 remaining principal balance, including

1 accrued but unpaid interest and cap-
2 italized interest;

3 “(II) report any increases in the
4 principal balance since the last state-
5 ment; and

6 “(III) list the current interest
7 rate for each loan.

8 “(B) NOTIFICATION OF LOANS DISBURSED
9 WITHOUT CERTIFICATION.—On or before the
10 date a creditor issues any funds with respect to
11 an extension of credit described in this sub-
12 section, the creditor shall notify the relevant in-
13 stitution of higher education, in writing, of the
14 amount of the extension of credit and the stu-
15 dent on whose behalf credit is extended. The
16 form of such written notification shall be sub-
17 ject to the regulations of the Bureau of Con-
18 sumer Financial Protection.

19 “(C) ANNUAL REPORT.—

20 “(i) IN GENERAL.—A creditor that of-
21 fers to issue funds with respect to an ex-
22 tension of credit described in this sub-
23 section shall prepare and submit an annual
24 report to the Bureau of Consumer Finan-
25 cial Protection containing the required in-

1 formation about private education loans
2 described in clause (ii).

3 “(ii) INFORMATION TO BE IN-
4 CLUDED.—Each annual report required
5 under clause (i) shall include the following
6 information:

7 “(I) The number of borrowers
8 who request a private education loan
9 who have not exhausted the financial
10 assistance available under title IV of
11 the Higher Education Act of 1965 (20
12 U.S.C. 1070 et seq.).

13 “(II) The number of borrowers
14 who request a private education loan
15 above the cost of attendance.

16 “(III) The number of borrowers
17 who request a private education loan
18 who have not exhausted their financial
19 assistance available under title IV of
20 the Higher Education Act of 1965 (20
21 U.S.C. 1070 et seq.) who then after
22 the institutional certification process
23 under section 487(a)(28)(A) of the
24 Higher Education Act of 1965 (20
25 U.S.C. 1094(a)(28)(A)) is complete,

1 reduce the amount of their private
2 education loan.

3 “(IV) The number of borrowers
4 who request a private education loan
5 who have not exhausted their financial
6 assistance available under title IV of
7 the Higher Education Act of 1965 (20
8 U.S.C. 1070 et seq.) who then after
9 the institutional certification process
10 under section 487(a)(28)(A) of the
11 Higher Education Act of 1965 (20
12 U.S.C. 1094(a)(28)(A)) is complete,
13 do not take out a private education
14 loan.

15 “(V) Any other information the
16 Bureau of Consumer Financial Pro-
17 tection, in consultation with the Sec-
18 retary of Education, requires.”; and

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

20 “(13) PRIVATE EDUCATION LOAN INFORMATION
21 IN THE NATIONAL STUDENT LOAN DATA SYSTEM.—

22 “(A) INFORMATION FROM LENDER.—Each
23 private educational lender shall submit to the
24 Director of the Bureau and the Secretary of
25 Education for inclusion in the National Student

1 Loan Data System established under section
2 485B of the Higher Education Act of 1965 (20
3 U.S.C. 1092b) such information as may be de-
4 termined necessary by the Director and the
5 Secretary under subparagraph (B).

6 “(B) PROMULGATION OF REGULATION.—
7 Not later than 1 year after the date of enact-
8 ment of the Higher Education Affordability
9 Act, the Director, in coordination with the Sec-
10 retary of Education, shall promulgate a regula-
11 tion regarding the private education loan infor-
12 mation required to be submitted under subpara-
13 graph (A), including what private education
14 loan information shall be required to be sub-
15 mitted and the method and format for submis-
16 sion.

17 “(14) ADDITIONAL ELECTRONIC DISCLO-
18 SURES.—

19 “(A) AVAILABILITY OF AGREEMENTS.—

20 “(i) IN GENERAL.—Each private edu-
21 cational lender shall establish and maintain
22 an Internet site on which the private edu-
23 cational lender shall post the written
24 agreement between the private educational
25 lender and the borrower for each private

1 education loan account. Each private edu-
2 cational lender shall also describe the num-
3 ber of private education loans, along with
4 the average loan amount at the time of
5 disbursement, associated with each private
6 education loan of the borrower.

7 “(ii) PROTECTION OF INDIVIDUAL
8 BORROWER INFORMATION.—A private edu-
9 cational lender may not post individual
10 borrower information on the Internet site
11 established and maintained under clause
12 (i).

13 “(B) PROVISION OF AGREEMENTS TO BU-
14 REAU.—

15 “(i) IN GENERAL.—Each private edu-
16 cational lender shall provide to the Bureau,
17 in electronic format, the private education
18 loan agreements that it publishes on the
19 Internet site of the private educational
20 lender pursuant to subparagraph (A).

21 “(ii) RECORD REPOSITORY.—The Bu-
22 reau shall establish and maintain on the
23 publicly available Internet site of the Bu-
24 reau a central repository of the private
25 education loan agreements received by the

1 Bureau pursuant to clause (i), which shall
2 be easily accessible and retrievable by the
3 public.

4 “(iii) PROTECTION OF INDIVIDUAL
5 BORROWER INFORMATION.—The Bureau
6 may not post individual borrower informa-
7 tion on the Internet site described in
8 clause (ii).

9 “(C) EXCEPTION.—This paragraph does
10 not apply to individually negotiated changes to
11 contractual terms, including individually modi-
12 fied workouts or renegotiations of amounts
13 owed by a borrower under a private educational
14 loan.

15 “(D) REGULATIONS.—The Bureau may, in
16 consultation with the other Federal banking
17 agencies (as that term is defined in section 603
18 of the Truth in Lending Act (15 U.S.C.
19 1681a)), issue regulations to implement this
20 paragraph, including regulations—

21 “(i) specifying the format in which a
22 private educational lender shall publish pri-
23 vate education loan agreements on the
24 Internet site of the private educational
25 lender; and

1 “(ii) establishing exceptions to sub-
2 paragraphs (A) and (B)(i) in any case in
3 which the administrative burden outweighs
4 the benefit of increased transparency, in-
5 cluding when a postsecondary education
6 loan product has a de minimis number of
7 consumer account holders.

8 “(15) PREDISPUTE AGREEMENTS AND WAIV-
9 ERS.—

10 “(A) IN GENERAL.—A borrower may not
11 waive any right or remedy relating to a private
12 education loan that is available to the borrower
13 against a private educational lender, postsec-
14 ondary education lender, loan holder, or student
15 loan servicer (as such terms are defined in sec-
16 tion 188) before the dispute as to which the
17 right or remedy relates arises. Any such waiver
18 agreed to before, on, or after the date of enact-
19 ment of the Higher Education Affordability Act
20 shall not be enforceable and shall have no force
21 or effect.

22 “(B) PREDISPUTE ARBITRATION AGREE-
23 MENTS.—An agreement entered before, on, or
24 after the date of enactment of the Higher Edu-
25 cation Affordability Act to arbitrate a dispute

1 relating to a private education loan that had
2 not arisen at the time the agreement was en-
3 tered shall not be enforceable and shall have no
4 force or effect.

5 “(16) DISCHARGE OF PRIVATE EDUCATION
6 LOANS IN THE EVENT OF DEATH OR DISABILITY OF
7 THE BORROWER.—Each private education loan shall
8 include terms that provide that the liability to repay
9 the loan shall be cancelled—

10 “(A) upon the death of the borrower;

11 “(B) if the borrower becomes permanently
12 and totally disabled, as determined under para-
13 graph (1) or (3) of section 437(a) of the Higher
14 Education Act of 1965 (20 U.S.C. 1087(a))
15 and the regulations promulgated by the Sec-
16 retary of Education under that section; and

17 “(C) if the Secretary of Veterans Affairs
18 or the Secretary of Defense determines that the
19 borrower is unemployable due to a service-con-
20 nected condition or disability, in accordance
21 with the requirements of section 437(a)(2) of
22 that Act and the regulations promulgated by
23 the Secretary of Education under that sec-
24 tion.”.

1 (b) REGULATIONS.—Not later than 1 year after the
2 date of enactment of this Act, the Director of the Bureau
3 of Consumer Financial Protection shall issue final regula-
4 tions implementing paragraphs (3) and (9) of section
5 128(e) of the Truth in Lending Act (15 U.S.C. 1638(e)),
6 as amended by subsection (a). Such regulations shall be-
7 come effective not later than 6 months after their date
8 of issuance.

9 (c) REPORT ON MANDATORY CERTIFICATION.—Not
10 later than 2 years after the issuance of the regulations
11 required under subsection (b), and at any other time de-
12 termined appropriate by the Director of the Bureau of
13 Consumer Financial Protection and the Secretary of Edu-
14 cation jointly, the Director and the Secretary shall jointly
15 submit to Congress a report on the compliance of institu-
16 tions of higher education and private educational lenders
17 with section 128(e)(3) of the Truth in Lending Act (15
18 U.S.C. 1638(e)), as amended by subsection (a), and sec-
19 tion 487(a)(28) of the Higher Education Act of 1965 (20
20 U.S.C. 1094(a)(28)), as amended by section 491(b). Such
21 report shall be based on the annual reports submitted
22 under section 128(e)(9) of the Truth in Lending Act, as
23 amended by subsection (a), and shall include information
24 about the degree to which specific institutions utilize cer-
25 tifications in effectively encouraging the exhaustion of

1 Federal student loan eligibility and lowering student pri-
2 vate education loan debt.

3 **SEC. 1013. CIVIL LIABILITY.**

4 Section 130 of the Truth in Lending Act (15 U.S.C.
5 1640) is amended—

6 (1) in subsection (a)—

7 (A) in the matter preceding paragraph (1),
8 by inserting “and any postsecondary education
9 lender, loan holder, or student loan servicer (as
10 such terms are defined in section 188) who fails
11 to comply with any requirement imposed under
12 chapter 6 with respect to any person” before
13 “is liable to such person”;

14 (B) in paragraph (2)—

15 (i) in subparagraph (A)—

16 (I) by striking “; or (iv)” and in-
17 serting “, or (iv)”;

18 (II) by inserting “, or (v) in the
19 case of a postsecondary education
20 lender, loan holder, or student loan
21 servicer (as such terms are defined in
22 section 188) who fails to comply with
23 any requirement imposed under chap-
24 ter 6, not less than \$400 or greater

760

1 than \$4,000” before the semicolon;

2 and

3 (ii) in subparagraph (B), by inserting

4 “, postsecondary education lender, loan

5 holder, or student loan servicer” after

6 “creditor” each place it appears; and

7 (C) in the matter following paragraph

8 (4)—

9 (i) in the first sentence—

10 (I) by inserting “, postsecondary

11 education lender, loan holder, or stu-

12 dent loan servicer” after “creditor”

13 each place it appears; and

14 (II) by striking “creditor’s fail-

15 ure” and inserting “failure by the

16 creditor, postsecondary education

17 lender, loan holder, or student loan

18 servicer”;

19 (ii) in the fourth sentence, by insert-

20 ing “other than the disclosures required

21 under section 128(e)(12),” after “referred

22 to in section 128,”; and

23 (iii) in the fifth sentence, by inserting

24 “, postsecondary education lender, loan

1 holder, or student loan servicer” after
2 “creditor”;

3 (2) in subsection (c), by striking “creditor or
4 assignee” each place it appears and inserting “cred-
5 itor, assignee, postsecondary education lender, loan
6 holder, or student loan servicer”;

7 (3) in subsection (e), as amended by sections
8 1416(b) and 1422 of the Dodd-Frank Wall Street
9 Reform and Consumer Protection Act (Public Law
10 111–203)—

11 (A) in the second sentence, by inserting
12 “or chapter 6” after “section 129, 129B, or
13 129C”; and

14 (B) in the fourth sentence, by inserting
15 “or chapter 6” after “or 129H”; and

16 (4) in subsection (h)—

17 (A) by striking “creditor or assignee” and
18 inserting “creditor, assignee, postsecondary
19 education lender, loan holder, or student loan
20 servicer”; and

21 (B) by striking “creditor’s or assignee’s li-
22 ability” and inserting “liability of the creditor,
23 assignee, postsecondary education lender, loan
24 holder, or student loan servicer”.

1 **SEC. 1014. DEFINITION OF PRIVATE EDUCATION LOAN.**

2 Section 140(a)(7)(A) of the Truth in Lending Act
3 (15 U.S.C. 1650(a)(7)(A)) is amended—

4 (1) in clause (i), by striking “and” after the
5 semicolon;

6 (2) by redesignating clause (ii) as clause (iii);

7 and

8 (3) by adding after clause (i) the following:

9 “(ii) is not made, insured, or guaran-
10 teed under title VII or title VIII of the
11 Public Health Service Act (42 U.S.C. 292
12 et seq. and 296 et seq.); and”.

13 **SEC. 1015. REVENUE SHARING AND DISCLOSURE OF AFFILI-**
14 **ATION.**

15 Chapter 2 of title I of the Truth in Lending Act (15
16 U.S.C. 1631 et seq.) is amended by adding at the end
17 the following:

18 **“SEC. 140B. PREVENTING UNFAIR AND DECEPTIVE MAR-**
19 **KETING OF CONSUMER FINANCIAL PROD-**
20 **UCTS AND SERVICES TO STUDENTS OF INSTI-**
21 **TUTIONS OF HIGHER EDUCATION.**

22 “(a) **DEFINITIONS.**—In this section:

23 “(1) **AFFILIATE.**—The term ‘affiliate’ means
24 any person that controls, is controlled by, or is
25 under common control with another person.

26 “(2) **AFFILIATED.**—

1 “(A) IN GENERAL.—The term ‘affiliated’,
2 when used with respect to a consumer financial
3 product or service and an institution of higher
4 education, means an association between such
5 institution and product or service resulting
6 from—

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

10 “(ii) some other word, picture, or
11 symbol readily identified with the institu-
12 tion in the marketing of the consumer fi-
13 nancial product or service in any way that
14 implies that the institution endorses the
15 consumer financial product or service.

16 “(B) RULE OF CONSTRUCTION.—Nothing
17 in subparagraph (A) shall be construed to deem
18 an association between an institution of higher
19 education and a consumer financial product or
20 service to be affiliated if such association is
21 solely based on an advertisement by a financial
22 institution that is delivered to a wide and gen-
23 eral audience consisting of more than enrolled
24 students at the institution of higher education.

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

6 “(4) FINANCIAL INSTITUTION.—The term ‘fi-
7 nancial institution’ means—

8 “(A) any person that engages in offering
9 or providing a consumer financial product or
10 service; and

11 “(B) any affiliate of such person described
12 in subparagraph (A) if such affiliate acts as a
13 service provider to such person.

14 “(5) INSTITUTION OF HIGHER EDUCATION.—
15 The term ‘institution of higher education’ has the
16 meaning given that term in section 102 of the High-
17 er Education Act of 1965 (20 U.S.C. 1002).

18 “(6) PERSON.—The term ‘person’ means an in-
19 dividual, partnership, company, corporation, associa-
20 tion (incorporated or unincorporated), trust, estate,
21 cooperative organization, or other entity.

22 “(7) REVENUE-SHARING ARRANGEMENT.—The
23 term ‘revenue-sharing arrangement’—

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

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

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

14 “(iii) the financial institution pays a
15 fee or provides other material benefits, in-
16 cluding revenue or profit sharing, to the
17 institution of higher education, or to an of-
18 ficer, employee, or agent of the institution
19 of higher education, in connection with the
20 consumer financial products and services
21 provided to college students attending the
22 institution of higher education; and

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

1 education for the institution of higher education
2 to advertise or market the financial institution
3 to the general public.

4 “(8) SERVICE PROVIDER.—The term ‘service
5 provider’—

6 “(A) means any person that provides a
7 material service to another person in connection
8 with the offering or provision by such other per-
9 son of a consumer financial product or service,
10 including a person that—

11 “(i) participates in designing, oper-
12 ating, or maintaining the consumer finan-
13 cial product or service; or

14 “(ii) processes transactions relating to
15 the consumer financial product or service
16 (other than unknowingly or incidentally
17 transmitting or processing financial data in
18 a manner that such data is undifferen-
19 tiated from other types of data of the same
20 form as the person transmits or processes);
21 and

22 “(B) does not include a person solely by
23 virtue of such person offering or providing to
24 another person—

1 “(i) a support service of a type pro-
2 vided to businesses generally or a similar
3 ministerial service; or

4 “(ii) time or space for an advertise-
5 ment for a consumer financial product or
6 service through print, newspaper, or elec-
7 tronic media.

8 “(b) DISCLOSURE OF AFFILIATION.—

9 “(1) REPORTS BY FINANCIAL INSTITUTIONS.—

10 “(A) IN GENERAL.—Not later than 180
11 days after the date of enactment of the Higher
12 Education Affordability Act, and annually
13 thereafter, each financial institution shall sub-
14 mit a report to the Bureau containing the
15 terms and conditions of all business, marketing,
16 and promotional agreements that the financial
17 institution has with any institution of higher
18 education, or an alumni organization or founda-
19 tion that is an affiliate of or related to an insti-
20 tution of higher education, relating to any con-
21 sumer financial product or service offered to
22 college students at institutions of higher edu-
23 cation.

1 “(B) DETAILS OF REPORT.—The informa-
2 tion required to be reported under subpara-
3 graph (A) includes—

4 “(i) any memorandum of under-
5 standing between or among the financial
6 institution and an institution of higher
7 education, alumni association, or founda-
8 tion that directly or indirectly relates to
9 any aspect of an agreement referred to in
10 subparagraph (A) or controls or directs
11 any obligations or distribution of benefits
12 between or among the entities; and

13 “(ii) the number and dollar amount
14 outstanding of consumer financial products
15 or services accounts covered by any such
16 agreement that were originated during the
17 period covered by the report, and the total
18 number and dollar amount of consumer fi-
19 nancial products or services accounts cov-
20 ered by the agreement that were out-
21 standing at the end of such period.

22 “(C) AGGREGATION BY INSTITUTION.—
23 The information required to be reported under
24 subparagraph (A) shall be aggregated with re-
25 spect to each institution of higher education or

1 alumni organization or foundation that is an af-
2 filiate of or related to the institution of higher
3 education.

4 “(2) REPORTS BY BUREAU.—The Bureau shall
5 submit to Congress, and make available to the pub-
6 lic, an annual report that lists the information sub-
7 mitted to the Bureau under paragraph (1).

8 “(3) ELECTRONIC DISCLOSURES.—

9 “(A) POSTING AGREEMENTS.—Each finan-
10 cial institution shall establish and maintain an
11 Internet site on which the financial institution
12 shall post the written agreement between the fi-
13 nancial institution and the institution of higher
14 education for each affiliated consumer financial
15 product or service.

16 “(B) FINANCIAL INSTITUTION TO PROVIDE
17 CONTRACTS TO THE BUREAU.—Each financial
18 institution shall provide to the Bureau, in elec-
19 tronic format, the written agreements that it
20 publishes on its Internet site pursuant to this
21 paragraph.

22 “(C) RECORD REPOSITORY.—The Bureau
23 shall establish and maintain on its publicly
24 available Internet site a central repository of
25 the agreements received from financial institu-

1 “(2) the financial institution is in compliance
2 with the requirements of this Act.”.

3 **SEC. 1016. IMPROVED CONSUMER PROTECTIONS FOR STU-**
4 **DENT LOAN SERVICING.**

5 (a) IN GENERAL.—The Truth in Lending Act (15
6 U.S.C. 1601 et seq.) is amended by adding at the end
7 the following new chapter:

8 **“CHAPTER 6—POSTSECONDARY**
9 **EDUCATION LOANS**

“Sec.

“188. Definitions.

“189. Servicing of postsecondary education loans.

“190. Payments and fees.

“191. Authority of Bureau.

“192. State laws unaffected; inconsistent Federal and State provisions.

10 **“§ 188. Definitions**

11 “In this chapter:

12 “(1) ALTERNATIVE REPAYMENT ARRANGE-
13 MENT.—The term ‘alternative repayment arrange-
14 ment’ means an agreed upon arrangement between
15 a loan holder (or, for a Federal Direct Loan or a
16 Federal Perkins Loan, the Secretary of Education or
17 the institution of higher education that made such
18 loan, respectively) or student loan servicer and a
19 borrower—

20 “(A) that is different than the terms under
21 an existing postsecondary education loan; and

1 “(B) pursuant to which remittance of a
2 monthly payment—

3 “(i) satisfies the terms of the postsec-
4 ondary education loan; or

5 “(ii) is not required for a period of 1
6 or more months in order to satisfy the
7 terms of the postsecondary education loan.

8 “(2) BILLING GROUP.—The term ‘billing group’
9 means a postsecondary education loan account
10 that—

11 “(A) is serviced by a student loan servicer;
12 and

13 “(B) includes 2 or more postsecondary
14 education loans that are in repayment status.

15 “(3) BUREAU.—The term ‘Bureau’ has the
16 meaning given that term in section 103.

17 “(4) EFFECTIVE DATE OF TRANSFER.—The
18 term ‘effective date of transfer’ means the date on
19 which the first payment is due to a transferee
20 servicer from a borrower under a postsecondary edu-
21 cation loan.

22 “(5) FEDERAL DIRECT LOAN.—The term ‘Fed-
23 eral Direct Loan’ means a loan made under part D
24 of title IV of the Higher Education Act of 1965 (20
25 U.S.C. 1087a et seq.).

1 “(6) FEDERAL PERKINS LOAN.—The term
2 ‘Federal Perkins Loan’ means a loan made under
3 part E of title IV of the Higher Education Act of
4 1965 (20 U.S.C. 1087aa et seq.).

5 “(7) INSTITUTION OF HIGHER EDUCATION.—
6 The term ‘institution of higher education’ has the
7 meaning given that term in section 102 of the High-
8 er Education Act of 1965 (20 U.S.C. 1002).

9 “(8) LATE FEE.—The term ‘late fee’ means a
10 late fee, penalty, or adjustment to principal, imposed
11 because of a late payment or delinquency by the bor-
12 rower under a postsecondary education loan.

13 “(9) LOAN HOLDER.—The term ‘loan holder’
14 means a person who owns the title to or promissory
15 note for a postsecondary education loan (except for
16 a Federal Direct Loan or a Federal Perkins Loan).

17 “(10) OPEN END CREDIT PLAN.—The term
18 ‘open end credit plan’ has the meaning given that
19 term in section 103.

20 “(11) POSTSECONDARY EDUCATION EX-
21 PENSE.—The term ‘postsecondary education ex-
22 pense’ means any expense that is included as part
23 of the cost of attendance (as that term is defined in
24 section 472 of the Higher Education Act of 1965
25 (20 U.S.C. 1087ll)) of a student.

1 “(12) POSTSECONDARY EDUCATION LENDER.—

2 The term ‘postsecondary education lender’—

3 “(A) means —

4 “(i) a financial institution, as defined
5 in section 3 of the Federal Deposit Insur-
6 ance Act (12 U.S.C. 1813) that solicits,
7 makes, or extends postsecondary education
8 loans;

9 “(ii) a Federal credit union, as de-
10 fined in section 101 of the Federal Credit
11 Union Act (12 U.S.C. 1752) that solicits,
12 makes, or extends postsecondary education
13 loans; and

14 “(iii) any other person engaged in the
15 business of soliciting, making, or extending
16 postsecondary education loans; and

17 “(B) does not include—

18 “(i) the Secretary of Education; or

19 “(ii) an institution of higher education
20 with respect to any Federal Perkins Loan
21 made by the institution.

22 “(13) POSTSECONDARY EDUCATION LOAN.—

23 The term ‘postsecondary education loan’—

24 “(A) means a loan that is—

1 “(i) made, insured, or guaranteed
2 under part B, D, or E of title IV of the
3 Higher Education Act of 1965 (20 U.S.C.
4 1071 et seq., 1087a et seq., 1087aa et
5 seq.); or

6 “(ii) issued or made by a postsec-
7 ondary education lender and is—

8 “(I) extended to a borrower with
9 the expectation that the amounts ex-
10 tended will be used in whole or in part
11 to pay postsecondary education ex-
12 penses; or

13 “(II) extended for the purpose of
14 refinancing or consolidating 1 or more
15 loans described in subclause (I) or
16 clause (i);

17 “(B) includes a private education loan (as
18 defined in section 140(a)); and

19 “(C) does not include a loan—

20 “(i) made under an open-end credit
21 plan; or

22 “(ii) that is secured by real property.

23 “(14) QUALIFIED WRITTEN REQUEST.—

24 “(A) IN GENERAL.—Subject to subpara-
25 graph (B), the term ‘qualified written request’

1 means a written correspondence of a borrower
2 (other than notice on a payment medium sup-
3 plied by the student loan servicer) transmitted
4 by mail, facsimile, or electronically through an
5 email address or website designated by the stu-
6 dent loan servicer to receive communications
7 from borrowers that—

8 “(i) includes, or otherwise enables the
9 student loan servicer to identify, the name
10 and account of the borrower; and

11 “(ii) includes, to the extent applica-
12 ble—

13 “(I) sufficient detail regarding
14 the information sought by the bor-
15 rower; or

16 “(II) a statement of the reasons
17 for the belief of the borrower that
18 there is an error regarding the ac-
19 count of the borrower.

20 “(B) CORRESPONDENCE DELIVERED TO
21 OTHER ADDRESSES.—

22 “(i) IN GENERAL.—A written cor-
23 respondence of a borrower is a qualified
24 written request if the written correspond-
25 ence—

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1 “(I) meets the requirements
2 under clauses (i) and (ii) of subpara-
3 graph (A); and

4 “(II) is transmitted to and re-
5 ceived by a student loan servicer at a
6 mailing address, facsimile number,
7 email address, or website address
8 other than the address or number des-
9 ignated by that student loan servicer
10 to receive communications from bor-
11 rowers.

12 “(ii) DUTY TO TRANSFER.—A student
13 loan servicer shall, within a reasonable pe-
14 riod of time, transfer a written correspond-
15 ence of a borrower received by the student
16 loan servicer at a mailing address, fac-
17 simile number, email address, or website
18 address other than the address or number
19 designated by that student loan servicer to
20 receive communications from borrowers to
21 the correct address or appropriate office or
22 other unit of the student loan servicer.

23 “(iii) DATE OF RECEIPT.—A written
24 correspondence of a borrower transferred
25 in accordance with clause (ii) shall be

1 deemed to be received by the student loan
2 servicer on the date on which the written
3 correspondence is transferred to the cor-
4 rect address or appropriate office or other
5 unit of the student loan servicer.

6 “(15) STUDENT LOAN SERVICER.—The term
7 ‘student loan servicer’—

8 “(A) means a person who performs student
9 loan servicing;

10 “(B) includes a person performing student
11 loan servicing for a postsecondary education
12 loan on behalf of an institution of higher edu-
13 cation or the Secretary of Education under a
14 contract or other agreement;

15 “(C) does not include the Secretary of
16 Education to the extent the Secretary directly
17 performs student loan servicing for a postsec-
18 ondary education loan; and

19 “(D) does not include an institution of
20 higher education, to the extent that the institu-
21 tion directly performs student loan servicing for
22 a Federal Perkins Loan made by the institu-
23 tion.

1 “(16) STUDENT LOAN SERVICING.—The term
2 ‘student loan servicing’ includes any of the following
3 activities:

4 “(A) Receiving any scheduled periodic pay-
5 ments from a borrower under a postsecondary
6 education loan (or notification of such pay-
7 ments).

8 “(B) Applying payments described in sub-
9 paragraph (A) to an account of the borrower
10 pursuant to the terms of the postsecondary edu-
11 cation loan or of the contract governing the
12 servicing of the postsecondary education loan.

13 “(C) During a period in which no payment
14 is required on the postsecondary education
15 loan—

16 “(i) maintaining account records for
17 the postsecondary education loan; and

18 “(ii) communicating with the borrower
19 on behalf of the loan holder or, with re-
20 spect to a Federal Direct Loan or Federal
21 Perkins Loan, the Secretary of Education
22 or the institution of higher education that
23 made the loan, respectively.

24 “(D) Interacting with a borrower to facili-
25 tate the activities described in subparagraphs

1 (A), (B), and (C), including activities to help
2 prevent default by the borrower of the obliga-
3 tions arising from the postsecondary education
4 loan.

5 “(17) TRANSFER OF SERVICING.—The term
6 ‘transfer of servicing’ means the assignment, sale, or
7 transfer of any student loan servicing of a postsec-
8 ondary education loan from a transferor servicer to
9 a transferee servicer.

10 “(18) TRANSFEEEE SERVICER.—The term
11 ‘transferee servicer’ means the person to whom any
12 student loan servicing of a postsecondary education
13 loan is assigned, sold, or transferred.

14 “(19) TRANSFEROR SERVICER.—The term
15 ‘transferor servicer’ means the person who assigns,
16 sells, or transfers any student loan servicing of a
17 postsecondary education loan to another person.

18 **“§ 189. Servicing of postsecondary education loans**

19 “(a) STUDENT LOAN SERVICER REQUIREMENTS.—
20 A student loan servicer may not—

21 “(1) charge a fee for responding to a qualified
22 written request under this chapter;

23 “(2) fail to take timely action to respond to a
24 qualified written request from a borrower to correct

1 an error relating to an allocation of payment or the
2 payoff amount of the postsecondary education loan;

3 “(3) fail to take reasonable steps to avail the
4 borrower of all possible alternative repayment ar-
5 rangements to avoid default;

6 “(4) fail to perform the obligations required
7 under section 493C(d) of the Higher Education Act
8 of 1965 (20 U.S.C. 1098e(d));

9 “(5) fail to respond within 10 business days to
10 a request from a borrower to provide the name, ad-
11 dress, and other relevant contact information of the
12 loan holder of the borrower’s postsecondary edu-
13 cation loan or, for a Federal Direct Loan or a Fed-
14 eral Perkins Loan, the Secretary of Education or the
15 institution of higher education who made the loan,
16 respectively;

17 “(6) fail to comply with—

18 “(A) any applicable requirement of the
19 Servicemembers Civil Relief Act (50 U.S.C.
20 App. 501 et seq.); or

21 “(B) in the case of a postsecondary edu-
22 cation loan made, issued, or guaranteed under
23 part B, D, or E of title IV of the Higher Edu-
24 cation Act of 1965 (20 U.S.C. 1070 et seq.),
25 part A of title VII of the Public Health Service

1 Act (42 U.S.C. 292 et seq.), or part E of title
2 VIII of such Act (42 U.S.C. 297a et seq.), any
3 applicable requirement of the Act authorizing
4 the postsecondary education loan;

5 “(7) fail to comply with any other obligation
6 that the Bureau, by regulation, has determined to be
7 appropriate to carry out the consumer protection
8 purposes of this chapter; or

9 “(8) fail to perform other standard servicer’s
10 duties.

11 “(b) BORROWER INQUIRIES.—

12 “(1) DUTY OF STUDENT LOAN SERVICERS TO
13 RESPOND TO BORROWER INQUIRIES.—

14 “(A) NOTICE OF RECEIPT OF REQUEST.—

15 If a borrower under a postsecondary education
16 loan submits a qualified written request to the
17 student loan servicer for information relating to
18 the student loan servicing of the postsecondary
19 education loan, the student loan servicer shall
20 provide a written response acknowledging re-
21 ceipt of the qualified written request within 5
22 business days unless any action requested by
23 the borrower is taken within such period.

24 “(B) ACTION WITH RESPECT TO IN-
25 QUIRY.—Not later than 30 business days after

1 dividual employed by, or the office or
2 department of, the student loan
3 servicer who can provide assistance to
4 the borrower; or

5 “(iii) after conducting an investiga-
6 tion, provide the borrower with a written
7 explanation or clarification that includes—

8 “(I) information requested by the
9 borrower or an explanation of why the
10 information requested is unavailable
11 or cannot be obtained by the student
12 loan servicer; and

13 “(II) the name and toll-free or
14 collect-call telephone number of an in-
15 dividual employed by, or the office or
16 department of, the student loan
17 servicer who can provide assistance to
18 the borrower.

19 “(C) LIMITED EXTENSION OF RESPONSE
20 TIME.—

21 “(i) IN GENERAL.—There may be 1
22 extension of the 30-day period described in
23 subparagraph (B) of not more than 15
24 days if, before the end of such 30-day pe-
25 riod, the student loan servicer notifies the

1 borrower of the extension and the reasons
2 for the delay in responding.

3 “(ii) REPORTS TO BUREAU.—Each
4 student loan servicer shall, on an annual
5 basis, report to the Bureau the aggregate
6 number of extensions sought by the stu-
7 dent loan servicer under clause (i).

8 “(2) PROTECTION OF CREDIT INFORMATION.—
9 During the 60-day period beginning on the date on
10 which a student loan servicer receives a qualified
11 written request from a borrower relating to a dis-
12 pute regarding payments by the borrower, a student
13 loan servicer may not provide negative credit infor-
14 mation to any consumer reporting agency (as de-
15 fined in section 603 of the Truth in Lending Act (15
16 U.S.C. 1681a)) relating to the subject of the quali-
17 fied written request or to such period, including any
18 information relating to a late payment or payment
19 owed by the borrower on the borrower’s postsec-
20 ondary education loan.

21 “(3) SINGLE POINT OF CONTACT FOR CERTAIN
22 BORROWERS.—A student loan servicer shall des-
23 ignate an office or other unit of the student loan
24 servicer to act as a point of contact regarding post-
25 secondary education loans for—

1 “(A) a borrower who is not less than 60
2 days delinquent under the postsecondary edu-
3 cation loan;

4 “(B) a borrower who seeks information re-
5 garding, seeks to enter an agreement for, or
6 seeks to resolve an issue under a repayment op-
7 tion that requires subsequent submission of
8 supporting documentation; and

9 “(C) a borrower under a private education
10 loan (as defined in section 140) who is seeking
11 to modify the terms of the repayment of the
12 postsecondary education loan because of hard-
13 ship.

14 “(c) LIAISON FOR MEMBERS OF THE ARMED FORCES
15 AND VETERANS.—

16 “(1) DEFINITION.—In this subsection, the term
17 ‘veteran’ has the meaning given that term in section
18 101 of title 38, United States Code.

19 “(2) DESIGNATION.—A student loan servicer
20 shall designate 1 or more employees to act as a liai-
21 son for members of the Armed Forces, veterans, and
22 spouses and dependents of a member of the Armed
23 Forces or a veteran, who shall be—

24 “(A) responsible for answering inquiries
25 relating to postsecondary education loans from

1 members of the Armed Forces, veterans, and
2 spouses and dependents of a member of the
3 Armed Forces or a veteran; and

4 “(B) specially trained on the benefits avail-
5 able to members of the Armed Forces and vet-
6 erans under the Servicemembers Civil Relief
7 Act (50 U.S.C. App. 501 et seq.) and other
8 Federal and State laws relating to postsec-
9 ondary education loans.

10 “(3) TOLL FREE NUMBER.—A student loan
11 servicer shall establish and maintain a toll-free tele-
12 phone number that—

13 “(A) may be used by a member of the
14 Armed Forces, veteran, or spouse or dependent
15 of a member of the Armed Forces or a veteran
16 to connect directly to the liaison designated
17 under paragraph (2); and

18 “(B) shall be listed on the primary Inter-
19 net website of the student loan servicer and on
20 monthly billing statements.

21 “(d) TRANSFER OF SERVICING.—

22 “(1) DISCLOSURE TO APPLICANT RELATING TO
23 TRANSFER OF SERVICING.—

24 “(A) IN GENERAL.—A postsecondary edu-
25 cation lender shall disclose to each person who

1 applies for a postsecondary education loan, at
2 the time of application for the postsecondary
3 education loan, whether there may be a transfer
4 of servicing of the postsecondary education loan
5 at any time during which the postsecondary
6 education loan is outstanding.

7 “(B) NO LIABILITY.—A postsecondary
8 education lender shall not be liable to a bor-
9 rower for failure to comply with subparagraph
10 (A) if the application for a postsecondary edu-
11 cation loan was made before the regulations es-
12 tablished under section 191 take effect.

13 “(2) NOTICE BY TRANSFEROR SERVICER AT
14 TIME OF TRANSFER OF SERVICING.—

15 “(A) NOTICE REQUIREMENT.—A trans-
16 feror servicer shall notify the borrower under a
17 postsecondary education loan, in writing, of any
18 transfer of student loan servicing for the post-
19 secondary education loan (with respect to which
20 such notice is made).

21 “(B) TIME OF NOTICE.—

22 “(i) IN GENERAL.—Except as pro-
23 vided under clause (ii), the notice required
24 under subparagraph (A) shall be made to
25 the borrower not less than 15 days before

1 the effective date of transfer of the student
2 loan servicing of the postsecondary edu-
3 cation loan.

4 “(ii) EXCEPTION FOR CERTAIN PRO-
5 CEEDINGS.—The notice required under
6 subparagraph (A) shall be made to the
7 borrower not more than 30 days after the
8 effective date of transfer of the student
9 loan servicing of the borrower’s postsec-
10 ondary education loan if the transfer of
11 student loan servicing is preceded by—

12 “(I) termination of the contract
13 for student loan servicing of the post-
14 secondary education loan for cause;

15 “(II) commencement of bank-
16 ruptcy proceedings of the transferor
17 servicer; or

18 “(III) any other situation in
19 which the Bureau determines that
20 such exception is warranted.

21 “(C) CONTENTS OF NOTICE.—The notice
22 required under subparagraph (A) shall—

23 “(i) be made in writing and, if the
24 transferor servicer has an email address
25 for the borrower, by email; and

1 “(ii) include—

2 “(I) the effective date of the
3 transfer;

4 “(II) the name, address, website,
5 and toll-free or collect-call telephone
6 number of the transferee servicer;

7 “(III) a toll-free or collect-call
8 telephone number for an individual
9 employed by the transferor servicer,
10 or the office or department of, the
11 transferor servicer that can be con-
12 tacted by the borrower to answer in-
13 quiries relating to the transfer of serv-
14 icing;

15 “(IV) the name and toll-free or
16 collect-call telephone number for an
17 individual employed by the transferee
18 servicer, or the office or department
19 of, the transferee servicer that can be
20 contacted by the borrower to answer
21 inquiries relating to the transfer of
22 servicing;

23 “(V) the date on which the trans-
24 feror servicer will cease to accept pay-
25 ments relating to the borrower’s post-

1 secondary education loan and the date
2 on which the transferee servicer will
3 begin to accept such payments;

4 “(VI) a statement that the trans-
5 fer of student loan servicing of the
6 postsecondary education loan does not
7 affect any term or condition of the
8 postsecondary education loan other
9 than terms directly related to the stu-
10 dent loan servicing of the postsec-
11 ondary education loan;

12 “(VII) a statement disclosing—

13 “(aa) whether borrower au-
14 thorization for recurring elec-
15 tronic funds transfers will be
16 transferred to the transferee
17 servicer; and

18 “(bb) if any such recurring
19 electronic funds transfers cannot
20 be transferred, information as to
21 how the borrower may establish
22 new recurring electronic funds
23 transfers in connection with
24 transfer of servicing to the trans-
25 feree servicer;

1 “(VIII) a statement disclosing—

2 “(aa) the application of all
3 payments and charges relating to
4 the borrower’s postsecondary
5 education loan as of the effective
6 date of the transfer, including—

7 “(AA) the date the last
8 payment of the borrower
9 was received;

10 “(BB) the date the last
11 late fee, arrearages, or other
12 charge was applied; and

13 “(CC) the amount of
14 the last payment allocated to
15 principal, interest, and other
16 charges;

17 “(bb) the status of the bor-
18 rower’s postsecondary education
19 loan as of the effective date of
20 the transfer, including whether
21 the loan is in default;

22 “(cc) whether any applica-
23 tion for an alternative repayment
24 arrangement submitted by the
25 borrower is pending; and

1 “(dd) an itemization and ex-
2 planation for all arrearages
3 claimed to be due as of the effec-
4 tive date of the transfer;

5 “(IX) a detailed description of
6 any benefit, alternative repayment ar-
7 rangement, or other term or condition
8 arranged between the transferor
9 servicer and the borrower that is not
10 included in the terms of the promis-
11 sory note;

12 “(X) a detailed description of any
13 item identified under subclause (VIII)
14 that will cease to apply upon transfer,
15 including an explanation; and

16 “(XI) information on how to file
17 a complaint with the Bureau.

18 “(3) NOTICE BY TRANSFEREE SERVICER AT
19 TIME OF TRANSFER OF SERVICING.—

20 “(A) NOTICE REQUIREMENT.—A trans-
21 feree servicer shall notify the borrower under a
22 postsecondary education loan, in writing, of any
23 transfer of servicing of the postsecondary edu-
24 cation loan.

25 “(B) TIME OF NOTICE.—

1 “(C) CONTENTS OF NOTICE.—The notice
2 required under subparagraph (A) shall be made
3 in the same manner as under paragraph (2)(C)
4 and include the information described in para-
5 graph (2)(C).

6 “(4) METHOD OF NOTIFICATION.—The notifica-
7 tion required under this subsection shall be provided
8 in writing.

9 “(5) TREATMENT OF LOAN PAYMENTS DURING
10 TRANSFER PERIOD.—

11 “(A) IN GENERAL.—During the 60-day pe-
12 riod beginning on the effective date of transfer
13 relating to a borrower’s postsecondary edu-
14 cation loan, a late fee may not be imposed on
15 the borrower with respect to any payment on
16 the postsecondary education loan, and no such
17 payment may be treated as late for any other
18 purposes, if the payment is received by the
19 transferor servicer (rather than the transferee
20 servicer who should properly receive payment)
21 before the due date applicable to such payment.

22 “(B) NOTICE.—To the maximum extent
23 practicable, a transferor servicer shall notify a
24 borrower, both in writing and by telephone, re-
25 garding any payment received by the transferor

1 servicer (rather than the transferee servicer
2 who should properly receive payment).

3 “(6) ELECTRONIC FUND TRANSFER AUTHOR-
4 ITY.—A transferee servicer shall make available to a
5 borrower whose student loan servicing is transferred
6 to the transferee servicer a simple, online process
7 through which the borrower may transfer to the
8 transferee servicer any existing authority for an elec-
9 tronic fund transfer that the borrower had provided
10 to the transferor servicer.

11 “(7) SERVICER LIABILITY.—

12 “(A) EFFECTIVE DATE OF REGULA-
13 TIONS.—A student loan servicer shall not be
14 liable to a borrower for failure to comply with
15 paragraph (2) or (3) with respect to a transfer
16 of student loan servicing before the regulations
17 under section 191 take effect.

18 “(B) MITIGATING ACTION.—A student
19 loan servicer or a postsecondary education lend-
20 er shall not be liable to a borrower for failure
21 to comply with a requirement under this section
22 if, not later than 60 days after discovering an
23 error and before the commencement of an ac-
24 tion under section 130 or the receipt of written
25 notice of the error from the borrower, the stu-

1 dent loan servicer notifies the borrower of the
2 error and makes any adjustments in the appro-
3 priate account that are necessary to ensure that
4 the borrower will not be required to pay an
5 amount greater than the amount that the bor-
6 rower otherwise would have paid.

7 **“§ 190. Payments and fees**

8 “(a) PROHIBITION ON RECOMMENDING DEFAULT.—

9 A loan holder or student loan servicer may not recommend
10 or encourage default or delinquency on an existing post-
11 secondary education loan prior to and in connection with
12 the process of qualifying for or enrolling in an alternative
13 repayment arrangement, including the origination of a
14 new postsecondary education loan that refinances all or
15 any portion of such existing loan or debt.

16 “(b) LATE FEES.—

17 “(1) IN GENERAL.—A late fee may not be
18 charged to a borrower under a postsecondary edu-
19 cation loan under any of the following cir-
20 cumstances, either individually or in combination:

21 “(A) On a per-loan basis when a borrower
22 has multiple postsecondary education loans in a
23 billing group.

24 “(B) In an amount greater than 4 percent
25 of the amount of the payment past due.

1 “(C) Before the end of the 15-day period
2 beginning on the date the payment is due.

3 “(D) More than once with respect to a sin-
4 gle late payment.

5 “(E) The borrower fails to make a sin-
6 gular, non successive regularly-scheduled pay-
7 ment on the postsecondary education loan.

8 “(2) COORDINATION WITH SUBSEQUENT LATE
9 FEES.—No late fee may be charged to a borrower
10 under a postsecondary education loan relating to an
11 insufficient payment if the payment is made on or
12 before the due date of the payment, or within any
13 applicable grace period for the payment, if the insuf-
14 ficiency is attributable only to a late fee relating to
15 an earlier payment, and the payment is otherwise a
16 full payment for the applicable period.

17 “(c) ACCELERATION OF POSTSECONDARY EDU-
18 CATION LOANS.—

19 “(1) IN GENERAL.—Except as provided in para-
20 graph (2), a postsecondary education loan executed
21 after the date of enactment of the Higher Education
22 Affordability Act may not include a provision that
23 permits the loan holder or student loan servicer to
24 accelerate, in whole or in part, payments on the
25 postsecondary education loan.

1 “(2) ACCELERATION CAUSED BY A PAYMENT
2 DEFAULT.—A postsecondary education loan may in-
3 clude a provision that permits acceleration of the
4 postsecondary education loan in cases of payment
5 default.

6 “(d) MODIFICATION AND DEFERRAL FEES PROHIB-
7 ITED.—A loan holder or student loan servicer may not
8 charge a borrower any fee to modify, renew, extend, or
9 amend a postsecondary education loan, or to defer any
10 payment due under the terms of a postsecondary edu-
11 cation loan.

12 “(e) PAYOFF STATEMENT.—

13 “(1) FEES.—

14 “(A) IN GENERAL.—Except as provided in
15 subparagraph (B) or (D), a loan holder or stu-
16 dent loan servicer may not charge a fee for in-
17 forming or transmitting to a borrower or a per-
18 son authorized by the borrower the balance due
19 to pay off the outstanding balance on a postsec-
20 ondary education loan.

21 “(B) TRANSACTION FEE.—If a loan holder
22 or student loan servicer provides the informa-
23 tion described in subparagraph (A) by facsimile
24 transmission or courier service, the loan holder
25 or student loan servicer may charge a proc-

1 essing fee to cover the cost of such transmission
2 or service in an amount that is not more than
3 a comparable fee imposed for similar services
4 provided in connection with consumer credit
5 transactions.

6 “(C) FEE DISCLOSURE.—A loan holder or
7 student loan servicer shall disclose to the bor-
8 rower that payoff balances are available for free
9 pursuant to subparagraph (A) before charging
10 a transaction fee under subparagraph (B).

11 “(D) MULTIPLE REQUESTS.—If a loan
12 holder or student loan servicer has provided the
13 information described in subparagraph (A)
14 without charge, other than the transaction fee
15 permitted under subparagraph (B), on 4 or
16 more occasions during a calendar year, the loan
17 holder or student loan servicer may thereafter
18 charge a reasonable fee for providing such in-
19 formation during the remainder of the calendar
20 year.

21 “(2) PROMPT DELIVERY.—A loan holder or a
22 student loan servicer that has received a request by
23 a borrower or a person authorized by a borrower for
24 the information described in paragraph (1)(A) shall
25 provide such information to the borrower or person

1 authorized by the borrower not later than 5 business
2 days after receiving such request.

3 “(f) INTEREST RATE AND TERM CHANGES FOR CER-
4 TAIN POSTSECONDARY EDUCATION LOANS.—

5 “(1) NOTIFICATION REQUIREMENTS.—

6 “(A) IN GENERAL.—Except as provided in
7 paragraph (3), a student loan servicer shall pro-
8 vide written notice to a borrower of any mate-
9 rial change in the terms of the postsecondary
10 education loan, including an increase in the in-
11 terest rate, not later than 45 days before the ef-
12 fective date of the change or increase.

13 “(B) MATERIAL CHANGES IN TERMS.—The
14 Bureau shall, by regulation, establish guidelines
15 for determining which changes in terms are ma-
16 terial under subparagraph (A).

17 “(2) LIMITS ON INTEREST RATE AND FEE IN-
18 CREASES APPLICABLE TO OUTSTANDING BAL-
19 ANCE.—Except as provided in paragraph (3), a loan
20 holder or student loan servicer may not increase the
21 interest rate or other fee applicable to an out-
22 standing balance on a postsecondary education loan.

23 “(3) EXCEPTIONS.—The requirements under
24 paragraphs (1) and (2) shall not apply to—

1 “(A) an increase in any applicable variable
2 interest rate incorporated in the terms of a
3 postsecondary education loan that provides for
4 changes in the interest rate according to oper-
5 ation of an index that is not under the control
6 of the loan holder or student loan servicer and
7 is published for viewing by the general public;

8 “(B) an increase in interest rate due to the
9 completion of a workout or temporary hardship
10 arrangement by the borrower or the failure of
11 the borrower to comply with the terms of a
12 workout or temporary hardship arrangement
13 if—

14 “(i) the interest rate applicable to a
15 category of transactions following any such
16 increase does not exceed the rate or fee
17 that applied to that category of trans-
18 actions prior to commencement of the ar-
19 rangement; and

20 “(ii) the loan holder or student loan
21 servicer has provided the borrower, prior to
22 the commencement of such arrangement,
23 with clear and conspicuous disclosure of
24 the terms of the arrangement (including

1 any increases due to such completion or
2 failure); and

3 “(C) an increase in interest rate due to a
4 provision included within the terms of a post-
5 secondary education loan that provides for a
6 lower interest rate based on the borrower’s
7 agreement to a prearranged plan that author-
8 izes recurring electronic funds transfers if—

9 “(i) the borrower withdraws the bor-
10 rower’s authorization of the prearranged
11 recurring electronic funds transfer plan;
12 and

13 “(ii) after withdrawal of the bor-
14 rower’s authorization and prior to increas-
15 ing the interest rate, the loan holder or
16 student loan servicer has provided the bor-
17 rower with clear and conspicuous disclo-
18 sure of the impending change in borrower’s
19 interest rate and a reasonable opportunity
20 to reauthorize the prearranged electronic
21 funds transfers plan.

22 “(g) PROMPT AND FAIR CREDITING OF PAY-
23 MENTS.—

24 “(1) PROMPT CREDITING.—Payments received
25 from a borrower under a postsecondary education

1 loan by the student loan servicer shall be posted
2 promptly to the account of the borrower as specified
3 in regulations of the Bureau. Such regulations shall
4 prevent a fee from being imposed on any borrower
5 if the student loan servicer has received the bor-
6 rower's payment in readily identifiable form, by 5:00
7 p.m. on the date on which such payment is due, in
8 the amount, manner, and location specified by the
9 student loan servicer.

10 “(2) APPLICATION OF PAYMENTS.—

11 “(A) IN GENERAL.—

12 “(i) TREATMENTS OF PREPAY-
13 MENTS.—A student loan servicer that serv-
14 ices a billing group of a borrower shall,
15 upon receipt of a payment from the bor-
16 rower, apply amounts in excess of the
17 monthly payment amount first to the prin-
18 cipal of the postsecondary education loan
19 bearing the highest interest rate, and then
20 to each successive principal balance bear-
21 ing the next highest interest rate until the
22 payment is exhausted, unless otherwise
23 specified in writing by the borrower.

24 “(ii) TREATMENT OF UNDERPAY-
25 MENTS.—

1 “(I) REGULATIONS REQUIRED.—
2 Not later than 1 year after the date
3 on which the Bureau submits the first
4 report required under section 1018 of
5 the Higher Education Affordability
6 Act, the Bureau shall issue regula-
7 tions establishing the manner in which
8 a student loan servicer shall apply
9 amounts less than the total payment
10 due during the billing cycle.

11 “(II) CONSIDERATIONS.—In
12 issuing the regulations required under
13 subclause (I), the Bureau shall con-
14 sider—

15 “(aa) the impact of the reg-
16 ulations on—

17 “(AA) outstanding debt
18 of borrowers and the imposi-
19 tion of late fees;

20 “(BB) credit ratings of
21 borrowers; and

22 “(CC) continued avail-
23 ability of alternative repay-
24 ment arrangements;

1 “(bb) any other factors the
2 Bureau determines are appro-
3 priate; and

4 “(cc) the findings from the
5 report required under section
6 1018 of the Higher Education
7 Affordability Act.

8 “(B) CHANGES BY STUDENT LOAN
9 SERVICER.—If a student loan servicer makes a
10 material change in the mailing address, office,
11 or procedures for handling borrower payments,
12 and such change causes a material delay in the
13 crediting of a payment made during the 60-day
14 period following the date on which such change
15 took effect, the student loan servicer may not
16 impose any late fee for a late payment on the
17 postsecondary education loan to which such
18 payment was credited.

19 “(h) ADDITIONAL REQUIREMENTS FOR PREPAY-
20 MENTS.—

21 “(1) ADVANCEMENT OF DATE DUE.—A student
22 loan servicer may advance the date due of the next
23 regularly scheduled installment payment of a post-
24 secondary education loan upon remittance of a pre-
25 payment by the borrower, if—

1 “(A) the borrower’s payment is sufficient
2 to satisfy at least 1 additional installment pay-
3 ment;

4 “(B) the number of billing cycles for which
5 the date due is advanced is equal to total num-
6 ber of installment payments satisfied by the
7 prepayment; and

8 “(C) upon receipt by the student loan
9 servicer, the prepayment is applied—

10 “(i) to the principal balance of the
11 postsecondary education loan; or

12 “(ii) if the student loan servicer serv-
13 ices a billing group of a borrower, to the
14 principal balance of the postsecondary edu-
15 cation loan with the highest interest rate
16 in such billing group.

17 “(2) BORROWER RIGHTS.—A student loan
18 servicer shall provide a clear, understandable and
19 transparent means, including through submission of
20 an online form, for the borrower to elect to—

21 “(A) instruct the servicer not to advance
22 the date due of future installment payments as
23 described in paragraph (1); and

24 “(B) voluntarily make payments in excess
25 of the borrower’s regularly scheduled install-

1 ment payment amount on a periodic basis via
2 recurring electronic funds transfers or other
3 automatic payment arrangement.

4 “(i) TIMING OF PAYMENTS.—A student loan servicer
5 may not treat a payment on a postsecondary education
6 loan as late for any purpose unless the student loan
7 servicer has adopted reasonable procedures designed to en-
8 sure that each billing statement required under subsection
9 (j)(1) is mailed or delivered to the consumer not later than
10 21 days before the payment due date.

11 “(j) OTHER REQUIREMENTS FOR POSTSECONDARY
12 EDUCATION LOANS.—

13 “(1) STATEMENT REQUIRED WITH EACH BILL-
14 ING CYCLE.—A student loan servicer for each bor-
15 rower’s account that is being serviced by that stu-
16 dent loan servicer and that includes a postsecondary
17 education loan shall transmit to the borrower, for
18 each billing cycle at the end of which there is an
19 outstanding balance in that account, a statement
20 that includes—

21 “(A) the outstanding balance in the ac-
22 count at the beginning of the billing cycle;

23 “(B) the total amount credited to the ac-
24 count during the billing cycle;

1 “(C) the amount of any fee added to the
2 account during the billing cycle, itemized to
3 show the amounts, if any, due to the applica-
4 tion of an increased interest rate, and the
5 amount, if any, imposed as a minimum or fixed
6 charge;

7 “(D) the balance on which the fee de-
8 scribed in subparagraph (C) was computed and
9 a statement of how the balance was determined;

10 “(E) whether the balance described in sub-
11 paragraph (D) was determined without first de-
12 ducting all payments and other credits during
13 the billing cycle, and the amount of any such
14 payments and credits;

15 “(F) the outstanding balance in the ac-
16 count at the end of the billing cycle;

17 “(G) the date by which, or the period with-
18 in which, payment must be made to avoid late
19 fees, if any;

20 “(H) the address of the student loan
21 servicer to which the borrower may direct bill-
22 ing inquiries;

23 “(I) the amount of any payments or other
24 credits during the billing cycle that was applied

1 to pay down principal, and the amount applied
2 to interest;

3 “(J) in the case of a billing group, the allo-
4 cation of any payments or other credits during
5 the billing cycle to each of the postsecondary
6 education loans in the billing group; and

7 “(K) information on how to file a com-
8 plaint with the Bureau and with the ombuds-
9 man designated pursuant to section 1035 of the
10 Dodd-Frank Wall Street Reform and Consumer
11 Protection Act (12 U.S.C. 5535).

12 “(2) PAYMENT DEADLINES AND PENALTIES.—

13 “(A) DISCLOSURE OF PAYMENT DEAD-
14 LINES.—In the case of a postsecondary edu-
15 cation loan account under which a late fee or
16 charge may be imposed due to the failure of the
17 borrower to make payment on or before the due
18 date for such payment, the billing statement re-
19 quired under paragraph (1) with respect to the
20 account shall include, in a conspicuous location
21 on the billing statement, the date on which the
22 payment is due or, if different, the date on
23 which a late fee will be charged, together with
24 the amount of the late fee to be imposed if pay-
25 ment is made after that date.

1 “(B) PAYMENTS AT LOCAL BRANCHES.—If
2 the loan holder, in the case of a postsecondary
3 education loan account referred to in subpara-
4 graph (A), is a financial institution that main-
5 tains a branch or office at which payments on
6 any such account are accepted from the bor-
7 rower in person, the date on which the borrower
8 makes a payment on the account at such
9 branch or office shall be considered to be the
10 date on which the payment is made for pur-
11 poses of determining whether a late fee may be
12 imposed due to the failure of the borrower to
13 make payment on or before the due date for
14 such payment.

15 “(k) CORRECTIONS AND UNINTENTIONAL VIOLA-
16 TIONS.—A loan holder or student loan servicer who, when
17 acting in good faith, fails to comply with any requirement
18 under this section will to be deemed to have not violated
19 such requirement if the loan holder or student loan
20 servicer establishes that —

21 “(1) not later than 30 days after the date of
22 execution of the postsecondary education loan and
23 prior to the institution of any action under subtitle
24 E of title X of the Dodd-Frank Wall Street Reform

1 and Consumer Protection Act (12 U.S.C. 5561 et
2 seq.)—

3 “(A) the borrower is notified of or dis-
4 covers the compliance failure;

5 “(B) appropriate restitution to the bor-
6 rower is made; and

7 “(C) necessary adjustments are made to
8 the postsecondary education loan that are nec-
9 essary to bring the postsecondary education
10 loan into compliance with the requirements of
11 this section; or

12 “(2) not later than 60 days after the loan hold-
13 er or student loan servicer discovers or is notified of
14 an unintentional violation or bona fide error and
15 prior to the institution of any action under subtitle
16 E of title X of the Dodd-Frank Wall Street Reform
17 and Consumer Protection Act (12 U.S.C. 5561 et
18 seq.)—

19 “(A) the borrower is notified of the compli-
20 ance failure;

21 “(B) appropriate restitution to the bor-
22 rower is made; and

23 “(C) necessary adjustments are made to
24 the postsecondary education loan that are nec-
25 essary to bring the postsecondary education

1 loan into compliance with the requirements of
2 this section.

3 “(1) **RULE OF CONSTRUCTION FOR FEDERAL POST-**
4 **SECONDARY EDUCATION LOANS.**—Nothing in this section
5 shall be construed to supercede any reporting or disclosure
6 requirement required for a postsecondary education loan
7 that is made, issued, or guaranteed under part B, D, or
8 E of title IV of the Higher Education Act of 1965 (20
9 U.S.C. 1070 et seq.), part A of title VII of the Public
10 Health Service Act (42 U.S.C. 292 et seq.), or part E of
11 title VIII of such Act (42 U.S.C. 297a et seq.), if such
12 reporting requirement does not directly conflict with the
13 requirements of this section.

14 **“§ 191. Authority of Bureau**

15 “(a) **AUTHORIZATION.**—The Bureau, in consultation
16 with the Secretary of Education, is authorized to prescribe
17 such rules and regulations, make such interpretations, and
18 grant such reasonable exemptions, in accordance with, and
19 as may be necessary to achieve the purposes of, this chap-
20 ter.

21 “(b) **DISCLOSURE REQUIREMENTS.**—

22 “(1) **IN GENERAL.**—The Bureau shall, in con-
23 sultation with the Secretary of Education, issue reg-
24 ulations requiring disclosures, including the disclo-
25 sures required under section 483A of the Higher

1 Education Act of 1965, to borrowers that clearly
2 and conspicuously inform borrowers of the protec-
3 tions afforded to them under this chapter and under
4 other provisions relating to postsecondary education
5 loans. The Bureau shall consider whether special
6 disclosures are required to accommodate the unique
7 needs of borrowers who are members of the Armed
8 Forces or veterans.

9 “(2) REGULATIONS REQUIRED.—The regula-
10 tions issued under paragraph (1) shall—

11 “(A) ensure that a borrower is made aware
12 of—

13 “(i) all repayment options available to
14 the borrower, including the availability of
15 refinancing products, and the effect of
16 each repayment option on the total amount
17 owed under, total cost of, and time to
18 repay the postsecondary education loan;

19 “(ii) the risks and costs associated
20 with default; and

21 “(iii) the eligibility of certain bor-
22 rowers for discharge of certain postsec-
23 ondary education loans; and

24 “(B) require provision of information
25 about how a borrower can file a complaint with

1 lender acting on behalf of the borrower in-
2 forms the student loan servicer, that the
3 borrower will be refinancing or consoli-
4 dating the loan.

5 “(c) UNFAIR, DECEPTIVE, AND ABUSIVE ACTS OR
6 LENDING PRACTICES.—The Bureau, by regulation or
7 order, shall prohibit acts or practices in connection with—

8 “(1) a postsecondary education loan that the
9 Bureau finds to be unfair, deceptive, or designed to
10 evade the provisions of this chapter; or

11 “(2) the refinancing of a postsecondary edu-
12 cation loan, including facilitation of refinancing or
13 enrollment in an alternative repayment arrangement,
14 that the Bureau finds to be associated with abusive
15 lending practices, or that are otherwise not in the in-
16 terest of the borrower.

17 “(d) CONSULTATION WITH SECRETARY OF EDU-
18 CATION.—In order to avoid duplication, to the extent prac-
19 ticable, the Bureau, in consultation with the Secretary of
20 Education, may consider—

21 “(1) obligations of student loan servicers under
22 title IV of the Higher Education Act of 1965 (20
23 U.S.C. 1070 et seq.); and

1 shall issue the regulations required under this part and
2 the amendments made by this part not later than 1 year
3 after the date of enactment of this Act.

4 (b) TRANSITIONAL PERIOD.—Any requirement under
5 section 433 of the Higher Education Act of 1965 (20
6 U.S.C. 1083), and any regulation issued pursuant to such
7 section, that is determined by the Bureau to be duplicative
8 of a regulation issued pursuant to this part or amendment
9 made by this part shall continue to be in effect only until
10 the effective date of such regulation issued pursuant to
11 this part or the amendment made by this part.

12 **SEC. 1018. REPORT ON CREDIT REPORTING AND STUDENT**
13 **LENDING.**

14 (a) IN GENERAL.—Not later than 1 year after the
15 date of enactment of this Act, and as frequently thereafter
16 as the Director of the Bureau determines an update is
17 necessary, the Bureau shall submit to the appropriate
18 committees of Congress a report on the impact of postsec-
19 ondary education loan debt, which shall include an evalua-
20 tion, analysis, and discussion of—

- 21 (1) the impact on the credit of borrowers of—
22 (A) the common use of billing groups for
23 postsecondary education loans;

1 (B) the delinquency of 2 or more postsec-
2 ondary education loans contained in a billing
3 group; and

4 (C) the availability of alternative repay-
5 ment arrangements for postsecondary education
6 loans;

7 (2) what processes student loan servicers imple-
8 ment in furnishing student loan information to cred-
9 it reporting agencies;

10 (3) the most effective ways to repair the credit
11 history of a borrower after a default or delinquency
12 under a postsecondary education loan;

13 (4) legislative or regulatory changes the Bureau
14 determines would better assist borrowers under post-
15 secondary education loans;

16 (5) the manner in which information about re-
17 payment information about postsecondary education
18 loans is furnished to consumer reporting agencies
19 and the impact on the credit profile and credit score
20 of the borrower when servicing rights for postsec-
21 ondary education loans are transferred between stu-
22 dent loan servicers; and

23 (6) any other topics related to credit reporting
24 of postsecondary education loans the Bureau deter-
25 mines are necessary.

1 (b) DISAGGREGATE.—To the extent practicable, the
2 Director of the Bureau shall disaggregate the findings of
3 the report under paragraph (1) according to race, eth-
4 nicity, income level, and geography.

5 **SEC. 1019. OMBUDSMAN REPORT ON PRIVATE EDUCATION**
6 **LOAN MARKET.**

7 Not less than once every 2 years, the ombudsman
8 designated pursuant to section 1035 of the Dodd-Frank
9 Wall Street Reform and Consumer Protection Act (12
10 U.S.C. 5535) shall submit to the appropriate committees
11 of Congress a report—

12 (1) providing a detailed analysis of material
13 terms and conditions in private education loans; and

14 (2) describing changes in the availability of pri-
15 vate education loans and other consumer financial
16 products used to finance postsecondary education ex-
17 penses.

18 **PART B—INTERNAL REVENUE CODE OF 1986**

19 **SEC. 1022. INFORMATION SHARING AUTHORITY RELATING**
20 **TO INCOME-BASED REPAYMENT.**

21 (a) IN GENERAL.—Subparagraph (A) of section
22 6103(l)(13) of the Internal Revenue Code of 1986 is
23 amended by striking “who has received an applicable stu-
24 dent loan and whose loan repayment amounts are based
25 in whole or in part on the taxpayer’s income” and insert-

1 ing “who is more than 150 days delinquent on an eligible
2 student loan”.

3 (b) RESTRICTION ON REDISCLOSURES.—Subpara-
4 graph (B) of section 6103(l)(13) of such Code is amend-
5 ed—

6 (1) by striking “Return information” and in-
7 serting the following:

8 “(i) IN GENERAL.—Except as other-
9 wise provided in this subparagraph, return
10 information”,

11 (2) by striking “income contingent” and insert-
12 ing “income-based”,

13 (3) by inserting “for purposes of enrolling the
14 taxpayer in an income-based repayment plan pursu-
15 ant to section 493C(d) of the Higher Education Act
16 of 1965 (as in effect on the date of enactment of the
17 Higher Education Affordability Act)” before the pe-
18 riod at the end, and

19 (4) by adding at the end the following new
20 clauses:

21 “(ii) REDISCLOSURE OF REPAYMENT
22 AMOUNT TO CERTAIN LOAN SERVICE PRO-
23 VIDERS.—Upon request from an applicable
24 loan service provider, the Secretary of
25 Education may disclose to the taxpayer

1 and to the applicable loan service provider
2 the taxpayer's repayment amount under an
3 income-based repayment plan described in
4 section 493C(b) of the Higher Education
5 Act of 1965 (as in effect on the date of en-
6 actment of the Higher Education Afford-
7 ability Act).

8 “(iii) USE IN ADMINISTRATIVE PRO-
9 CEEDINGS.—The information disclosed
10 pursuant to this paragraph may be open to
11 inspection or disclosure to officers and em-
12 ployees of the Department of Education
13 who are personally and directly engaged in
14 any administrative proceeding arising out
15 of the determination of the income-based
16 repayment amount and to the taxpayer
17 and the taxpayer's representative.”.

18 (c) DEFINITIONS.—Subparagraph (C) of section
19 6103(l)(13) of such Code is amended to read as follows:

20 “(C) DEFINITIONS.—For purposes of this
21 paragraph—

22 “(i) ELIGIBLE STUDENT LOAN.—The
23 term ‘eligible student loan’ has the mean-
24 ing given to the term ‘eligible loan’ under
25 section 493C(a) of the Higher Education

1 Act of 1965 (as in effect on the date of en-
2 actment of the Higher Education Afford-
3 ability).

4 “(ii) APPLICABLE LOAN SERVICE PRO-
5 VIDER.—For purposes of this subpara-
6 graph, the term ‘applicable loan service
7 provider’ means—

8 “(I) any entity with a contract to
9 service loans under section 456 of the
10 Higher Education Act of 1965,

11 “(II) any entity that is a lender
12 of loans made, insured, or guaranteed
13 under part B of such Act,

14 “(III) any entity that provides
15 student loan servicing for a lender de-
16 scribed in subclause (II).”.

17 (d) TERMINATION OF AUTHORITY.—Subparagraph
18 (D) of section 6103(l)(13) of the Internal Revenue Code
19 of 1986 is amended by striking “December 31, 2007” and
20 inserting “December 31, 2019”.

21 (e) CONFORMING AMENDMENT.—The heading for
22 paragraph (13) of section 6103(l) of such Code is amend-
23 ed by striking “INCOME CONTINGENT REPAYMENT OF
24 STUDENT LOANS” and inserting “AUTO-ENROLLMENT OF

1 DELINQUENT STUDENT LOAN BORROWERS IN INCOME-
2 BASED REPAYMENT PLANS”.

3 (f) APPLICATION OF CERTAIN RULES TO LOAN
4 SERVICERS.—

5 (1) IN GENERAL.—Paragraph (3) of section
6 6103(a) of the Internal Revenue Code of 1986 is
7 amended by inserting “(13),” after “(12),”.

8 (2) PENALTY FOR UNAUTHORIZED INSPEC-
9 TION.—Subparagraph (B) of section 7213A of such
10 Code is amended by striking “subsection (l)(18) or
11 (n) of” and inserting “paragraph (13) or (18) of
12 subsection (l) of, or subsection (n) of,”.

13 (3) RECORDS OF INSPECTION AND DISCLO-
14 SURE.—Subparagraph (A) of section 6103(p)(3) of
15 such Code is amended—

16 (A) by striking “(13),” and

17 (B) by inserting after the second sentence
18 the following new sentence: “The Secretary of
19 Education shall supply the Secretary with such
20 information as is necessary to carry out this
21 paragraph as it relates to section 6103(l)(13).”.

22 (4) SAFEGUARDS.—Paragraph (4) Section
23 6103(p) of such Code is amended by inserting
24 “(13),” after “(l)(10),” each place it appears.

1 (g) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to requests made by the Secretary
3 of Education after the date of the enactment of this Act.

4 **PART C—TITLE 11 OF THE UNITED STATES CODE**
5 **SEC. 1031. PRIVATE LOAN DISCHARGE IN BANKRUPTCY.**

6 Section 523(a)(8) of title 11, United States Code, is
7 amended by striking “dependents, for” and all that follows
8 through the end of subparagraph (B) and inserting “de-
9 pendants, for an educational benefit overpayment or loan
10 made, insured, or guaranteed by a governmental unit or
11 made under any program funded in whole or in part by
12 a governmental unit or an obligation to repay funds re-
13 ceived from a governmental unit as an educational benefit,
14 scholarship, or stipend;”.

15 **PART D—SERVICEMEMBERS CIVIL RELIEF ACT**
16 **SEC. 1041. MODIFICATION OF LIMITATION ON RATE OF IN-**
17 **TEREST ON STUDENT LOANS DURING AND**
18 **IMMEDIATELY AFTER PERIOD OF MILITARY**
19 **SERVICE.**

20 (a) EXTENSION OF PERIOD OF APPLICABILITY OF
21 LIMITATION ON RATE OF INTEREST ON STUDENT LOANS
22 INCURRED BEFORE SERVICE.—Section 207(a)(1) of the
23 Servicemembers Civil Relief Act (50 U.S.C. App.
24 527(a)(1)) is amended—

1 (1) in subparagraph (A), by inserting “or a stu-
2 dent loan” after “nature of a mortgage”; and

3 (2) in the paragraph heading, by inserting “ON
4 DEBT INCURRED BEFORE SERVICE” after “LIMITA-
5 TION TO 6 PERCENT”.

6 (b) DEBT ENTERED INTO DURING MILITARY SERV-
7 ICE TO CONSOLIDATE OR REFINANCE STUDENT LOANS
8 INCURRED BEFORE MILITARY SERVICE.—Subsection (a)
9 of section 207 of such Act (50 U.S.C. App. 527) is amend-
10 ed—

11 (1) by redesignating paragraphs (2) and (3) as
12 paragraphs (3) and (4), respectively;

13 (2) by inserting after paragraph (1) the fol-
14 lowing:

15 “(2) LIMITATION TO 6 PERCENT ON DEBT IN-
16 CURRED DURING SERVICE TO CONSOLIDATE OR RE-
17 FINANCE STUDENT LOANS INCURRED BEFORE SERV-
18 ICE.—An obligation or liability bearing interest at a
19 rate in excess of 6 percent per year that is incurred
20 by a servicemember, or the servicemember and the
21 servicemember’s spouse jointly, during military serv-
22 ice to consolidate or refinance one or more student
23 loans incurred by the servicemember before such
24 military service shall not bear an interest at a rate

1 in excess of 6 percent during the period of military
2 service and one year thereafter.”;

3 (3) in paragraph (3), as redesignated by para-
4 graph (1) of this subsection, by inserting “or (2)”
5 after “paragraph (1)”; and

6 (4) in paragraph (4), as so redesignated, by
7 striking “paragraph (2)” and inserting “paragraph
8 (3)”.

9 (c) IMPLEMENTATION OF LIMITATION.—Subsection
10 (b) of such section is amended—

11 (1) in paragraph (1), by striking “the interest
12 rate limitation in subsection (a)” and inserting “an
13 interest rate limitation in paragraph (1) or (2) of
14 subsection (a)”; and

15 (2) in paragraph (2)—

16 (A) in the paragraph heading, by striking
17 “AS OF DATE OF ORDER TO ACTIVE DUTY”; and

18 (B) by inserting before the period at the
19 end the following: “in the case of an obligation
20 or liability covered by subsection (a)(1), or as of
21 the date the servicemember (or servicemember
22 and spouse jointly) incurs the obligation or li-
23 ability concerned under subsection (a)(2)”.

1 (d) STUDENT LOAN DEFINED.—Subsection (d) of
2 such section is amended by adding at the end the following
3 new paragraph:

4 “(3) STUDENT LOAN.—The term ‘student loan’
5 means the following:

6 “(A) A Federal student loan made, in-
7 sured, or guaranteed under title IV of the
8 Higher Education Act of 1965 (20 U.S.C. 1070
9 et seq.).

10 “(B) A student loan made pursuant to title
11 VII or VIII of the Public Health Service Act
12 (42 U.S.C. 292 et seq. and 296 et seq.).

13 “(C) A private student loan as that term
14 is defined in section 140(a) of the Truth in
15 Lending Act (15 U.S.C. 1650(a)).”.

16 **PART E—UNITED STATES INSTITUTE OF PEACE**
17 **ACT**

18 **SEC. 1051. UNITED STATES INSTITUTE OF PEACE ACT.**

19 Section 1710(a)(1) of the United States Institute of
20 Peace Act (22 U.S.C. 4609(a)(1)) is amended by striking
21 “to be appropriated” and all that follows through the pe-
22 riod at the end and inserting “to be appropriated such
23 sums as may be necessary for fiscal years 2015 through
24 2019”.

1 **TITLE XI—REPORTS, STUDIES,**
2 **AND MISCELLANEOUS PROVI-**
3 **SIONS**

4 **SEC. 1101. CONSUMER PROTECTIONS FOR STUDENTS.**

5 (a) IN GENERAL.—

6 (1) DEFINITIONS.—In this section:

7 (A) FEDERAL FINANCIAL ASSISTANCE
8 PROGRAM.—The term “Federal financial assist-
9 ance program” means a program authorized
10 and funded by the Federal Government under
11 any of the following provisions of law:

12 (i) Title IV of the Higher Education
13 Act of 1965 (20 U.S.C. 1070 et seq.).

14 (ii) Title I of the Workforce Invest-
15 ment Act of 1998 (29 U.S.C. 2801 et seq.)
16 or title I of the Workforce Innovation and
17 Opportunity Act (29 U.S.C. 3111 et seq.).

18 (iii) The Adult Education and Family
19 Literacy Act (29 U.S.C. 3101 note et
20 seq.).

21 (iv) Chapter 30, 31, 32, 33, 34, or 35
22 of title 38, United States Code.

23 (v) Chapter 101, 105, 106A, 1606,
24 1607, or 1608 of title 10, United States
25 Code.

1 (vi) Section 1784a, 2005, or 2007 of
2 title 10, United States Code.

3 (B) INSTITUTION OF HIGHER EDU-
4 CATION.—The term “institution of higher edu-
5 cation”—

6 (i) with respect to a program author-
7 ized under subparagraph (A)(i), has the
8 meaning given the term in section 102 of
9 the Higher Education Act of 1965 (20
10 U.S.C. 1002);

11 (ii) with respect to a program author-
12 ized under title I of the Workforce Invest-
13 ment Act of 1998 (29 U.S.C. 2801 et
14 seq.), has the meaning given the term
15 “postsecondary educational institution” as
16 defined in section 101 of the Workforce In-
17 vestment Act of 1998 (29 U.S.C. 2801),
18 and with respect to a program authorized
19 under title I of the Workforce Innovation
20 and Opportunity Act (29 U.S.C. 3111 et
21 seq.), has the meaning given the term “in-
22 stitution of higher education” as defined in
23 section 3 of the Workforce Innovation and
24 Opportunity Act (29 U.S.C. 3102);

1 (iii) with respect to a program author-
2 ized under subparagraph (A)(iii), has the
3 meaning given the term “postsecondary
4 educational institution” as defined in sec-
5 tion 203 of the Adult Education and Fam-
6 ily Literacy Act (29 U.S.C. 3272);

7 (iv) with respect to a program author-
8 ized under subparagraph (A)(iv), has the
9 meaning given the term “educational insti-
10 tution” under section 3452 of title 38,
11 United States Code;

12 (v) with respect to a program author-
13 ized under subparagraph (A)(v), means an
14 educational institution that awards a de-
15 gree or certificate and is located in any
16 State; and

17 (vi) with respect to a program author-
18 ized under subparagraph (A)(vi), means an
19 educational institution that awards a de-
20 gree or certificate and is located in any
21 State.

22 (C) STATE.—

23 (i) STATE.—The term “State” in-
24 cludes, in addition to the several States of
25 the United States, the Commonwealth of

1 Puerto Rico, the District of Columbia,
2 Guam, American Samoa, the United States
3 Virgin Islands, the Commonwealth of the
4 Northern Mariana Islands, and the freely
5 associated States.

6 (ii) FREELY ASSOCIATED STATES.—
7 The term “freely associated States” means
8 the Republic of the Marshall Islands, the
9 Federated States of Micronesia, and the
10 Republic of Palau.

11 (2) CONSUMER PROTECTIONS.—Notwith-
12 standing any other provision of law, an institution of
13 higher education is not eligible to participate in a
14 Federal financial assistance program with respect to
15 any program of postsecondary education or training,
16 including a degree or certificate program, that is de-
17 signed to prepare students for entry into a recog-
18 nized occupation or profession that requires licensing
19 or other established requirements as a condition for
20 entry into such occupation or profession, unless, by
21 not later than 1 year after the date of enactment of
22 this Act—

23 (A) the successful completion of the pro-
24 gram fully qualifies a student, in the Metropoli-
25 tan Statistical Area in which the student re-

1 sides (and in any State in which the institution
2 indicates, through advertising or marketing ac-
3 tivities or direct contact with potential students,
4 that a student will be prepared to work in the
5 occupation or profession after successfully com-
6 pleting the program), to—

7 (i) take any examination required for
8 entry into the recognized occupation or
9 profession in the Metropolitan Statistical
10 Area and State in which the student re-
11 sides, including satisfying all State or pro-
12 fessionally mandated programmatic and
13 specialized accreditation requirements, if
14 any; and

15 (ii) be certified or licensed or meet
16 any other academically related conditions
17 that are required for entry into the recog-
18 nized occupation or profession in the State;
19 and

20 (B) the institution offering the program
21 provides timely placement for all of the aca-
22 demically related pre-licensure requirements for
23 entry into the recognized occupation or profes-
24 sion, such as clinical placements, internships, or
25 apprenticeships.

1 (3) REGULATIONS ON PROGRAMS IN
2 PREACCREDITATION STATUS.—The Secretary of
3 Education shall promulgate regulations on require-
4 ments of an institution of higher education with re-
5 spect to any program of the institution that is in a
6 preaccredited status, including limitations on, or re-
7 quirements of, advertisement of the program to stu-
8 dents. Such regulations shall be consistent with the
9 provisions of paragraph (2).

10 (4) LOAN DISCHARGE.—The Secretary of Edu-
11 cation shall promulgate regulations that condition
12 eligibility for an institution of higher education to
13 participate in any Federal financial assistance pro-
14 gram on the institution signing with each student
15 enrolled in any program of the institution that is in
16 a preaccredited status, a loan discharge agreement.

17 (b) EFFECTIVE DATE.—This section shall take effect
18 on the date that is 1 year after the date of enactment
19 of this Act.

20 **SEC. 1102. LONGITUDINAL STUDY OF THE EFFECTIVENESS**
21 **OF STUDENT LOAN COUNSELING.**

22 (a) IN GENERAL.—Not later than 1 year after the
23 date of enactment of this Act, the Secretary of Education
24 and the Director of the Bureau of Consumer Financial
25 Protection, acting through the Director of the Institute

1 of Education Sciences, shall begin conducting a rigorous
2 longitudinal study of the impact and effectiveness of stu-
3 dent loan counseling, as provided in accordance with sub-
4 sections (b), (l), and (n) of section 485 of the Higher Edu-
5 cation Act of 1965 (20 U.S.C. 1092) and through such
6 other means of providing student loan counseling services
7 as the Secretary may determine.

8 (b) CONTENTS.—The longitudinal study shall include
9 borrower information, in the aggregate and disaggregated
10 by race, ethnicity, gender, income, and status as an indi-
11 vidual with a disability, about—

12 (1) student persistence;

13 (2) degree attainment;

14 (3) program completion;

15 (4) successful entry into student loan repay-
16 ment;

17 (5) cumulative borrowing levels; and

18 (6) such other factors as the Secretary may de-
19 termine.

20 (c) INTERIM REPORTS.—Not later than 18 months
21 after the commencement of the study described under this
22 section, and annually thereafter, the Secretary shall evalu-
23 ate the progress of the study and report any short-term
24 findings to the appropriate committees of Congress.

1 (d) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to carry out this section
3 such sums as may be necessary for fiscal year 2015 and
4 each of the 4 succeeding fiscal years.

5 **SEC. 1103. RECOMMENDATIONS FOR STUDENT LOAN COUN-**
6 **SELING.**

7 The Secretary of the Treasury, acting through the
8 President's Advisory Council on Financial Capability and
9 the Financial Literacy and Education Commission, shall
10 prepare and submit to Congress and to the Secretary of
11 Education a report containing recommendations about in-
12 formation, including methods and strategies for conveying
13 such information to borrowers in order to ensure com-
14 prehension, that should be included in financial literacy
15 counseling for first-time student loan borrowers.

16 **SEC. 1104. WORKING GROUP ON IMPROVEMENT OF RE-**
17 **SOURCES AVAILABLE TO MEMBERS OF THE**
18 **ARMED FORCES AND THEIR SPOUSES IN**
19 **USING TUITION ASSISTANCE PROGRAMS OF**
20 **THE DEPARTMENT OF DEFENSE.**

21 (a) WORKING GROUP REQUIRED.—The Secretary of
22 Education, the Secretary of Defense, the Secretary of Vet-
23 erans Affairs, and the Director of the Bureau of Consumer
24 Financial Protection shall jointly, and in consultation with
25 the heads of such other departments and agencies of the

1 Federal Government as such officials consider appro-
2 priate, establish and maintain a working group to assess
3 and improve the resources available to education service
4 officers and other personnel of the Federal Government
5 who provide assistance to members of the Armed Forces
6 and their spouses in using or seeking to use the tuition
7 assistance programs of the Department of Defense.

8 (b) RESOURCES.—In improving resources as de-
9 scribed in subsection (a), the working group shall provide
10 for the inclusion of the following in such resources:

11 (1) Information on the benefits and protections
12 for members of the Armed Forces and their depend-
13 ents provided in this Act and the amendments made
14 by this Act.

15 (2) Consumer information, resources, and tools
16 created and maintained by the working group pursu-
17 ant to this section.

18 (3) Information on the availability of consumer
19 protection measures, including the complaint system
20 established pursuant to Executive Order 13607 (77
21 Fed. Reg. 25861; relating to establishing principles
22 of excellence for educational institutions serving
23 servicemembers, veterans, spouses, and other family
24 members).

1 zations identified on the certification forms devel-
2 oped by the Secretary pursuant to such section;

3 (3) an analysis of the impact of the availability
4 of public service loan forgiveness under such section
5 on the utilization of other benefits established to en-
6 courage or reward public service employment under
7 title IV of the Higher Education Act of 1965 (20
8 U.S.C. 1070), including the programs established
9 under sections 428J, 460, and 465 of such Act (20
10 U.S.C. 1078–10, 1087j, and 1087ee);

11 (4) an analysis of the impact public service loan
12 forgiveness under section 455(m) of such Act has
13 had on the existence of loan repayment assistance
14 programs offered by institutions of higher education
15 for students employed in public service;

16 (5) an evaluation of the impact of the public
17 service loan forgiveness program under such section
18 on total tuition and fees at institutions where the
19 Secretary finds a reasonable number of borrowers
20 are both—

21 (A) prospective recipients of loan forgive-
22 ness under section 455(m), as described in
23 paragraph (1); and

24 (B) recipients of an award under a loan re-
25 payment assistance program made by an insti-

1 tution of higher education described in para-
2 graph (4);

3 (6) an evaluation of the impact of borrowers de-
4 scribed in paragraph (5) on total program costs for
5 the public service loan forgiveness program under
6 section 455(m); and

7 (7) an evaluation of the cost and feasibility of
8 altering the public service loan forgiveness program
9 carried out under section 455(m) of the Higher
10 Education Act of 1965 (20 U.S.C. 1087e(m)) in
11 order to allow a proportionate percentage of loan
12 cancellation for each year of public service that the
13 individual completes, and a comparison of the esti-
14 mated costs of such a prorated program with the es-
15 timated costs of the public service loan forgiveness
16 program carried out under such section 455(m), as
17 in effect on the date of the study.

18 **SEC. 1106. LONGITUDINAL STUDY OF THE CAUSES OF STU-**
19 **DENT LOAN DEFAULT.**

20 (a) IN GENERAL.—Not later than 1 year after the
21 date of enactment of this Act, the Secretary of Education
22 and the Director of the Bureau of Consumer Financial
23 Protection, acting through the Director of the Institute
24 of Education Sciences, shall begin conducting a rigorous
25 longitudinal study of the causes of default on loans made,

1 insured, or guaranteed under part B, D, or E of title IV
2 of the Higher Education Act of 1965 (20 U.S.C. 1071
3 et seq., 1087a et seq., 1087aa et seq).

4 (b) CONTENTS.—The longitudinal study shall in-
5 clude—

6 (1) information about borrowers of loans de-
7 scribed in subsection (a), disaggregated by age, race,
8 ethnicity, gender, status as an individual with a dis-
9 ability, and status as a low-income individual, re-
10 garding possible risk factors for default, including—

11 (A) the type of institution attended by the
12 borrower;

13 (B) the degree or program in which the
14 borrower was enrolled;

15 (C) educational attainment level;

16 (D) personal and financial circumstances;

17 (E) employment status;

18 (F) types of loans held by the borrower;

19 (G) the interest rate on outstanding loans
20 held by the borrower;

21 (H) the repayment plan selected by the
22 borrower;

23 (I) loan servicing difficulties;

24 (J) outstanding debt level; and

1 (K) such other factors as the Secretary
2 and Director of the Bureau of Consumer Fi-
3 nancial Protection may determine;

4 (2) consideration of the relevance of the pos-
5 sible risk factors; and

6 (3) policy recommendations designed to de-
7 crease the likelihood of student loan default.

8 (c) REPORTS.—

9 (1) INTERIM REPORTS.—Not later than 18
10 months after the commencement of the study de-
11 scribed under this section, and annually thereafter,
12 the Secretary shall evaluate the progress of the
13 study and report any short-term findings to the ap-
14 propriate committees of Congress.

15 (2) FINAL REPORT.—Upon completion of the
16 study described under this section, the Secretary
17 shall prepare and submit a final report regarding
18 the findings of the study to the appropriate commit-
19 tees of Congress.

20 (d) AUTHORIZATION OF APPROPRIATIONS.—There
21 are authorized to be appropriated to carry out this section
22 such sums as may be necessary for fiscal year 2015 and
23 each of the 4 succeeding fiscal years.

24 **SEC. 1107. INSTITUTIONAL RISK-SHARING COMMISSION.**

25 (a) ESTABLISHMENT OF COMMISSION.—

1 (1) IN GENERAL.—The Secretary of Education
2 shall establish an Institutional Risk-Sharing Com-
3 mission (referred to in this section as the “Commis-
4 sion”) whose members shall be selected by the Sec-
5 retary and comprised of the following relevant stake-
6 holders:

7 (A) 2 representatives of national or re-
8 gional student advocacy organizations with a
9 track record of engagement and expertise on
10 issues related to college costs, consumer protec-
11 tion, and institutional accountability and an al-
12 ternate member.

13 (B) 1 student representative who is attend-
14 ing an institution of higher education on the
15 date of the selection and an alternate member.

16 (C) 1 member of the Bureau of Consumer
17 Financial Protection with demonstrated knowl-
18 edge of student loan borrowing and an alternate
19 member.

20 (D) 2 administrative officers from different
21 types of institutions of higher education and an
22 alternate member.

23 (E) 1 higher education researcher and an
24 alternate member.

1 (F) 1 State postsecondary education data
2 system director and an alternate member.

3 (G) 1 representative from the National
4 Center for Education Statistics and an alter-
5 nate member.

6 (H) 1 representative from the Government
7 Accountability Office and an alternate member.

8 (I) 1 representative from the Department
9 of the Treasury and an alternate member.

10 (2) FUNCTIONS.—Each member selected under
11 paragraph (1) shall participate for the purpose of
12 determining agreement by majority vote on the Com-
13 mission on the report and its contents described in
14 paragraph (4). Each alternate member shall partici-
15 pate for the purpose of determining the majority
16 vote in the absence of the member. Either the mem-
17 ber or an alternate member may speak during the
18 negotiations. In the event that the Commission is
19 unable to form agreement on the contents of the re-
20 port by majority vote, the contents of the report
21 shall be determined by a plurality vote.

22 (b) STUDY.—

23 (1) IN GENERAL.—Not later than 270 days
24 after the date that all members of the Commission
25 have been selected under subsection (a), the Com-

1 mission shall complete a study and develop rec-
2 ommendations for implementation of a new risk-
3 sharing system for institutions of higher education
4 that participate in the Federal Direct Loan Program
5 under part D of title IV of the Higher Education
6 Act of 1965 (20 U.S.C. 1087a et seq.) through
7 which institutions would be held financially account-
8 able for poor student outcomes.

9 (2) CONTENT OF STUDY.—In conducting the
10 study required under paragraph (1), the Commission
11 shall, at a minimum, consider the following issues:

12 (A) Identifying an annual measure or set
13 of measures for the risk-sharing system that
14 would provide the most accurate assessment of
15 an institution's level of success or failure at
16 providing their students with basic educational
17 outcomes, such as degree completion, ability to
18 repay loans made, insured, or guaranteed under
19 title IV of the Higher Education Act of 1965
20 (20 U.S.C. 1070 et seq.), post-graduation em-
21 ployment, and post-graduation earnings. Such
22 possible measures may include cohort default
23 rates, loan repayment rates, graduation rates,
24 graduate earnings, and other measure that the
25 Commission considers an accurate reflection of

1 student outcomes, regardless of the feasibility
2 of access to the data required to implement col-
3 lection of such measures.

4 (B) What specific metrics would require
5 the lowest performing institutions to make an-
6 nual payments into the risk-sharing system,
7 and what metrics would exempt institutions
8 from making an annual risk-sharing payment
9 based on performance measures that exceeded a
10 minimum level (which level would be identified
11 by the Commission).

12 (C) How the payments for each institution
13 should be calculated, including whether the use
14 of a percentage of Federal Direct Loans dis-
15 bursed the year prior to identification, the per-
16 centage of loans in default, or any other cal-
17 culation should be used.

18 (D) Whether a sliding scale of payments
19 should be required of institutions based on their
20 performance on the identified measures.

21 (E) Any legislative safeguards or mecha-
22 nisms to ensure that an institution required to
23 participate in the risk-sharing system would not
24 pass any prospective costs directly or indirectly

1 onto students, or limit access to low-income stu-
2 dents.

3 (F) How an institution's level of access to
4 low-income students (such as measured by the
5 percentage of students enrolled at the institu-
6 tion who receive Federal Pell Grants under sub-
7 part 1 of part A of title IV of the Higher Edu-
8 cation Act of 1965 (20 U.S.C. 1070a et seq.))
9 and affordability (as measured by average net
10 price) should be considered in the risk-sharing
11 system.

12 (G) Specifying a means for the risk-shar-
13 ing system payments to go primarily towards
14 students in default, additional aid to low-income
15 students, or any other form of aid to student
16 borrowers most in need, including after degree
17 completion.

18 (H) Whether any extraordinary consider-
19 ation exists that warrants allowing a waiver
20 process through which a very limited number of
21 institutions would be eligible to apply for a
22 waiver from a risk-sharing payment on a yearly
23 basis, and under what conditions.

24 (3) OUTSIDE RECOMMENDATIONS.—As part of
25 the study required under paragraph (1), the Com-

1 mission shall develop a public process for soliciting
2 recommendations for the risk-sharing system and
3 shall consider these recommendations as part of the
4 study. The Commission shall factor in any financial
5 or other interests of any submitting party in weigh-
6 ing and considering such recommendations.

7 (4) REPORT.—

8 (A) CONTENT.—Not later than 90 days
9 after completing the study required under para-
10 graph (1), the Commission shall issue, by ma-
11 jority vote, or if unable to achieve a majority
12 vote, then a plurality vote, a report regarding
13 its recommendations for a risk-sharing system.
14 The report shall include the following:

15 (i) A description of the Commission's
16 findings as to the issues described in para-
17 graph (2).

18 (ii) A data analysis using the Com-
19 mission's recommended metrics that dem-
20 onstrates how each institution of higher
21 education that participates in the Federal
22 Direct Loan Program under part D of title
23 IV of the Higher Education Act of 1965
24 (20 U.S.C. 1087a et seq.) as of the period
25 of the Commission's study would fare

1 under the proposed risk-sharing system,
2 including projections for the amounts of
3 payments the lowest performing institu-
4 tions would have to pay.

5 (iii) An evaluation of the feasibility
6 and unintended consequences of imple-
7 menting the recommended risk-sharing
8 system, including any legislative or regu-
9 latory action needed to implement such a
10 system.

11 (B) AVAILABILITY.—The report described
12 in subparagraph (A) shall be—

13 (i) provided to the Secretary of Edu-
14 cation, the Committee on Health, Edu-
15 cation, Labor, and Pensions of the Senate,
16 and the Committee on Education and the
17 Workforce of the House of Representa-
18 tives; and

19 (ii) made publicly available.

20 (c) SECURING INFORMATION AND PRIVACY.—

21 (1) IN GENERAL.—Subject to paragraph (2),
22 the Commission may secure directly from any Fed-
23 eral department or agency such information as the
24 Commission considers necessary to carry out its du-
25 ties under this section. The Commission may request

1 the head of any State or local department or agency
2 to furnish such information to the Commission.

3 (2) PRIVACY.—Any Federal department or
4 agency, State or local department or agency, or in-
5 stitution of higher education in providing informa-
6 tion to the Commission under this section shall not
7 share any personally identifiable information and
8 shall act in accordance with section 444 of the Gen-
9 eral Education Provisions Act (20 U.S.C. 1232g,
10 commonly known as the “Family Educational Rights
11 and Privacy Act of 1974”).

12 **SEC. 1108. GAO REPORT ON EDUCATIONAL ATTAINMENT OF**
13 **HOMELESS CHILDREN AND YOUTH AND FOS-**
14 **TER CARE CHILDREN AND YOUTH.**

15 (a) DEFINITIONS.—In this section:

16 (1) FOSTER CARE CHILDREN AND YOUTH.—
17 The term “foster care children and youth” has the
18 meaning given the term in section 103 of the Higher
19 Education Act of 1965.

20 (2) HOMELESS CHILDREN AND YOUTH.—The
21 term “homeless children and youth” means children
22 and youth who lack a fixed, regular, and adequate
23 nighttime residence and includes—

24 (A) children and youth who—

1 (i) are sharing the housing of other
2 persons due to loss of housing, economic
3 hardship, or a similar reason;

4 (ii) are living in motels, hotels, trailer
5 parks, or camping grounds due to the lack
6 of alternative adequate accommodations;

7 (iii) are living in emergency or transi-
8 tional shelters;

9 (iv) are abandoned in hospitals; or

10 (v) are awaiting foster care placement;

11 (B) children and youth who have a pri-
12 mary nighttime residence that is a public or
13 private place not designed for or ordinarily used
14 as a regular sleeping accommodation for human
15 beings;

16 (C) children and youth who are living in
17 cars, parks, public spaces, abandoned buildings,
18 substandard housing, bus or train stations, or
19 similar settings; and

20 (D) migratory children (as such term is
21 defined in section 1309 of the Elementary and
22 Secondary Education Act of 1965 (20 U.S.C.
23 6399)) who are living in circumstances de-
24 scribed in subparagraph (A), (B), or (C).

1 (3) INSTITUTION OF HIGHER EDUCATION.—The
2 term “institution of higher education” has the
3 meaning given the term in section 102 of the Higher
4 Education Act of 1965 (20 U.S.C. 1002).

5 (b) IN GENERAL.—Not later than 1 year after the
6 date of enactment of this Act, the Comptroller General
7 of the United States shall prepare and submit to the Com-
8 mittee on Health, Education, Labor, and Pensions of the
9 Senate and the Committee on Education and the Work-
10 force of the House of Representatives a report on the edu-
11 cational attainment of youth who are or have been home-
12 less (including youth who are or have been homeless chil-
13 dren and youth) and foster care children and youth.

14 (c) CONTENT.—The report described in subsection
15 (b) shall contain a review and assessment of enrollment
16 and completion data for both accompanied and unaccom-
17 panied homeless children and youth and foster care chil-
18 dren and youth, including the following:

19 (1) The percentage of such youth attending an
20 institution of higher education.

21 (2) The percentage of such youth graduating
22 from an institution of higher education.

23 (3) The average length of time taken to obtain
24 an associate or baccalaureate degree.

25 (4) The percentage of such youth attending—

1 (A) a public institution of higher edu-
2 cation;

3 (B) a private institution of higher edu-
4 cation;

5 (C) a community college; and

6 (D) a 4-year institution of higher edu-
7 cation.

8 (5) Reasons why such youth choose not to pur-
9 sue a higher education.

10 (6) The availability of public and private tuition
11 assistance specifically for such youth and the aware-
12 ness among such youth of such tuition assistance.

13 (7) The availability of other public or private
14 programs designed to encourage and support enroll-
15 ment in, and completion of, higher education for
16 such youth.

17 (8) Ways in which the Department of Edu-
18 cation might increase the educational attainment
19 rates of such youth.

20 **SEC. 1109. AMERICAN DREAM ACCOUNTS.**

21 (a) **SHORT TITLE.**—This section may be cited as the
22 “American Dream Accounts Act”.

23 (b) **DEFINITIONS.**—In this section:

24 (1) **AMERICAN DREAM ACCOUNT.**—The term
25 “American Dream Account” means a personal on-

1 line account for low-income students that monitors
2 higher education readiness and includes a college
3 savings account.

4 (2) APPROPRIATE COMMITTEES OF CON-
5 GRESS.—The term “appropriate committees of Con-
6 gress” means the Committee on Health, Education,
7 Labor, and Pensions, the Committee on Appropria-
8 tions, and the Committee on Finance of the Senate,
9 and the Committee on Education and the Work-
10 force, the Committee on Appropriations, and the
11 Committee on Ways and Means of the House of
12 Representatives, as well as any other Committee of
13 the Senate or House of Representatives that the
14 Secretary determines appropriate.

15 (3) CHARTER SCHOOL.—The term “charter
16 school” has the meaning given such term in section
17 5210 of the Elementary and Secondary Education
18 Act of 1965 (20 U.S.C. 7221i).

19 (4) COLLEGE SAVINGS ACCOUNT.—The term
20 “college savings account” means a savings account
21 that—

22 (A) provides some tax-preferred accumula-
23 tion;

24 (B) is widely available (such as Qualified
25 Tuition Programs under section 529 of the In-

1 ternal Revenue Code of 1986 or Coverdell Edu-
2 cation Savings Accounts under section 530 of
3 the Internal Revenue Code of 1986); and

4 (C) contains funds that may be used only
5 for the costs associated with attending an insti-
6 tution of higher education, including—

7 (i) tuition and fees;

8 (ii) room and board;

9 (iii) textbooks;

10 (iv) supplies and equipment; and

11 (v) Internet access.

12 (5) DUAL ENROLLMENT PROGRAM.—The term
13 “dual enrollment program” means a program of
14 study—

15 (A) provided by an institution of higher
16 education through which a student who has not
17 graduated from secondary school with a regular
18 high school diploma is able to earn secondary
19 school credit and postsecondary credit that is
20 accepted as credit towards a postsecondary de-
21 gree or credential at no cost to the participant
22 or the participant’s family; and

23 (B) that shall consist of not less than 2
24 postsecondary credit-bearing courses and sup-

1 port and academic services that help a student
2 persist and complete such courses.

3 (6) EARLY COLLEGE HIGH SCHOOL.—The term
4 “early college high school program” means a formal
5 partnership between at least 1 local educational
6 agency and at least 1 institution of higher education
7 that allows students to simultaneously complete, as
8 part of an organized course of study, requirements
9 towards earning a regular high school diploma and
10 earning not less than 12 transferable postsecondary
11 credits that are accepted as credit towards a postsec-
12 ondary degree or credential at no cost to the partici-
13 pant or the participant’s family.

14 (7) ELIGIBLE ENTITY.—The term “eligible enti-
15 ty” means—

16 (A) a State educational agency;

17 (B) a local educational agency, including a
18 charter school that operates as its own local
19 educational agency;

20 (C) a charter management organization or
21 charter school authorizer;

22 (D) an institution of higher education;

23 (E) a nonprofit organization;

24 (F) an entity with demonstrated experience
25 in educational savings or in assisting low-in-

1 come students to prepare for, and attend, an in-
2 stitution of higher education; or

3 (G) a consortium of 2 or more of the enti-
4 ties described in subparagraphs (A) through
5 (F).

6 (8) INSTITUTION OF HIGHER EDUCATION.—The
7 term “institution of higher education” has the
8 meaning given the term in section 101(a) of the
9 Higher Education Act of 1965 (20 U.S.C. 1001(a)).

10 (9) LOCAL EDUCATIONAL AGENCY.—The term
11 “local educational agency” has the meaning given
12 such term in section 9101 of the Elementary and
13 Secondary Education Act of 1965 (20 U.S.C. 7801).

14 (10) LOW-INCOME STUDENT.—The term “low-
15 income student” means a student who is eligible to
16 receive a free or reduced price lunch under the Rich-
17 ard B. Russell National School Lunch Act (42
18 U.S.C. 1751 et seq.).

19 (11) PARENT.—The term “parent” has the
20 meaning given such term in section 9101 of the Ele-
21 mentary and Secondary Education Act of 1965 (20
22 U.S.C. 7801).

23 (12) SECRETARY.—The term “Secretary” has
24 the meaning given such term in section 9101 of the

1 Elementary and Secondary Education Act of 1965
2 (20 U.S.C. 7801).

3 (13) STATE EDUCATIONAL AGENCY.—The term
4 “State educational agency” has the meaning given
5 such term in section 9101 of the Elementary and
6 Secondary Education Act of 1965 (20 U.S.C. 7801).

7 (c) GRANT PROGRAM.—

8 (1) PROGRAM AUTHORIZED.—The Secretary is
9 authorized to award grants, on a competitive basis,
10 to eligible entities to enable such eligible entities to
11 establish and administer American Dream Accounts
12 for a group of low-income students.

13 (2) RESERVATION.—From the amounts appro-
14 priated each fiscal year to carry out this section, the
15 Secretary shall reserve not more than 5 percent of
16 such amount to carry out the evaluation activities
17 described in subsection (f)(1).

18 (3) DURATION.—A grant awarded under this
19 section shall be for a period of not more than 3
20 years. The Secretary may extend such grant for an
21 additional 2-year period if the Secretary determines
22 that the eligible entity has demonstrated significant
23 progress, based on the factors described in sub-
24 section (d)(2)(K).

25 (d) APPLICATIONS; PRIORITY.—

1 (1) IN GENERAL.—Each eligible entity desiring
2 a grant under this section shall submit an applica-
3 tion to the Secretary at such time, in such manner,
4 and containing such information as the Secretary
5 may require.

6 (2) CONTENTS.—At a minimum, the applica-
7 tion described in paragraph (1) shall include the fol-
8 lowing:

9 (A) A description of the characteristics of
10 a group of not less than 30 low-income public
11 school students who—

12 (i) are, at the time of the application,
13 attending a grade not higher than grade 9;
14 and

15 (ii) will, under the grant, receive an
16 American Dream Account.

17 (B) A description of how the eligible entity
18 will engage, and provide support (such as tutor-
19 ing and mentoring for students, and training
20 for teachers and other stakeholders) either on-
21 line or in person, to—

22 (i) the students in the group described
23 in subparagraph (A);

24 (ii) the family members and teachers
25 of such students; and

1 (iii) other stakeholders such as school
2 administrators and school counselors.

3 (C) An identification of partners who will
4 assist the eligible entity in establishing and sus-
5 taining American Dream Accounts.

6 (D) A description of what experience the
7 eligible entity or the partners of the eligible en-
8 tity have in managing college savings accounts,
9 preparing low-income students for postsec-
10 ondary education, managing online systems,
11 and teaching financial literacy.

12 (E) A demonstration that the eligible enti-
13 ty has sufficient resources to provide an initial
14 deposit into the college savings account portion
15 of each American Dream Account.

16 (F) A description of how the eligible entity
17 will help increase the value of the college sav-
18 ings account portion of each American Dream
19 Account, such as by providing matching funds
20 or incentives for academic achievement.

21 (G) A description of how the eligible entity
22 will notify each participating student in the
23 group described in subparagraph (A), on a
24 semiannual basis, of the current balance and

1 status of the college savings account portion of
2 the American Dream Account of the student.

3 (H) A plan that describes how the eligible
4 entity will monitor participating students in the
5 group described in subparagraph (A) to ensure
6 that the American Dream Account of each stu-
7 dent will be maintained if a student in such
8 group changes schools before graduating from
9 secondary school.

10 (I) A plan that describes how the Amer-
11 ican Dream Accounts will be managed for not
12 less than 1 year after a majority of the students
13 in the group described in subparagraph (A)
14 graduate from secondary school.

15 (J) A description of how the eligible entity
16 will encourage students in the group described
17 in subparagraph (A) who fail to graduate from
18 secondary school to continue their education.

19 (K) A description of how the eligible entity
20 will evaluate the grant program, including by
21 collecting, as applicable, the following data
22 about the students in the group described in
23 subparagraph (A) during the grant period, or
24 until the time of graduation from a secondary
25 school, whichever comes first, and, if sufficient

1 grant funds are available, after the grant pe-
2 riod:

3 (i) Attendance rates.

4 (ii) Progress reports.

5 (iii) Grades and course selections.

6 (iv) The student graduation rate, as
7 defined in section 1111(b)(2)(C)(vi) of the
8 Elementary and Secondary Education Act
9 of 1965 (20 U.S.C. 6311(b)(2)(C)(vi)).

10 (v) Rates of student completion of the
11 Free Application for Federal Student Aid
12 described in section 483 of the Higher
13 Education Act of 1965 (20 U.S.C. 1090).

14 (vi) Rates of enrollment in an institu-
15 tion of higher education.

16 (vii) Rates of completion at an institu-
17 tion of higher education.

18 (L) A description of what will happen to
19 the funds in the college savings account portion
20 of the American Dream Accounts that are dedi-
21 cated to participating students described in sub-
22 paragraph (A) who have not matriculated at an
23 institution of higher education at the time of
24 the conclusion of the period of American Dream
25 Account management described in subpara-

1 graph (I), including how the eligible entity will
2 give students this information.

3 (M) A description of how the eligible entity
4 will ensure that funds in the college savings ac-
5 count portion of the American Dream Accounts
6 will not make families ineligible for public as-
7 sistance.

8 (N) A description of how the eligible entity
9 will ensure that participating students described
10 in subparagraph (A) will have access to the
11 Internet.

12 (3) PRIORITY.—In awarding grants under this
13 section, the Secretary shall give priority to applica-
14 tions from eligible entities that—

15 (A) are described in subsection (b)(7)(G);

16 (B) serve the largest number of low-income
17 students;

18 (C) in the case of an eligible entity de-
19 scribed in subparagraph (A) or (B) of sub-
20 section (b)(7), provide opportunities for partici-
21 pating students described in paragraph (2)(A)
22 to participate in a dual enrollment program or
23 early college high school program at no cost to
24 the student; or

1 (D) as of the time of application, have
2 been awarded a grant under chapter 2 of sub-
3 part 2 of part A of title IV of the Higher Edu-
4 cation Opportunity Act (20 U.S.C. 1070a–21 et
5 seq.) (commonly referred to as the “GEAR UP
6 program”).

7 (e) AUTHORIZED ACTIVITIES.—

8 (1) IN GENERAL.—An eligible entity that re-
9 ceives a grant under this section shall use such
10 grant funds to establish an American Dream Ac-
11 count for each participating student described in
12 subsection (d)(2)(A), that will be used to—

13 (A) open a college savings account for such
14 student;

15 (B) monitor the progress of such student
16 online, which—

17 (i) shall include monitoring student
18 data relating to—

19 (I) grades and course selections;

20 (II) progress reports; and

21 (III) attendance and disciplinary
22 records; and

23 (ii) may also include monitoring stu-
24 dent data relating to a broad range of in-
25 formation, provided by teachers and family

1 members, related to postsecondary edu-
2 cation readiness, access, and completion;

3 (C) provide opportunities for such stu-
4 dents, either online or in person, to learn about
5 financial literacy, including by assisting such
6 students in financial planning for enrollment in
7 an institution of higher education; and

8 (D) provide opportunities for such stu-
9 dents, either online or in person, to identify
10 skills or interests, including career interests.

11 (2) ACCESS TO AMERICAN DREAM ACCOUNT.—

12 (A) IN GENERAL.—Subject to subpara-
13 graphs (C) and (D), and in accordance with ap-
14 plicable Federal laws and regulations relating to
15 privacy of information and the privacy of chil-
16 dren, an eligible entity that receives a grant
17 under this section shall allow vested stake-
18 holders, as described in subparagraph (B), to
19 have secure access, through an Internet Web
20 site, to each American Dream Account.

21 (B) VESTED STAKEHOLDERS.—The vested
22 stakeholders that an eligible entity shall permit
23 to access an American Dream Account are indi-
24 viduals (such as the student's teachers, school
25 counselors, school administrators, or other indi-

1 viduals) that are designated, in accordance with
2 section 444 of the General Education Provi-
3 sions Act (20 U.S.C. 1232g, commonly known
4 as the “Family Educational Rights and Privacy
5 Act of 1974”), by the parent of a participating
6 student in whose name such American Dream
7 Account is held, as having permission to access
8 the account. A student’s parent may withdraw
9 such designation from an individual at any
10 time.

11 (C) EXCEPTION FOR COLLEGE SAVINGS
12 ACCOUNT.—An eligible entity that receives a
13 grant under this section shall not be required to
14 give vested stakeholders, as described in sub-
15 paragraph (B), access to the college savings ac-
16 count portion of a student’s American Dream
17 Account.

18 (D) ADULT STUDENTS.—Notwithstanding
19 subparagraphs (A), (B), and (C), if a partici-
20 pating student is age 18 or older, an eligible en-
21 tity that receives a grant under this section
22 shall not provide access to such participating
23 student’s American Dream Account without the
24 student’s consent, in accordance with section
25 444 of the General Education Provisions Act

1 (20 U.S.C. 1232g, commonly known as the
2 “Family Educational Rights and Privacy Act of
3 1974”).

4 (E) INPUT OF STUDENT INFORMATION.—
5 Student data collected pursuant to paragraph
6 (1)(B)(i) shall be entered into an American
7 Dream Account only by a school administrator
8 or the designee of such administrator.

9 (3) PROHIBITION ON USE OF STUDENT INFOR-
10 MATION.—An eligible entity that receives a grant
11 under this section shall not use any student-level in-
12 formation or data for the purpose of soliciting, ad-
13 vertising, or marketing any financial or non-financial
14 consumer product or service that is offered by such
15 eligible entity, or on behalf of any other person.

16 (4) PROHIBITION ON THE USE OF GRANT
17 FUNDS.—An eligible entity shall not use grant funds
18 provided under this section to provide the initial de-
19 posit into a college savings account portion of a stu-
20 dent’s American Dream Account.

21 (f) REPORTS AND EVALUATIONS.—

22 (1) IN GENERAL.—Not later than 1 year after
23 the Secretary has disbursed grants under this sec-
24 tion, and annually thereafter until each grant dis-
25 bursed under subsection (c) has ended, the Secretary

1 shall prepare and submit a report to the appropriate
2 committees of Congress, which shall include an eval-
3 uation of the effectiveness of the grant program es-
4 tablished under this section.

5 (2) CONTENTS.—The report described in para-
6 graph (1) shall—

7 (A) list the grants that have been awarded
8 under subsection (c)(1);

9 (B) include the number of students who
10 have an American Dream Account established
11 through a grant awarded under subsection
12 (c)(1);

13 (C) provide data (including the interest ac-
14 crued on college savings accounts that are part
15 of an American Dream Account) in the aggre-
16 gate, regarding students who have an American
17 Dream Account established through a grant
18 awarded under subsection (c)(1), as compared
19 to similarly situated students who do not have
20 an American Dream Account;

21 (D) identify best practices developed by the
22 eligible entities receiving grants under this sec-
23 tion;

1 (E) identify any issues related to student
2 privacy and stakeholder accessibility to Amer-
3 ican Dream Accounts;

4 (F) provide feedback from participating
5 students and the parents of such students
6 about the grant program, including—

7 (i) the impact of the program;

8 (ii) aspects of the program that are
9 successful;

10 (iii) aspects of the program that are
11 not successful; and

12 (iv) any other data required by the
13 Secretary; and

14 (G) provide recommendations for expand-
15 ing the American Dream Accounts program.

16 (g) ELIGIBILITY TO RECEIVE FEDERAL STUDENT
17 FINANCIAL AID.—Notwithstanding any other provision of
18 law, any funds that are in the college savings account por-
19 tion of a student’s American Dream Account shall not af-
20 fect such student’s eligibility to receive Federal student
21 financial aid, including any Federal student financial aid
22 under the Higher Education Act of 1965 (20 U.S.C. 1001
23 et seq.), and shall not be considered in determining the
24 amount of any such Federal student aid.

1 (h) AUTHORIZATION OF APPROPRIATIONS.—To carry
2 out this section, there are authorized to be appropriated
3 such sums as may be necessary for fiscal year 2015 and
4 each of the 4 succeeding fiscal years.

5 **SEC. 1110. STUDY ON THE IMPACT OF FEDERAL FINANCIAL**
6 **AID CHANGES ON GRADUATE STUDENTS.**

7 (a) IN GENERAL.—Not later than 1 year after the
8 date of enactment of this Act, the Secretary of Education,
9 acting through the Director of the Institute of Education
10 Sciences, shall begin conducting a study of the impact of
11 recent policy changes to title IV of the Higher Education
12 Act of 1965 on graduate students.

13 (b) PURPOSE.—The purpose of the study is to exam-
14 ine the effects of significant changes in Federal student
15 financial aid policy on access, affordability, and labor mar-
16 ket outcomes for graduate students. The study shall in-
17 clude an exploration of the impact of the following signifi-
18 cant changes:

19 (1) The authorization of PLUS Loans for grad-
20 uate students.

21 (2) The elimination of Federal Direct Stafford
22 Loans for graduate students.

23 (3) The increase in origination fees due to the
24 sequestration order issued under the Balanced

1 Budget and Emergency Deficit Control Act of 1985
2 (2 U.S.C. 900 et seq.) for fiscal year 2013.

3 (4) Differentiation in interest rates between un-
4 dergraduate and graduate Federal Direct Unsub-
5 sidized Stafford loans.

6 (5) Changes to the income-based repayment
7 plan described under section 493C (20 U.S.C.
8 1098e).

9 (c) CONTENTS.—The study shall include—

10 (1) information about the effects of the changes
11 described in subsection (b) on graduate students,
12 disaggregated by the student's age, race, ethnicity,
13 gender, income, status as an individual with a dis-
14 ability, and type of institution of higher education
15 that the graduate student attended for such stu-
16 dent's graduate program (including 2-year or 4-year
17 institution of higher education, public or private in-
18 stitution of higher education, and proprietary or
19 nonprofit institution of higher education); and

20 (2) an examination of the effects of the changes
21 described in subsection (b) on—

22 (A) changes in graduate enrollment pat-
23 terns (such as increases or decreases in enroll-
24 ment);

1 (B) net tuition and fees for graduate stu-
2 dents;

3 (C) the aggregate amount of Federal stu-
4 dent loan debt resulting from graduate edu-
5 cation, as a whole and disaggregated by each
6 type of Federal loan under title IV;

7 (D) the median level of individual student
8 loan debt that is the result of graduate edu-
9 cation (ensuring that the amount of under-
10 graduate student loan debt is distinguished
11 from the amount of graduate student loan
12 debt);

13 (E) default rates, and the range of
14 amounts of unpaid debt, for title IV loans for
15 graduate students;

16 (F) the use of each type of loan repayment
17 plan under title IV, including income-based re-
18 payment, and the median level of graduate stu-
19 dent debt for individuals in each repayment
20 plan;

21 (G) the number of individuals who have a
22 graduate degree that enter public service jobs;

23 (H) the level of total educational debt for
24 graduate students, including Federal student
25 loans and private education loans;

1 (I) the correlation between high graduate
2 student debt levels and household consumption
3 (including the purchasing of homes and auto-
4 mobiles) and retirement savings; and

5 (J) such other factors as the Secretary
6 may determine;

7 (3) an analysis of how the effects of the
8 changes described in subsection (b) differ according
9 to—

10 (A) whether an individual was or is attend-
11 ing graduate school on a full-time or part-time
12 basis; and

13 (B) whether an individual has or is pur-
14 suing a master's degree, a doctorate research
15 degree, or a doctorate professional practice de-
16 gree;

17 (4) a detailed explanation of the impact of such
18 changes on students who were eligible for a Federal
19 Pell Grant as an undergraduate student, women,
20 and traditionally underrepresented populations; and

21 (5) policy recommendations designed to improve
22 access, affordability, and labor market outcomes for
23 graduate students.

24 (d) REPORTS.—

1 (1) INTERIM REPORTS.—Not later than 18
2 months after the commencement of the study de-
3 scribed under this section, and annually thereafter,
4 the Secretary shall evaluate the progress of the
5 study and report any short-term findings to the ap-
6 propriate committees of Congress.

7 (2) FINAL REPORT.—Upon completion of the
8 study described under this section, the Secretary
9 shall prepare and submit a final report regarding
10 the findings of the study to the appropriate commit-
11 tees of Congress.

12 (e) AUTHORIZATION OF APPROPRIATIONS.—There
13 are authorized to be appropriated to carry out this section
14 such sums as may be necessary for fiscal year 2015 and
15 each of the 4 succeeding fiscal years.