

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. 85-15 revenue source requirement for proprietary institutions.
- Sec. 102. Definitions.

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- Sec. 103. Mandatory financial aid award letter.
- Sec. 104. Code of conduct in affiliated consumer financial products or services.
- Sec. 105. Restriction on marketing with federal educational assistance funds.
- Sec. 106. Minimum standards for net price calculators.
- Sec. 107. Benefits for borrowers who are members of the Armed Forces.
- Sec. 108. Data improvements for college navigator.
- Sec. 109. College scorecard.
- Sec. 110. In-state tuition rates for certain individuals.
- Sec. 111. Responsibilities of FSA Ombudsman; addition of point of contact for military families and homeless children.
- Sec. 112. Responsibilities of covered institutions, institution-affiliated organizations, and lenders.
- Sec. 113. Establishment of complaint resolution and tracking system.
- Sec. 114. Proprietary education oversight coordination committee.

TITLE II—IMPROVING EDUCATOR PREPARATION

- Sec. 201. Improving educator preparation.

TITLE III—INSTITUTIONAL AID

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

TITLE IV—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS

SUBPART 1—FEDERAL PELL GRANTS

- Sec. 411. Year-Round Federal Pell Grants; extension of Federal Pell Grant inflation adjustments.

SUBPART 2—EARLY AWARENESS OF COLLEGE FINANCING OPTIONS

- Sec. 413. Early awareness of college financing options.

SUBPART 3—AMERICAN DREAM GRANTS

- Sec. 414. American dream grants.

PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM

- Sec. 421. Simplification of income-based repayment options for federally insured student loans.

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

PART C—FEDERAL DIRECT LOAN PROGRAM

- Sec. 451. Elimination of origination fees and other amendments to terms and conditions of loans.
- Sec. 452. Improved student loan servicing and debt collection practices.
- Sec. 453. Federal Direct Loan forgiveness for certain American Indian educators.

PART D—FEDERAL PERKINS LOANS

- Sec. 461. Simplification of military deferment eligibility.
- Sec. 462. Forgiveness of loans for eligible military service.

PART E—NEED ANALYSIS

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

PART F—GENERAL PROVISIONS

- Sec. 481. Definitions.
- Sec. 482. Standard notification format for delinquent borrowers; explanation of benefits of federal loans.
- Sec. 483. Institutional financial aid award letter.
- Sec. 484. Consumer testing.
- Sec. 485. Loan repayment rate and speed-based repayment rate.
- Sec. 486. Ability to benefit.
- Sec. 487. Reasonable collection costs in state court judgments.
- Sec. 488. Improved disclosures, counseling, and financial assistance information for students.
- Sec. 489. Improvements to National Student Loan Data System.
- Sec. 490. Competency-based education demonstration program.
- Sec. 491. Program participation agreements.
- Sec. 492. Civil penalties.
- Sec. 493. Income-based repayment.
- Sec. 494. Extending the protections for student loans for active duty borrowers.
- Sec. 495. Disbursement of credit balance.

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Sec. 496. Disclosure of cohort rates based on repayment plan and deferment status.

PART G—PROGRAM INTEGRITY

Sec. 497. Public disclosure of accreditation documents; prohibition on pre-dispute arbitration mandates.

Sec. 498. Improved targeting of program reviews.

Sec. 498A. Program review and data.

PART H—STATE-FEDERAL COLLEGE AFFORDABILITY PARTNERSHIP

Sec. 499. State-federal college affordability partnership.

TITLE V—DEVELOPING INSTITUTIONS

Sec. 501. Rule of construction.

Sec. 502. Authorized activities under part A of title V.

Sec. 503. Duration of grants under title V.

Sec. 504. Authorized activities under part B of title V.

Sec. 505. Duration of grants under part B of title V.

Sec. 506. Waiver authority; reporting requirement; technical assistance.

TITLE VI—INTERNATIONAL EDUCATION PROGRAMS

Sec. 601. Technical and conforming amendment.

TITLE VII—GRADUATE AND POSTSECONDARY IMPROVEMENT PROGRAMS

Sec. 701. Correctly Recognizing Educational Achievements To Empower Graduates Act.

Sec. 702. First in the world competitive grant program.

Sec. 703. Dual enrollment and early college high school programs.

Sec. 704. Minority-serving institutions innovation fund.

Sec. 705. State competitive grant program for reforms to improve higher education persistence and completion.

TITLE VIII—ADDITIONAL PROGRAMS

Sec. 801. Reorganization.

Sec. 802. Community college and industry partnerships program.

Sec. 803. Tyler Clementi Program.

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

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

TITLE X—AMENDMENTS TO OTHER LAWS

PART A—TRUTH IN LENDING ACT

SUBPART 1—DEFINITIONS

Sec. 1010. Definitions.

SUBPART 2—AMENDMENTS TO TRUTH IN LENDING ACT

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

SUBPART 3—REGULATIONS AND REPORTS

- Sec. 1017. Implementation of regulations.
- Sec. 1018. Report on credit reporting and student lending.
- Sec. 1019. Ombudsman report on private education loan market.

PART B—INTERNAL REVENUE CODE OF 1986

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

PART C—TITLE 11 OF THE UNITED STATES CODE

- Sec. 1031. Private loan discharge in bankruptcy.

PART D—SERVICEMEMBERS CIVIL RELIEF ACT

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

PART E—UNITED STATES INSTITUTE OF PEACE ACT

- Sec. 1051. United States Institute of Peace Act.

TITLE XI—REPORTS, STUDIES, AND MISCELLANEOUS
PROVISIONS

- Sec. 1101. Consumer protections for students.
- Sec. 1102. Longitudinal study of the effectiveness of student loan counseling.
- Sec. 1103. Recommendations for student loan counseling.
- Sec. 1104. Working group on improvement of resources available to members of the Armed Forces and their spouses in using tuition assistance programs of the Department of Defense.
- Sec. 1105. Study on public service loan forgiveness.
- Sec. 1106. Longitudinal study of the causes of student loan default.
- Sec. 1107. Institutional Risk-Sharing Commission.
- Sec. 1108. GAO report on educational attainment of homeless children and youth and foster care children and youth.
- Sec. 1109. American dream accounts.
- Sec. 1110. Study on the impact of federal financial aid changes on graduate students.

1 SEC. 3. REFERENCES.

2 Except as otherwise expressly provided, whenever in
3 this Act an amendment or repeal is expressed in terms
4 of an amendment to, or repeal of, a section or other provi-
5 sion, the reference shall be considered to be made to a

1 section or other provision of the Higher Education Act of
2 1965 (20 U.S.C. 1001 et seq.).

3 **SEC. 4. GENERAL EFFECTIVE DATE.**

4 Except as otherwise provided in this Act or the
5 amendments made by this Act, this Act and the amend-
6 ments made by this Act shall take effect on the date of
7 enactment of this Act.

8 **TITLE I—GENERAL PROVISIONS**

9 **SEC. 101. 85-15 REVENUE SOURCE REQUIREMENT FOR PRO-**
10 **PRIETARY INSTITUTIONS.**

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

12 (1) in paragraph (1)—

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

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

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

18 “(F) meets the requirements of paragraph
19 (2).”;

20 (2) by redesignating paragraph (2) as para-
21 graph (3); and

22 (3) by inserting after paragraph (1) the fol-
23 lowing:

24 “(2) REVENUE SOURCES.—

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

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

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

24 “(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. 102. 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 reded-
2 ignated 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.).

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

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

22 “(A) means children and youth whose care
23 and placement is the responsibility of the State
24 or Tribal agency that administers a State plan
25 under part B or E of title IV of the Social Se-

1 security Act (42 U.S.C. 621 et seq. and 670 et
2 seq.), without regard to whether foster care
3 maintenance payments are made under section
4 472 of such Act (42 U.S.C. 672) on behalf of
5 the child or youth; and

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

14 (4) by inserting after paragraph (17), as redese-
15 ignated by paragraph (1), the following:

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

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

22 “(i) Any advertising or promotion ac-
23 tivity, including a paid announcement in
24 newspapers, magazines, radio, television,
25 billboards, electronic media, naming rights,

1 or any other public medium of communica-
2 tion, including paying for a display or pro-
3 motion at a job fair, military installation,
4 or postsecondary education recruiting
5 event.

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

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

21 “(II) compensating a person to
22 provide to an institution of higher
23 education contact information regard-
24 ing prospective students, including in-

1 formation obtained through websites
2 established for such purpose; and

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

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

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

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

22 (5) in paragraph (28), as redesignated by para-
23 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. 103. MANDATORY FINANCIAL AID AWARD LETTER.**

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

11 **“SEC. 124. USE OF MANDATORY FINANCIAL AID AWARD**
12 **LETTER.**

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

19 “(b) **EFFECTIVE DATE.**—The requirement under
20 subsection (a) shall take effect 12 months after the Sec-
21 retary finalizes the financial aid award letter developed
22 under section 483B.”.

1 **SEC. 104. CODE OF CONDUCT IN AFFILIATED CONSUMER**
2 **FINANCIAL PRODUCTS OR SERVICES.**

3 Part B of title I (20 U.S.C. 1011 et seq.), as amend-
4 ed by section 103, is further amended by adding at the
5 end the following:

6 **“SEC. 125. CODE OF CONDUCT IN AFFILIATED CONSUMER**
7 **FINANCIAL PRODUCTS OR SERVICES.**

8 “(a) DEFINITIONS.—In this section:

9 “(1) AFFILIATED.—

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

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

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

25 “(B) RULE OF CONSTRUCTION.—Nothing
26 in subparagraph (A) shall be construed to deem

1 an association between an institution of higher
2 education and a consumer financial product or
3 service to be affiliated if such association is
4 solely based on an advertisement by a financial
5 institution that is delivered to a wide and gen-
6 eral audience consisting of more than enrolled
7 students at the institution of higher education.

8 “(2) ASSOCIATED INDIVIDUAL.—The term ‘as-
9 sociated individual’, when used with respect to an in-
10 stitution of higher education, means an individual
11 who is—

12 “(A) an officer of such institution of high-
13 er education;

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

19 “(C) an employee or agent of the institu-
20 tion of higher education involved in the mar-
21 keting or solicitation process pertaining to an
22 affiliated consumer financial product or service.

23 “(3) CONSUMER FINANCIAL PRODUCT OR SERV-
24 ICE.—The term ‘consumer financial product or serv-
25 ice’ has the meaning given the term in section 1002

1 of the Consumer Financial Protection Act of 2010
2 (12 U.S.C. 5481).

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

6 “(5) INSTITUTION OF HIGHER EDUCATION.—
7 The term ‘institution of higher education’ means an
8 institution of higher education as defined in section
9 102.

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

16 “(1) develops a code of conduct with respect to
17 affiliated consumer financial products or services
18 with which associated individuals shall comply
19 that—

20 “(A) prohibits a conflict of interest with
21 the responsibility of an associated individual
22 with respect to such affiliated consumer finan-
23 cial product or services;

24 “(B) requires each associated individual to
25 act in the best interest of the students enrolled

1 at the institution of higher education in car-
2 rying out their duties; and

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

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

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

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

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

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

19 “(A) means an arrangement between an
20 institution of higher education and a financial
21 institution under which—

22 “(i) the financial institution provides
23 or issues a consumer financial product or
24 service to students attending the institu-
25 tion of higher education;

1 “(ii) the institution of higher edu-
2 cation recommends, promotes, sponsors, or
3 otherwise endorses the financial institution,
4 or the consumer financial products or serv-
5 ices offered by the financial institution;
6 and

7 “(iii) the financial institution pays a
8 fee or provides other material benefits, in-
9 cluding revenue or profit sharing, to the
10 institution of higher education in connec-
11 tion with the consumer financial products
12 or services provided to students of the in-
13 stitution of higher education; and

14 “(B) does not include an arrangement
15 solely based on a financial institution paying a
16 fair market price to an institution of higher
17 education for the institution of higher education
18 to advertise or market the financial institution
19 to the general public.

20 “(d) GIFT BAN.—

21 “(1) PROHIBITION.—No associated individual
22 of an institution of higher education shall solicit or
23 accept any gift from a financial institution that has
24 a consumer financial product or service with which
25 the institution is affiliated.

1 “(2) DEFINITION OF GIFT.—

2 “(A) IN GENERAL.—In this subsection, the
3 term ‘gift’ means any gratuity, favor, discount,
4 entertainment, hospitality, loan, or other item
5 having a monetary value of more than a de
6 minimis amount. The term includes a gift of
7 services, transportation, lodging, or meals,
8 whether provided in kind, by purchase of a tick-
9 et, payment in advance, or reimbursement after
10 the expense has been incurred.

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

13 “(i) Standard material, activities, or
14 programs on issues related to a consumer
15 financial product or service or financial lit-
16 eracy, such as a brochure, a workshop, or
17 training. Such material, training, or pro-
18 gram shall not promote a product or serv-
19 ice of any specific financial institution.

20 “(ii) Food, refreshments, training, or
21 informational material furnished to an as-
22 sociated individual as an integral part of a
23 training session that is designed to im-
24 prove the service of a financial institution
25 to the institution of higher education, if

1 such training contributes to the profes-
2 sional development of the associated indi-
3 vidual.

4 “(iii) Favorable terms, conditions, and
5 borrower benefits on a consumer financial
6 product or service provided to all employ-
7 ees of the institution of higher education if
8 such terms, conditions, or benefits are
9 comparable to those provided to all stu-
10 dents of the institution.

11 “(iv) Philanthropic contributions to
12 an institution of higher education from a
13 financial institution that are unrelated to
14 the affiliated consumer financial product or
15 service or the financial institution in gen-
16 eral or any contribution from the financial
17 institution that is not made in exchange
18 for any advantage related to the financial
19 institution.

20 “(C) **RULE FOR GIFTS TO FAMILY MEM-**
21 **BERS.**—For purposes of this subsection, a gift
22 to a family member of an associated individual
23 of an institution of higher education shall be
24 considered a gift to the associated individual
25 if—

1 “(i) the gift is given with the knowl-
2 edge and acquiescence of the associated in-
3 dividual; and

4 “(ii) the associated individual has rea-
5 son to believe the gift was given because of
6 the official position of the associated indi-
7 vidual.

8 “(e) **CONTRACTING ARRANGEMENTS PROHIBITED.**—

9 “(1) **PROHIBITION.**—No associated individual
10 of an institution of higher education shall accept
11 from a financial institution that has a consumer fi-
12 nancial product or service with which the institution
13 is affiliated a fee, payment, or other financial benefit
14 (including the opportunity to purchase stock) as
15 compensation for any type of consulting arrange-
16 ment or other contract to provide services to the fi-
17 nancial institution or on behalf of the financial insti-
18 tution.

19 “(2) **RULE OF CONSTRUCTION.**—Nothing in
20 this subsection shall be construed as prohibiting the
21 conduct of an individual who is not an associated in-
22 dividual.

23 “(f) **BAN ON STAFFING ASSISTANCE.**—An institution
24 of higher education shall not request or accept from a fi-
25 nancial institution with which the institution has an affili-

1 ated consumer financial product or service any assistance
2 with call center staffing, financial aid office staffing, or
3 any other office or department of the institution of higher
4 education.

5 “(g) **ADVISORY BOARD COMPENSATION.**—Any asso-
6 ciated individual of an institution of higher education who
7 serves on an advisory board, commission, or group estab-
8 lished by a financial institution that has a consumer finan-
9 cial product or service with which the institution is affili-
10 ated shall be prohibited from receiving anything of value
11 from the financial institution, except that the individual
12 may be reimbursed for reasonable expenses incurred in
13 serving on such advisory board, commission, or group.”.

14 **SEC. 105. RESTRICTION ON MARKETING WITH FEDERAL**
15 **EDUCATIONAL ASSISTANCE FUNDS.**

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

18 (1) by transferring such section so as to follow
19 section 125 of the Higher Education Act of 1965, as
20 added by section 105; and

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

23 (b) **AMENDMENTS.**—Section 126, as transferred and
24 redesignated by subsection (a), is further amended—

1 (1) in the section heading, by inserting “**AND**
2 **RESTRICTIONS ON SOURCES OF FUNDS FOR**
3 **RECRUITING AND MARKETING ACTIVITIES**”
4 after “**FUNDS**”;

5 (2) in subsection (d), by striking “subsections
6 (a) through (c)” and inserting “subsections (a), (b),
7 (c), and (e)”;

8 (3) by redesignating subsection (e) as sub-
9 section (f);

10 (4) by inserting after subsection (d) the fol-
11 lowing:

12 “(e) **RESTRICTIONS ON SOURCES OF FUNDS FOR RE-**
13 **CRUITING AND MARKETING ACTIVITIES.—**

14 “(1) **IN GENERAL.—**An institution of higher
15 education, or other postsecondary educational insti-
16 tution, may not use revenues derived from Federal
17 educational assistance funds for recruiting or mar-
18 keting activities.

19 “(2) **RULE OF CONSTRUCTION.—**Nothing in
20 this section shall be construed as a limitation on the
21 use by an institution of revenues derived from
22 sources other than Federal educational assistance
23 funds.

24 “(3) **REPORTING.—**Each institution of higher
25 education, or other postsecondary educational insti-

1 tution, that receives revenues derived from Federal
2 educational assistance funds shall report annually to
3 the Secretary and to Congress the institution’s ex-
4 penditures on advertising, marketing, and recruiting,
5 and shall include in such report a verification from
6 an independent auditor that the institution of higher
7 education is in compliance with the requirement
8 under paragraph (1).”;

9 (5) by striking “the Higher Education Act of
10 1965 (20 U.S.C. 1001 et seq.)” each place the term
11 appears and inserting “this Act”; and

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

14 **SEC. 106. MINIMUM STANDARDS FOR NET PRICE CALCULA-**
15 **TORS.**

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

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

19 (2) in paragraph (2), by inserting before the pe-
20 riod “, and, not later than 1 year after the date of
21 enactment of the Higher Education Affordability
22 Act, shall meet the requirements of paragraph
23 (4)(B)”;

24 (3) in paragraph (3), by inserting after the first
25 sentence the following: “Not later than 1 year after

1 the date of enactment of the Higher Education Af-
2 fordability Act, such calculator shall meet the re-
3 quirements of paragraph (4).”;

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

6 “(4) **MINIMUM REQUIREMENTS FOR NET PRICE**
7 **CALCULATORS.**—Not later than 1 year after the date
8 of enactment of the Higher Education Affordability
9 Act, a net price calculator for an institution of high-
10 er education shall, at a minimum, meet the following
11 requirements:

12 “(A) The link for the calculator—

13 “(i) is clearly labeled as a ‘net price
14 calculator’ and is prominently and clearly
15 posted in locations on the institution’s
16 website where information on costs and aid
17 is provided; and

18 “(ii) may also be included on the in-
19 stitution’s compliance webpage, which con-
20 tains information relating to compliance
21 with Federal, State, and local laws.

22 “(B) The results screen for the calculator
23 specifies the following information:

24 “(i) The net price (as calculated
25 under subsection (h)(2)) for the individual

1 student, which is the most visually promi-
2 nent figure on the results screen.

3 “(ii) Cost of attendance for the insti-
4 tution, including—

5 “(I) tuition and fees;

6 “(II) the average annual cost of
7 room and board for the institution for
8 a first-time, full-time undergraduate
9 student enrolled in the institution;

10 “(III) the average annual cost of
11 books and supplies for a first-time,
12 full-time undergraduate student en-
13 rolled in the institution; and

14 “(IV) the estimated cost of other
15 expenses (including personal expenses
16 and transportation) for a first-time,
17 full-time undergraduate student en-
18 rolled in the institution.

19 “(iii) Estimated median amount of
20 need-based grant aid and merit-based
21 grant aid, from Federal, State, and institu-
22 tional sources, that students receive at the
23 institution.

24 “(iv) Percentage of the first-time, full-
25 time undergraduate students enrolled in

1 the institution that received any type of
2 grant aid described in clause (iii).

3 “(v) The disclaimer described in para-
4 graph (6).

5 “(vi) In the case of a calculator
6 that—

7 “(I) includes questions to esti-
8 mate a student’s (or prospective stu-
9 dent’s) eligibility for veterans’ edu-
10 cation benefits (as defined in section
11 480) or educational benefits for active
12 duty service members, such benefits
13 are displayed on the results screen in
14 a manner that clearly distinguishes
15 them from the grant aid described in
16 clause (iii); or

17 “(II) does not include questions
18 to estimate eligibility for the benefits
19 described in subclause (I), the results
20 screen indicates that certain students
21 (or prospective students) may qualify
22 for such benefits and includes a link
23 to official Federal information about
24 such benefits.

1 in order to use the net price calcu-
2 lator.

3 “(B) PRIVACY DISCLOSURES.—A net price
4 calculator shall—

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

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

11 “(iii) clearly state ‘Any information
12 that you provide on this site is confiden-
13 tial. The Net Price Calculator does not re-
14 quire personally identifiable information of
15 any kind and does not store your re-
16 sponses.’; and

17 “(iv) be established, maintained, and
18 operated in a manner that is in compliance
19 with the requirements of section 444 of the
20 General Education Provisions Act (com-
21 monly known as the ‘Family Educational
22 Rights and Privacy Act of 1974’) (20
23 U.S.C. 1232g)”); and

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

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

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

10 “(B) provides the information required
11 under subparagraphs (B) and (C) of paragraph
12 (4) for each institution for which a net price is
13 being sought;

14 “(C) is developed in consultation with the
15 heads of relevant Federal agencies;

16 “(D) before being finalized and publicly re-
17 leased, is tested in accordance with the con-
18 sumer testing process described in section
19 483C; and

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

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

1 “(A) steps taken to raise awareness of net
2 price calculators among prospective students
3 and families, particularly among students in
4 middle school and high school and students
5 from low-income families;

6 “(B) how institutions are complying with
7 the requirements of this subsection, including
8 an analysis of where institutions are placing the
9 net price calculators on their websites and the
10 design of the net price calculators by institu-
11 tions; and

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

14 “(9) WEBSITE LINK.—The Secretary shall en-
15 sure that a link to the website containing the net
16 price calculator and the universal net price calcu-
17 lator (once the universal net price calculator has
18 been developed) is available on each of the following
19 websites:

20 “(A) The College Navigator website de-
21 scribed under subsection (i).

22 “(B) The College Scorecard website de-
23 scribed under section 133.

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

1 “(D) The website of the Office of Federal
2 Student Aid.”.

3 **SEC. 107. BENEFITS FOR BORROWERS WHO ARE MEMBERS**
4 **OF THE ARMED FORCES.**

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

7 “(f) BENEFITS FOR MEMBERS OF THE ARMED
8 FORCES.—

9 “(1) WEBSITE.—

10 “(A) IN GENERAL.—The Secretary, in co-
11 ordination with the Secretary of Defense, the
12 Secretary of Veterans Affairs, and the Sec-
13 retary of Homeland Security, shall create a re-
14 vised and updated searchable Internet website
15 that—

16 “(i) contains information, in simple
17 and understandable terms, about all Fed-
18 eral and State student financial assistance,
19 readmission requirements under section
20 484C, and other student services, for
21 which members of the Armed Forces (in-
22 cluding members of the National Guard
23 and Reserves), veterans, and the depend-
24 ents of such members or veterans may be
25 eligible; and

1 “(ii) is easily accessible through the
2 Internet website described in subsection
3 (e)(3).

4 “(B) IMPLEMENTATION.—Not later than 1
5 year after the date of enactment of the Higher
6 Education Affordability Act, the Secretary shall
7 make publicly available the revised and updated
8 Internet website described in subparagraph (A).

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

19 “(D) DEFINITION.—In this paragraph, the
20 term ‘Federal and State student financial as-
21 sistance’ means any grant, loan, work assist-
22 ance, tuition assistance, scholarship, fellowship,
23 or other form of financial aid for pursuing a
24 postsecondary education that is—

1 “(i) administered, sponsored, or sup-
2 ported by the Department of Education,
3 the Department of Defense, the Depart-
4 ment of Veterans Affairs, or a State; and

5 “(ii) available to members of the
6 Armed Forces (including members of the
7 National Guard and Reserves), veterans,
8 or the dependents of such members or vet-
9 erans.

10 “(2) ENROLLMENT FORM.—

11 “(A) IN GENERAL.—The Secretary, in con-
12 sultation with the Director of the Bureau of
13 Consumer Financial Protection, the Secretary
14 of Defense, and the heads of any other relevant
15 Federal agencies, shall create a simplified dis-
16 closure and enrollment form for borrowers who
17 are performing eligible military service (as de-
18 fined in section 481(d)).

19 “(B) CONTENTS.—The disclosure and en-
20 rollment form described in subparagraph (A)
21 shall include—

22 “(i) information about the benefits
23 and protections under title IV and under
24 the Servicemembers Civil Relief Act (50
25 U.S.C. App. 501 et seq.) that are available

1 to such borrower because the borrower is
2 performing eligible military service; and

3 “(ii) an opportunity for the borrower,
4 by completing the enrollment form, to in-
5 voke certain protections, activate certain
6 benefits, and enroll in certain programs
7 that may be available to that borrower,
8 which shall include the opportunity —

9 “(I) to invoke applicable protec-
10 tions that are available under the
11 Servicemembers Civil Relief Act (50
12 U.S.C. App. 501 et seq.), as such pro-
13 tections relate to Federal student
14 loans under title IV; and

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

23 “(C) IMPLEMENTATION.—Not later than
24 365 days after the date of the enactment of the
25 Higher Education Affordability Act, the Sec-

1 retary shall make available to eligible institu-
2 tions, eligible lenders, and personnel at the De-
3 partment of Defense and other Federal agencies
4 that provide services to borrowers who are
5 members of the Armed Forces or the depend-
6 ents of such members, the disclosure and enroll-
7 ment form described in subparagraph (A).

8 “(D) NOTICE REQUIREMENTS.—

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

23 “(ii) FFEL LENDERS.—The Sec-
24 retary shall provide each such disclosure
25 and enrollment form completed and sub-

1 mitted by a borrower of a loan made, in-
2 sured, or guaranteed under part B of title
3 IV who is otherwise subject to the interest
4 rate limitation in subsection (a) of section
5 207 of the Servicemembers Civil Relief Act
6 (50 U.S.C. App. 527(a)) to any applicable
7 eligible lender under part B of title IV so
8 as to satisfy the provision to the lender of
9 written notice as described in subsection
10 (b)(1) of such section.”.

11 **SEC. 108. DATA IMPROVEMENTS FOR COLLEGE NAVI-**
12 **GATOR.**

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

15 “(M) The student faculty ratio, the num-
16 ber of full-time and part-time faculty, the num-
17 ber of returning faculty (by full-time and part-
18 time status, tenure status, and contract length),
19 and the number of graduate assistants with pri-
20 marily instructional responsibilities, at the insti-
21 tution.”.

22 **SEC. 109. COLLEGE SCORECARD.**

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

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

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

4 **“SEC. 133. COLLEGE SCORECARD.**

5 “(a) DEFINITIONS.—In this section:

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

10 “(2) INSTITUTION OF HIGHER EDUCATION.—
11 The term ‘institution of higher education’ means an
12 institution of higher education, as defined in section
13 102, that awards a degree or certificate.

14 “(3) RECENT GRADUATE.—The term ‘recent
15 graduate’, when used in reference to a graduate of
16 an institution of higher education, shall mean a stu-
17 dent who completed a course of study and earned a
18 certificate or degree at the institution in any of the
19 6 most recent preceding years for which data are
20 available.

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

1 “(c) STANDARD FORMAT.—

2 “(1) IN GENERAL.—The Secretary, in consulta-
3 tion with the heads of relevant Federal agencies,
4 shall develop a standard format to be used by the
5 Secretary for public disclosure of information related
6 to higher education affordability and value, including
7 the information described in subsections (d) and (e).

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

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

20 “(d) KEY REQUIRED CONTENTS.—The standard for-
21 mat developed under subsection (c) shall include, in a con-
22 sumer-friendly manner that is simple and understandable,
23 the following information for each degree- and certificate-
24 granting institution of higher education that receives

1 funds under title IV for the most recent year for which
2 data are available:

3 “(1) NET PRICE INFORMATION.—

4 “(A) The average net price paid by en-
5 rolled students to attend the institution, cal-
6 culated in a manner consistent with section
7 132(a)(3), for the subgroups of students at the
8 institution in each of the following annual fam-
9 ily income categories, and the percentage of
10 students in each category:

11 “(i) \$0 to \$30,000.

12 “(ii) \$30,001 to \$48,000.

13 “(iii) \$48,001 to \$75,000.

14 “(iv) \$75,001 to \$110,000.

15 “(v) \$110,001 and more.

16 “(B) A visual representation that provides
17 context for the information conveyed under sub-
18 paragraph (A), including how the net price in-
19 formation compares to other institutions.

20 “(C) The Commissioner of the National
21 Center for Education Statistics may periodically
22 adjust the annual family income categories de-
23 scribed under subparagraph (A).

24 “(2) COMPLETION AND TRANSFER DATA.—

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

5 “(i) 100 percent of the normal time
6 for completion of, or graduation from, the
7 student’s educational program; and

8 “(ii) 150 percent of the normal time
9 for completion of, or graduation from, the
10 student’s educational program.

11 “(B) For each institution, the percentages
12 of certificate- or degree-seeking undergraduate
13 students enrolled at the institution—

14 “(i) who persist and remain enrolled
15 in the institution from academic term to
16 academic term; and

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

19 “(C) For each 2-year institution that pri-
20 marily awards associate’s degrees, the percent-
21 ages of students who have transferred to a 4-
22 year institution of higher education within—

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

1 “(ii) 150 percent of the normal time
2 for completion of, or graduation from, the
3 student’s initial educational program.

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

10 “(3) LOAN INFORMATION.—

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

17 “(B) The institution’s speed-based loan re-
18 payment rate, as calculated under section
19 483D(c) and the comparison information de-
20 scribed in section 483D(c)(4).

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

1 “(4) DEBT INFORMATION.—

2 “(A) The mean and median student loan
3 debt, including private education loan debt, in-
4 curred by students who have earned a certifi-
5 cate or degree from the institution and who
6 borrowed student loans in the course of obtain-
7 ing such certificate or degree in the most recent
8 year for which data are available.

9 “(B) A visual representation that provides
10 context for the information conveyed under sub-
11 paragraph (A), including how the debt informa-
12 tion 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, determines nec-
10 essary so that students and parents can make in-
11 formed decisions regarding postsecondary education.

12 “(e) **COLLEGE TUITION TRANSPARENCY INFORMA-**
13 **TION.**—The standard format developed for institutions of
14 higher education under subsection (c) shall—

15 “(1) prominently and clearly identify if the in-
16 stitution has been identified under section 132(c)(1),
17 and the reasons for each institution’s identification;
18 and

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

22 “(f) **ADDITIONAL REQUIREMENTS.**—The standard
23 format developed by the Secretary under subsection (c)
24 shall—

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

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

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

20 “(h) **FINAL STANDARD FORMAT AND AVAILABILITY**
21 **OF COLLEGE SCORECARD.**—Not later than 60 days after
22 the conclusion of the consumer testing required under sub-
23 section (h), the Secretary shall—

24 “(1) submit to the authorizing committees the
25 final standard format for the College Scorecard and

1 a report describing the results of consumer testing,
2 including whether the Secretary added any addi-
3 tional items pursuant to subsection (d)(8); and

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

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

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

15 “(C) The website of the Office of Federal
16 Student Aid.

17 “(i) DISTRIBUTION OF COLLEGE SCORECARD.—Each
18 institution of higher education receiving funds under title
19 IV shall—

20 “(1) make the most recent College Scorecard
21 for the institution publicly available on the website
22 of the institution;

23 “(2) distribute the most recent College Score-
24 card for the institution to prospective students and
25 accepted students of the institution—

1 “(A) in the same format in which the insti-
2 tution communicates with prospective and ac-
3 cepted students about applying to and enrolling
4 in the institution; and

5 “(B) in a manner that allows for the stu-
6 dent or the family of the student to take such
7 information into account before applying or en-
8 rolling, without regard to whether the informa-
9 tion was requested; and

10 “(3) in the case of an institution with high stu-
11 dent default risk that is required under section
12 487(a)(32) to provide a student accepted for enroll-
13 ment with a waiting period of not less than 2 weeks
14 to consider postsecondary options, disclose to the
15 student the College Scorecard of the institution at or
16 before the start of such waiting period.

17 “(j) PUBLIC AWARENESS CAMPAIGN.—

18 “(1) IN GENERAL.—Not later than 180 days
19 after the date of enactment of the Higher Education
20 Affordability Act, the Secretary shall coordinate,
21 with entities such as States, institutions of higher
22 education, State educational agencies, local edu-
23 cational agencies, secondary schools, and other agen-
24 cies, and organizations involved in access to higher
25 education and student financial aid, and implement

1 a public awareness campaign in order to increase
2 national awareness of the College Scorecard.

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

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

17 **SEC. 110. IN-STATE TUITION RATES FOR CERTAIN INDIVID-**
18 **UALS.**

19 Section 135 (20 U.S.C. 1015d) is amended to read
20 as follows:

21 **“SEC. 135. IN-STATE TUITION RATES FOR CERTAIN INDIVID-**
22 **UALS.**

23 “(a) MEMBERS OF THE ARMED FORCES ON ACTIVE
24 DUTY.—

1 “(1) REQUIREMENT.—In the case of a member
2 of the Armed Forces who is on active duty for a pe-
3 riod of more than 30 days and whose domicile or
4 permanent duty station is in a State that receives
5 assistance under this Act, such State shall not
6 charge such member (or the spouse or dependent
7 child of such member) tuition for attendance at a
8 public institution of higher education in the State at
9 a rate that is greater than the rate charged for resi-
10 dents of the State.

11 “(2) CONTINUATION.—If a member of the
12 Armed Forces (or the spouse or dependent child of
13 a member) pays tuition at a public institution of
14 higher education in a State at a rate determined by
15 paragraph (1), the provisions of paragraph (1) shall
16 continue to apply to such member, spouse, or de-
17 pendent while continuously enrolled at that institu-
18 tion, notwithstanding a subsequent change in the
19 permanent duty station of the member to a location
20 outside the State.

21 “(b) HOMELESS CHILDREN OR YOUTHS AND FOSTER
22 CARE CHILDREN OR YOUTHS.—A State shall not charge
23 a homeless child or youth or a foster care child or youth
24 tuition for attendance at a public institution of higher edu-
25 cation in the State at a rate that is greater than the rate

1 charged for residents of the State, if the homeless child
2 or youth or foster care child or youth—

3 “(1) graduated from secondary school or ob-
4 tained the recognized equivalent of a secondary
5 school diploma in such State;

6 “(2) resided in such State as a homeless child
7 or youth or a foster care child or youth while attend-
8 ing secondary school in an adjacent State, as
9 verified by—

10 “(A) a local educational agency homeless
11 liaison, designated pursuant to section
12 722(g)(1)(J)(ii) of the McKinney-Vento Home-
13 less Assistance Act (42 U.S.C.
14 11432(g)(1)(J)(ii));

15 “(B) the director (or a designee of the di-
16 rector) of an emergency or transitional shelter,
17 street outreach program, homeless youth drop-
18 in center, or other program serving homeless
19 youth or families;

20 “(C) the director (or a designee of the di-
21 rector) of a program funded under chapter 1 or
22 2 of subpart 2 of part A of title IV; or

23 “(D) the State or tribal organization that
24 administers a State plan under part B or E of

1 title IV of the Social Security Act (42 U.S.C.
2 621 et seq. and 670 et seq.).

3 “(c) EFFECTIVE DATES.—

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

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

17 “(d) DEFINITIONS.—

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

24 “(2) HOMELESS CHILDREN AND YOUTHS.—The
25 term ‘homeless children and youths’ has the mean-

1 ing given the term in section 725 of the McKinney-
2 Vento Homeless Assistance Act (42 U.S.C.
3 11434a).”.

4 **SEC. 111. RESPONSIBILITIES OF FSA OMBUDSMAN; ADDI-**
5 **TION OF POINT OF CONTACT FOR MILITARY**
6 **FAMILIES AND HOMELESS CHILDREN.**

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

8 (1) in paragraph (3)—

9 (A) in subparagraph (A), by striking
10 “and” after the semicolon;

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

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

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

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

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

5 “(4) MILITARY AND VETERAN POINT OF CON-
6 TACT.—

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

12 “(B) FUNCTIONS.—The designated mili-
13 tary and veteran point of contact described in
14 subparagraph (A) shall—

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

21 “(ii) coordinate with other agencies,
22 including the Department of Defense, the
23 Department of Veterans Affairs, the De-
24 partment of Homeland Security, and the
25 Bureau of Consumer Financial Protection,

1 to ensure that members of the Armed
2 Forces, veterans, and the dependents of
3 members of the Armed Forces and vet-
4 erans, who are students, borrowers, or po-
5 tential borrowers, are aware of the avail-
6 ability and functions of the Ombudsman;
7 and

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

1 **SEC. 112. RESPONSIBILITIES OF COVERED INSTITUTIONS,**
2 **INSTITUTION-AFFILIATED ORGANIZATIONS,**
3 **AND LENDERS.**

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

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

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

10 **SEC. 113. ESTABLISHMENT OF COMPLAINT RESOLUTION**
11 **AND TRACKING SYSTEM.**

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

13 (1) by striking section 155; and

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

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

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

17 **“(a) DEFINITIONS.—**In this section:

18 **“(1) COMPLAINANT.—**The term ‘complainant’
19 means—

20 **“(A)** a student of a postsecondary edu-
21 cational institution;

22 **“(B)** a family member of a student of a
23 postsecondary educational institution;

24 **“(C)** a third party acting on behalf of a
25 student of a postsecondary educational institu-
26 tion; or

1 “(D) a staff member or employee of a
2 postsecondary educational institution.

3 “(b) ESTABLISHMENT OF COMPLAINT TRACKING
4 SYSTEM.—

5 “(1) ESTABLISHMENT OF COMPLAINT TRACK-
6 ING SYSTEM.—Not later than 1 year after the enact-
7 ment of the Higher Education Affordability Act, the
8 Secretary shall complete the establishment of a com-
9 plaint tracking system that includes a single, toll-
10 free telephone number and a website to facilitate the
11 centralized collection of, monitoring of, and response
12 to complaints or inquiries regarding the educational
13 practices and services, and recruiting and marketing
14 practices, of all postsecondary educational institu-
15 tions.

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

23 “(A) to the extent necessary, combine and
24 consolidate the other offices and functions of
25 the Department in order to ensure that the of-

1 fice established under this paragraph is the sin-
2 gle point of contact for students and borrowers
3 with complaints; and

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

12 “(c) HANDLING OF COMPLAINTS.—

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

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

1 “(B) any responses received by the Sec-
2 retary from the institution of higher education;
3 and

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

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

16 “(A) the steps that have been taken by the
17 institution to respond to the complaint or in-
18 quiry;

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

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

24 “(3) **FURTHER INVESTIGATION.**—The Secretary
25 may, in the event that the complaint is not ade-

1 quately resolved or addressed by the responses of the
2 institution of higher education receiving funds under
3 this Act under paragraph (2), ask additional ques-
4 tions of such institution or seek additional informa-
5 tion from or action by the institution.

6 “(4) PROVISION OF INFORMATION.—

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

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

20 “(i) any nonpublic or confidential in-
21 formation, including any confidential com-
22 mercial information;

23 “(ii) any information collected by the
24 institution for the purpose of preventing
25 fraud or detecting or making any report

1 regarding other unlawful or potentially un-
2 lawful conduct; or

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

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

11 “(d) TRANSPARENCY.—

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

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

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

1 “(2) INTERACTION WITH EXISTING COMPLAINT
2 SYSTEMS.—To the extent practicable, all procedures
3 established under this section, and all coordination
4 carried out under paragraph (1), shall be done in ac-
5 cordance with the complaint tracking systems estab-
6 lished under Executive Order 13607 (77 Fed. Reg.
7 25861; relating to establishing principles of excel-
8 lence for educational institutions serving
9 servicemembers, veterans, spouses, and other family
10 members).

11 “(3) PUBLIC INFORMATION.—

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

17 “(i) the number of complaints and in-
18 quiries received;

19 “(ii) the types of complaints and in-
20 quiries received; and

21 “(iii) where applicable, information
22 about the resolution of the complaints and
23 inquiries.

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

1 “(i) comply with applicable data pri-
2 vacy laws and regulations; and

3 “(ii) ensure that personally identifi-
4 able information is not shared.

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

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

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

12 “(C) whether particular types of com-
13 plaints are more common in a given sector of
14 postsecondary educational institutions;

15 “(D) any legislative recommendations that
16 the Secretary determines are necessary to bet-
17 ter assist students and families; and

18 “(E) the schools with the highest volume
19 of complaints, as determined by the Secretary
20 .”.

21 **SEC. 114. PROPRIETARY EDUCATION OVERSIGHT COORDI-**
22 **NATION COMMITTEE.**

23 Title I (20 U.S.C. 1001 et seq.), as amended by sec-
24 tion 114, is further amended by adding at the end the
25 following:

1 **“PART G—PROPRIETARY EDUCATION**
2 **OVERSIGHT COORDINATION IMPROVEMENT**

3 **“SEC. 166. DEFINITIONS.**

4 “In this part:

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

9 “(A) the president of such corporation;

10 “(B) a vice president of such corporation
11 who is in charge of a principal business unit, di-
12 vision, or function of such corporation, such as
13 sales, administration, or finance; or

14 “(C) any other officer or person who per-
15 forms a policy making function for such cor-
16 poration.

17 “(2) FEDERAL FUNDS.—The term ‘Federal
18 funds’ means Federal funds described in section
19 102(b)(2)(B).

20 “(3) PROPRIETARY INSTITUTION OF HIGHER
21 EDUCATION.—The term ‘proprietary institution of
22 higher education’ has the meaning given the term in
23 section 102(b).

24 “(4) STATE APPROVAL AGENCY.—The term
25 ‘State approval agency’ means any State agency that
26 determines whether an institution of higher edu-

1 cation is legally authorized within such State to pro-
2 vide a program of education beyond secondary edu-
3 cation.

4 “(5) VETERANS SERVICE ORGANIZATION.—The
5 term ‘veterans service organization’ means an orga-
6 nization recognized by the Secretary of Veterans Af-
7 fairs for the representation of veterans under section
8 5902 of title 38, United States Code.

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

10 “(a) ESTABLISHMENT.—There is established a com-
11 mittee to be known as the ‘Proprietary Education Over-
12 sight Coordination Committee’ (referred to in this title as
13 the ‘Committee’) and to be composed of the head (or the
14 designee of such head) of each of the following Federal
15 entities:

16 “(1) The Department of Education.

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

19 “(3) The Department of Justice.

20 “(4) The Securities and Exchange Commission.

21 “(5) The Department of Defense.

22 “(6) The Department of Veterans Affairs.

23 “(7) The Federal Trade Commission.

24 “(8) The Department of Labor.

25 “(9) The Internal Revenue Service.

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

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

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

7 “(A) improve enforcement of applicable
8 Federal laws and regulations;

9 “(B) increase accountability of proprietary
10 institutions of higher education to students and
11 taxpayers; and

12 “(C) ensure the promotion of quality edu-
13 cation programs.

14 “(2) Coordinate Federal activities to protect
15 students from unfair, deceptive, abusive, unethical,
16 fraudulent, or predatory practices, policies, or proce-
17 dures of proprietary institutions of higher education.

18 “(3) Encourage information sharing among
19 agencies related to Federal investigations, audits, or
20 inquiries of proprietary institutions of higher edu-
21 cation.

22 “(4) Increase coordination and cooperation be-
23 tween Federal and State agencies, including State
24 Attorneys General and State approval agencies, with

1 respect to improving oversight and accountability of
2 proprietary institutions of higher education.

3 “(5) Develop best practices and consistency
4 among Federal and State agencies in the dissemina-
5 tion of consumer information regarding proprietary
6 institutions of higher education to ensure that stu-
7 dents, parents, and other stakeholders have easy ac-
8 cess to such information.

9 “(c) MEMBERSHIP.—

10 “(1) DESIGNEES.—For any designee described
11 in subsection (a), the head of the member entity
12 shall appoint a high-level official who exercises sig-
13 nificant decision making authority for the oversight
14 or investigatory activities and responsibilities related
15 to proprietary institutions of higher education of the
16 respective Federal entity of such head.

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

20 “(3) COMMITTEE SUPPORT.—The head of each
21 entity described in subsection (a) shall ensure appro-
22 priate staff and officials of such entity are available
23 to support the Committee-related work of such enti-
24 ty.

1 **“SEC. 168. MEETINGS.**

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

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

12 **“SEC. 169. REPORT.**

13 “(a) IN GENERAL.—The Committee shall submit a
14 report each year to the authorizing committees, and any
15 other committee of Congress that the Committee deter-
16 mines appropriate.

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

22 “(c) CONTENTS.—

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

24 “(A) an accounting of any action (as de-
25 fined in paragraph (3)) taken by the Federal

1 Government, any member entity of the Com-
2 mittee, or a State—

3 “(i) to enforce Federal or State laws
4 and regulations applicable to proprietary
5 institutions of higher education;

6 “(ii) to hold proprietary institutions of
7 higher education accountable to students
8 and taxpayers; and

9 “(iii) to promote quality education
10 programs;

11 “(B) a summary of complaints against
12 each proprietary institution of higher education
13 received by any member entity of the Com-
14 mittee;

15 “(C) the data described in paragraph (2)
16 and any other data relevant to proprietary insti-
17 tutions of higher education that the Committee
18 determines appropriate; and

19 “(D) recommendations of the Committee
20 for such legislative and administrative actions
21 as the Committee determines are necessary
22 to—

23 “(i) improve enforcement of applicable
24 Federal laws;

1 used to attend an institution of higher edu-
2 cation, for the previous academic year,
3 disaggregated by—

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

6 “(II) educational assistance in
7 the form of a grant provided under
8 title IV;

9 “(III) educational assistance pro-
10 vided under chapter 33 of title 38,
11 United States Code;

12 “(IV) tuition assistance provided
13 under section 2007 of title 10, United
14 States Code;

15 “(V) assistance provided under
16 section 1784a of title 10, United
17 States Code; and

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

20 “(iii) the percentage of the total
21 amount of Federal funds provided to insti-
22 tutions of higher education (as defined in
23 section 102) for such previous academic
24 year for each of the programs described in
25 subclauses (I) through (V) of clause (ii)

1 that reflects such total amount of Federal
2 funds provided to proprietary institutions
3 of higher education for such previous aca-
4 demic year for each of such programs;

5 “(iv) the average retention and grad-
6 uation rates for students pursuing a degree
7 at proprietary institutions of higher edu-
8 cation;

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

15 “(vi) for careers requiring the passage
16 of a licensing examination—

17 “(I) the passage rate of individ-
18 uals who attended a proprietary insti-
19 tution of higher education taking such
20 examination to pursue such a career;
21 and

22 “(II) the passage rate of all indi-
23 viduals taking such exam to pursue
24 such a career; and

1 “(bb) reported for each such
2 proprietary institution of higher
3 education;

4 “(II) revenue for such propri-
5 etary institutions of higher education
6 spent on recruiting and marketing ac-
7 tivities, student instruction, and stu-
8 dent support services, reported—

9 “(aa) as a total amount and
10 an average percent of revenue for
11 all such proprietary institutions
12 of higher education; and

13 “(bb) for each such propri-
14 etary institution of higher edu-
15 cation;

16 “(III) total compensation pack-
17 ages of the executive officers of each
18 such proprietary institution of higher
19 education;

20 “(IV) a list of institutional loan
21 programs offered by each such propri-
22 etary institution of higher education
23 that includes information on the de-
24 fault and interest rates of such pro-
25 grams; and

1 “(V) the data described in
2 clauses (ii) and (iii).

3 “(ii) **DISAGGREGATED BY OWNER-**
4 **SHIP.**—The report shall include data on
5 proprietary institutions of higher education
6 that are publicly traded corporations,
7 disaggregated by corporate or parent enti-
8 ty, brand name, and campus, consisting
9 of—

10 “(I) the total cost of attendance
11 for each program at each such propri-
12 etary institution of higher education,
13 and information comparing such total
14 cost for each such program to—

15 “(aa) the total cost of at-
16 tendance for each program at
17 each public institution of higher
18 education; and

19 “(bb) the average total cost
20 of attendance for each program
21 at all institutions of higher edu-
22 cation, including such institutions
23 that are public and such institu-
24 tions that are private;

1 “(II) total enrollment,
2 disaggregated by—

3 “(aa) individuals enrolled in
4 programs taken online; and

5 “(bb) individuals enrolled in
6 programs that are not taken on-
7 line;

8 “(III) the average retention and
9 graduation rates for students pur-
10 suing a degree at such proprietary in-
11 stitutions of higher education;

12 “(IV) the percentage of students
13 enrolled in such proprietary institu-
14 tions of higher education who com-
15 plete a program of such an institution
16 within—

17 “(aa) the standard period of
18 completion for such program; and

19 “(bb) a period that is 150
20 percent of such standard period
21 of completion;

22 “(V) the total cost of attendance
23 for each program at such proprietary
24 institutions of higher education;

1 “(VI) the average cohort default
2 rate, as defined in section 435(m), for
3 such proprietary institutions of higher
4 education, and an annual list of co-
5 hort default rates (as defined in such
6 section) for all proprietary institutions
7 of higher education;

8 “(VII) the median educational
9 debt incurred by students who com-
10 plete a program at such a proprietary
11 institution of higher education;

12 “(VIII) the median educational
13 debt incurred by students who start
14 but do not complete a program at
15 such a proprietary institution of high-
16 er education;

17 “(IX) the job placement rate for
18 students who complete a program at
19 such a proprietary institution of high-
20 er education and the type of employ-
21 ment obtained by such students;

22 “(X) for careers requiring the
23 passage of a licensing examination,
24 the rate of individuals who attended
25 such a proprietary institution of high-

1 er education and passed such an ex-
2 amination; and

3 “(XI) the number of complaints
4 from students enrolled in such propri-
5 etary institutions of higher education
6 who have submitted a complaint to
7 any member entity of the Committee.

8 “(iii) DEPARTMENT OF DEFENSE AND
9 VETERANS AFFAIRS ASSISTANCE.—

10 “(I) IN GENERAL.—To the extent
11 practicable, the report shall provide
12 information on the data described in
13 clause (ii) for individuals using, to pay
14 for the costs of attending such a pro-
15 prietary institution of higher edu-
16 cation, Federal funds provided under
17 title 10, United States Code or title
18 38, United States Code.

19 “(II) REVENUE.—The report
20 shall provide information on the rev-
21 enue of proprietary institutions of
22 higher education that are publicly
23 traded corporations that is derived
24 from the Federal funds described in
25 subclause (I).

1 “(C) COMPARISON DATA.—To the extent
2 practicable, the report shall provide information
3 comparing the data described in subparagraph
4 (B) for proprietary institutions of higher edu-
5 cation that are publicly traded corporations
6 with such data for public institutions of higher
7 education disaggregated by State.

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

11 “(A) a complaint filed by a Federal or
12 State agency in a local, State, Federal, or tribal
13 court;

14 “(B) an administrative proceeding by a
15 Federal or State agency involving noncompli-
16 ance of any applicable law or regulation; or

17 “(C) any other review, audit, or adminis-
18 trative process by any Federal or State agency
19 that results in a penalty, suspension, or termi-
20 nation from any Federal or State program.

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

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

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

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

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

8 “(4) for which the Committee has sufficient evi-
9 dence of widespread or systemic unfair, deceptive,
10 abusive, unethical, fraudulent, or predatory prac-
11 tices, policies, or procedures that pose a threat to
12 the academic success, financial security, or general
13 best interest of students.

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

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

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

21 “(3) Any administrative proceeding by a Fed-
22 eral or State agency involving noncompliance of any
23 applicable law or regulation.

24 “(4) Any other review, audit, or administrative
25 process by any Federal or State agency that results

1 in a penalty, suspension, or termination from any
2 Federal or State program.

3 “(5) Data or information submitted by a pro-
4 prietary institution of higher education to any ac-
5 crediting agency or association recognized by the
6 Secretary of Education pursuant to section 496 or
7 the findings or adverse actions of any such accred-
8 iting agency or association.

9 “(6) Information submitted by a proprietary in-
10 stitution of higher education to any member entity
11 of the Committee.

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

15 “(c) PUBLICATION.—Not later than July 1 of each
16 fiscal year, the Committee shall publish the list described
17 in subsection (a) prominently and in a manner that is eas-
18 ily accessible to parents, students, and other stakeholders
19 in accordance with any best practices developed under sec-
20 tion 167(b)(5).”.

21 **TITLE II—IMPROVING** 22 **EDUCATOR PREPARATION**

23 **SEC. 201. IMPROVING EDUCATOR PREPARATION.**

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

1 **“TITLE II—IMPROVING**
2 **EDUCATOR PREPARATION**

3 **“SEC. 200. DEFINITIONS.**

4 “In this title:

5 “(1) **CLINICAL TRAINING.**—The term ‘clinical
6 training’ means sustained and high-quality
7 preservice experiences to further develop the teach-
8 ing skills or leadership skills of prospective teachers
9 or school leaders, including (as applicable) early
10 childhood educators. Such experiences shall include
11 each of the following:

12 “(A) Experiential clinical training in an el-
13 ementary school or secondary school that in-
14 cludes—

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

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

6 “(iii) aligning school-based clinical ex-
7 periences with coursework in educational
8 theory and content through supervised
9 clinical practice and regular feedback on
10 the development of teaching skills or lead-
11 ership skills and performance that include
12 building a positive classroom or school cul-
13 ture and climate, and developing effective
14 classroom management or school leader-
15 ship techniques;

16 “(iv) for teachers, developing the abil-
17 ity to—

18 “(I) link teaching practice to stu-
19 dent learning;

20 “(II) create effective teaching
21 units and lesson plans;

22 “(III) modify instruction as a re-
23 sult of formative assessment and data
24 analysis; and

1 “(IV) implement differentiated
2 instruction strategies; and

3 “(v) for school leaders, developing the
4 ability to—

5 “(I) lead effective teams of teach-
6 ers;

7 “(II) identify and model effective
8 classroom practices;

9 “(III) learn how to recruit and
10 support effective teachers; and

11 “(IV) engage community mem-
12 bers and parents.

13 “(B) Align the coursework offered at the
14 educator preparation entity with the needs of
15 the local educational agencies, including the
16 academic needs of students, served by the edu-
17 cator preparation entity and the clinical experi-
18 ences offered under subparagraph (A).

19 “(C) Provide high-quality mentoring.

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

22 “(E) Be designed through collaboration be-
23 tween faculty or staff at the educator prepara-
24 tion entity and employees of the local edu-

1 cational agencies served by the educator prepara-
2 ration entity.

3 “(F) Provide support and training for fac-
4 ulty or staff at educator preparation entities
5 and for individuals who serve as mentors for
6 new and prospective teachers or school leaders.

7 “(2) CORE ACADEMIC SUBJECTS.—The term
8 ‘core academic subjects’ has the meaning given the
9 term in section 9101 of the Elementary and Sec-
10 ondary Education Act of 1965.

11 “(3) EARLY CHILDHOOD EDUCATOR.—The
12 term ‘early childhood educator’ means an individual
13 with primary responsibility for the education of chil-
14 dren in an early childhood education program.

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

19 “(5) EDUCATOR PREPARATION ENTITY.—The
20 term ‘educator preparation entity’ means a teacher
21 preparation entity or a school leader preparation en-
22 tity.

23 “(6) EDUCATOR PREPARATION PROGRAM.—The
24 term ‘educator preparation program’ means a teach-
25 er preparation program or a school leader prepara-

1 tion program offered by an educator preparation en-
2 tity, including an early childhood education teacher
3 or school leader program.

4 “(7) EDUCATOR RESIDENCY PROGRAM.—The
5 term ‘educator residency program’ means a teacher
6 residency program or a school leader residency pro-
7 gram within a teacher preparation program or
8 school leader preparation program.

9 “(8) EFFECTIVE LITERACY INSTRUCTION.—The
10 term ‘effective literacy instruction’ means literacy in-
11 struction that—

12 “(A) includes age-appropriate, explicit, sys-
13 tematic, and intentional instruction in phono-
14 logical awareness, phonic decoding, vocabulary,
15 language structure, reading fluency, and read-
16 ing comprehension;

17 “(B) includes age-appropriate, explicit in-
18 struction in writing, including opportunities for
19 children to write with clear purposes, with crit-
20 ical reasoning appropriate to the topic and pur-
21 pose, and with specific instruction and feedback
22 from instructional staff;

23 “(C) uses differentiated instructional ap-
24 proaches, including individual and small group
25 instruction and discussion;

1 “(D) uses age-appropriate, valid, and reli-
2 able screening assessments, diagnostic assess-
3 ments, formative assessment processes, and
4 summative assessments to identify a child’s
5 learning needs, to inform instruction, and to
6 monitor the child’s progress and the effects of
7 instruction;

8 “(E) uses strategies to enhance children’s
9 motivation to read and write and children’s en-
10 gagement in self-directed learning;

11 “(F) incorporates the principles of uni-
12 versal design for learning;

13 “(G) depends on teachers’ collaboration in
14 planning, instruction, and assessing a child’s
15 progress and on continuous professional learn-
16 ing; and

17 “(H) links literacy instruction to the chal-
18 lenging academic content standards under sec-
19 tion 1111(b)(1) of the Elementary and Sec-
20 ondary Education Act of 1965, including the
21 ability to navigate, understand, and write
22 about, complex print and digital subject matter.

23 “(9) ELIGIBLE PARTNERSHIP.—Except as oth-
24 erwise provided in section 216, the term ‘eligible
25 partnership’ means an entity that—

1 “(A) shall include—

2 “(i) a high-need local educational
3 agency;

4 “(ii)(I) a high-need school or a con-
5 sortium of high-need schools served by the
6 high-need local educational agency; or

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

9 “(iii) a partner institution; and

10 “(iv) a school, department, or educa-
11 tor preparation program within such part-
12 ner institution; and

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

14 “(i) The Governor of the State.

15 “(ii) The State educational agency.

16 “(iii) The State board of education.

17 “(iv) The State agency for higher edu-
18 cation.

19 “(v) A school or department of arts
20 and sciences within such partner institu-
21 tion.

22 “(vi) A business.

23 “(vii) A public or private nonprofit
24 educational organization.

25 “(viii) An educational service agency.

1 “(ix) A teacher organization.

2 “(x) A high-performing local edu-
3 cational agency, or a consortium of such
4 local educational agencies, that can serve
5 as a resource to the partnership.

6 “(xi) A charter school (as defined in
7 section 5210 of the Elementary and Sec-
8 ondary Education Act of 1965).

9 “(xii) A school or department within
10 the partner institution that focuses on psy-
11 chology and human development.

12 “(xiii) A school or department within
13 the partner institution with comparable ex-
14 pertise in the disciplines of teaching, learn-
15 ing, and child and adolescent development.

16 “(xiv) An entity operating a program
17 that provides alternative routes to State
18 certification of teachers or school leaders.

19 “(10) ENGLISH LEARNER.—The term ‘English
20 learner’ means an individual—

21 “(A) who is aged 3 through 21;

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

24 “(C)(i) who was not born in the United
25 States;

1 “(ii) whose native language is a language
2 other than English;

3 “(iii)(I) who is a Native American or Alas-
4 ka Native, or a native resident of the outlying
5 areas; and

6 “(II) who comes from an environment
7 where a language other than English has had
8 a significant impact on the individual’s level of
9 English language proficiency; or

10 “(iv) who is migratory, whose native lan-
11 guage is a language other than English, and
12 who comes from an environment where a lan-
13 guage other than English is dominant; and

14 “(D) whose difficulties in speaking, read-
15 ing, writing, or understanding the English lan-
16 guage may be sufficient to deny the indi-
17 vidual—

18 “(i) the ability to meet or exceed the
19 State challenging student academic
20 achievement standards under section
21 1111(b)(1) of the Elementary and Sec-
22 ondary Education Act of 1965 in a subject
23 for the individual’s grade level, as deter-
24 mined based on the State academic assess-

1 School Achievement Program under section
2 6211(b) of the Elementary and Secondary Edu-
3 cation Act of 1965; or

4 “(iv) that meets the eligibility require-
5 ments for funding under the Rural and Low-In-
6 come School Program under section 6221(b) of
7 the Elementary and Secondary Education Act
8 of 1965; and

9 “(B)(i) for which 1 or more schools served
10 by the agency is identified by the State as a
11 low-performing school under section 1116 of the
12 Elementary and Secondary Education Act of
13 1965 or identified as eligible to receive funds
14 under section 1003(g) of such Act; or

15 “(ii) for which there is a high teacher
16 turnover rate.

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

19 “(A) an elementary school or middle school
20 in which not less than 50 percent of the en-
21 rolled students are children from low-income
22 families; or

23 “(B) a high school in which not less than
24 40 percent of the enrolled students are children
25 from low-income families, which may be cal-

1 culated using comparable data from feeder
2 schools.

3 “(14) HIGH-QUALITY PROFESSIONAL DEVELOP-
4 MENT.—The term ‘high-quality professional develop-
5 ment’ means activities based on scientifically valid
6 research that are coordinated and aligned to in-
7 crease the effectiveness of teachers or school leaders
8 and are regularly assessed to determine the activi-
9 ties’ effectiveness, and that—

10 “(A) are designed and implemented to im-
11 prove student achievement and classroom prac-
12 tice;

13 “(B) are aligned with—

14 “(i) State challenging academic con-
15 tent standards and State challenging stu-
16 dent academic achievement standards
17 adopted under section 1111(b) of the Ele-
18 mentary and Secondary Education Act of
19 1965;

20 “(ii) related academic and school im-
21 provement goals of the school, local edu-
22 cational agency, and, as appropriate, state-
23 wide and local curricula;

24 “(iii) for teachers, rigorous teaching
25 standards; and

1 “(iv) for school leaders, rigorous
2 standards for leadership skills;

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

4 “(i) knowledge and understanding
5 about how students learn;

6 “(ii) academic content knowledge;

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

13 “(iv) 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; and

20 “(v) ability to lead teams of effective
21 teachers, in the case of school leaders;

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

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

1 “(F) are sustained, intensive, and job-em-
2 bedded, and not limited in scope to a 1-day or
3 short-term workshop or conference;

4 “(G) are, as appropriate, designed to—

5 “(i) provide teachers or school leaders
6 with the knowledge and skills to work more
7 effectively with parents and families; and

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

15 “(H) for school leaders, provide com-
16 prehensive opportunities to practice effective
17 strategies and help school leaders develop the
18 abilities to lead effective teams of teachers and
19 maintain active engagement with families and
20 community organizations.

21 “(15) **HIGHLY COMPETENT**.—The term ‘highly
22 competent’, when used with respect to an early
23 childhood educator, means an educator—

24 “(A) with specialized education and train-
25 ing in development and education of young chil-

1 dren from birth until entry into kindergarten,
2 including children with disabilities;

3 “(B) with—

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

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

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

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

21 “(A) High-quality mentoring.

22 “(B) Periodic, structured time for collabo-
23 ration and observation opportunities with teach-
24 ers or school leaders, as well as interdisciplinary
25 collaboration among highly effective teachers,

1 school leaders, faculty, researchers, other edu-
2 cators, and other staff who prepare new teach-
3 ers or school leaders.

4 “(C) The application of empirically based
5 practice and scientifically valid research on in-
6 structional and behavioral interventions.

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

13 “(E) The development of content expertise.

14 “(F) Faculty who—

15 “(i) model the integration of research
16 and practice in the classroom;

17 “(ii) assist new teachers and school
18 leaders with the effective use and integra-
19 tion of technology in instruction;

20 “(iii) for teachers, assist in the cre-
21 ation and use of teacher-developed assess-
22 ments for the purpose of informing and
23 targeting instructional practice;

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

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

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

15 “(H) Regular, structured observation and
16 evaluation of new teachers or school leaders by
17 multiple-trained evaluators, using valid and reli-
18 able measures of teaching and leadership skills.

19 “(17) **LOW-INCOME FAMILY.**—The term ‘low-in-
20 come family’ means a family who—

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

1 “(B) is eligible for means tested benefits or
2 public assistance at the local, State, or Federal
3 level; or

4 “(C) lives in a high-poverty area or has a
5 student who attends an elementary school or
6 high school with an attendance area in a high-
7 poverty area.

8 “(18) MENTOR.—The term ‘mentor’ means an
9 experienced educator who shall—

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

19 “(B) provide ongoing assessment of and
20 regular feedback to mentees;

21 “(C) possess—

22 “(i) strong teaching skills or leader-
23 ship skills;

24 “(ii) strong verbal and written com-
25 munication skills; and

1 “(iii) knowledge, skills, and attitudes
2 to—

3 “(I) establish and maintain a
4 professional learning community that
5 uses data, feedback, and coaching to
6 improve mentee performance; and

7 “(II) create and maintain a
8 learning culture for mentees that pro-
9 vides a climate conducive to the pro-
10 fessional development of the mentees;
11 and

12 “(D) have a demonstrated record of im-
13 proving student achievement.

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

17 “(A) Clear criteria for the selection of
18 mentors that takes into account the mentor’s
19 effectiveness.

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

23 “(i) for teachers, instructional strate-
24 gies for literacy instruction; and

1 “(ii) for teachers or school leaders, in-
2 struction in classroom management or
3 school management techniques, including
4 approaches that improve the schoolwide cli-
5 mate for learning, which may include
6 multi-tiered systems of support.

7 “(C) Provides regularly scheduled time for
8 collaboration, examination of student work and
9 achievement data, joint professional develop-
10 ment opportunities, and ongoing opportunities
11 for mentors and mentees to observe each oth-
12 er’s teaching or leading, and identify and ad-
13 dress areas for improvement.

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

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

18 “(20) PARTNER INSTITUTION.—The term ‘part-
19 ner institution’ means a nonprofit institution of
20 higher education, which may include a 2-year non-
21 profit institution of higher education offering a dual
22 program with a 4-year nonprofit institution of high-
23 er education, participating in an eligible partnership
24 that has a teacher preparation program—

1 “(A) whose graduates exhibit strong per-
2 formance on State-determined qualifying assess-
3 ments for new teachers through—

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

13 “(ii) being ranked among the highest-
14 performing teacher preparation programs
15 in the State as determined by the State
16 using criteria consistent with the require-
17 ments for the State report card under sec-
18 tion 210; and

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

21 “(i) to meet high academic standards
22 or demonstrate a record of success, as de-
23 termined by the institution (including prior
24 to entering and being accepted into a pro-

1 gram), and participate in intensive clinical
2 training;

3 “(ii) to become highly effective; and

4 “(iii) preparing to become an early
5 childhood educator, to meet degree require-
6 ments, as established by the State, and be-
7 come highly competent.

8 “(21) PRINCIPLES OF SCIENTIFIC RESEARCH.—

9 The term ‘principles of scientific research’ means
10 principles of research that—

11 “(A) apply rigorous, systematic, and objec-
12 tive methodology to obtain reliable and valid
13 knowledge relevant to education activities and
14 programs;

15 “(B) present findings and make claims
16 that are appropriate to, and supported by, the
17 methods that have been employed; and

18 “(C) include, appropriate to the research
19 being conducted—

20 “(i) use of systematic, empirical meth-
21 ods that draw on observation or experi-
22 ment;

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

1 “(iii) reliance on measurements or ob-
2 servational methods that provide reliable
3 and generalizable findings;

4 “(iv) strong claims of causal relation-
5 ships, only with research designs that
6 eliminate plausible competing explanations
7 for observed results, such as random-as-
8 signment experiments;

9 “(v) presentation of studies and meth-
10 ods in sufficient detail and clarity to allow
11 for replication or, at a minimum, to offer
12 the opportunity to build systematically on
13 the findings of the research;

14 “(vi) acceptance by a peer-reviewed
15 journal or critique by a panel of inde-
16 pendent experts through a comparably rig-
17 orous, objective, and scientific review; and

18 “(vii) consistency of findings across
19 multiple studies or sites to support the
20 generality of results and conclusions.

21 “(22) **RECENT PROGRAM GRADUATE.**—The
22 term ‘recent program graduate’ means—

23 “(A) an individual who has graduated from
24 a teacher preparation program or school leader

1 preparation program not earlier than 3 years
2 preceding the date of the determination; or

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

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

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

22 “(25) SCHOOL LEADER.—The term ‘school
23 leader’ means a principal, assistant principal, or in-
24 dividual who—

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

3 “(i) the daily instructional leadership
4 and managerial operations of the school;
5 and

6 “(ii) creating the optimum conditions
7 for student learning; or

8 “(B) is an early childhood program leader
9 or director.

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

17 “(27) SCHOOL LEADER PREPARATION PRO-
18 GRAM.—The term ‘school leader preparation pro-
19 gram’ means a program offered by a school leader
20 preparation entity, whether traditional or alternative
21 route, that is approved by the State to prepare
22 school leaders to be effective and that leads to a spe-
23 cific State certification to be a school leader.

24 “(28) SCHOOL LEADER RESIDENCY PRO-
25 GRAM.—The term ‘school leader residency program’

1 means a school-based school leader preparation pro-
2 gram in which a prospective school leader—

3 “(A) for 1 academic year, acts as a school
4 leader or assistant school leader alongside a
5 mentor school leader;

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

11 “(C) acquires and demonstrates effective
12 school leadership skills;

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

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

19 “(29) SCHOOL LEADERSHIP SKILLS.—The term
20 ‘school leadership skills’ means skills that enable a
21 school leader to—

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

24 “(B) develop teams of effective school
25 staff, and distributing among members of such

1 teams responsibilities for leading and improving
2 their schools;

3 “(C) establish a positive school culture and
4 learning community where school leaders and
5 teachers—

6 “(i) share a commitment to improving
7 student outcomes and performances for all
8 students, including students with disabili-
9 ties and English learners; and

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

17 “(D) understand how students learn and
18 develop, and use this knowledge to set high ex-
19 pectations for student achievement and support
20 student success;

21 “(E) address the unique needs of specific
22 student populations served, such as students
23 with disabilities, students who are English
24 learners, and students who are homeless or in
25 foster care;

1 “(F) manage resources and school time to
2 support high-quality instruction and improve-
3 ments in student achievement; and

4 “(G) actively engage and work effectively
5 with students’ parents and other members of
6 the community.

7 “(30) STUDENT GROWTH.—The term ‘student
8 growth’ means a change in student achievement for
9 an individual student between 2 or more points in
10 time. For the purpose of determining student
11 growth, measures of student achievement include—

12 “(A) for grades and subjects in which as-
13 sessments are required under section
14 1111(b)(3) of the Elementary and Secondary
15 Education Act of 1965, the student’s score on
16 such assessments, and, as appropriate, other
17 multiple measures of student learning, such as
18 those designated under paragraph (B); and

19 “(B) for grades and subjects for which
20 such assessments are not required, alternative
21 statewide measures of student learning and per-
22 formance, such as student results on pre-tests
23 and end-of-course tests, and objective perform-
24 ance-based assessments, and student perform-

1 ance on English language proficiency assess-
2 ments.

3 “(31) **TEACHER IN A HIGH-NEED SUBJECT OR**
4 **FIELD.**—The term ‘teacher in a high-need subject or
5 field’ means a teacher of—

6 “(A) students with disabilities;

7 “(B) English learners; or

8 “(C) science, technology, engineering, or
9 mathematics.

10 “(32) **TEACHER PERFORMANCE ASSESSMENT.**—

11 The term ‘teacher performance assessment’ means
12 an assessment used to measure teacher performance
13 that is approved by the State and is—

14 “(A) based on professional teaching stand-
15 ards;

16 “(B) used to measure the effectiveness of
17 a teacher’s—

18 “(i) curriculum planning;

19 “(ii) instruction of students, including
20 appropriate plans and modifications for
21 students who are English learners and stu-
22 dents who are children with disabilities;

23 “(iii) assessment of students, includ-
24 ing analysis of evidence of student learn-
25 ing; and

1 “(iv) ability to advance student learn-
2 ing;

3 “(C) validated based on professional as-
4 sessment standards;

5 “(D) reliably scored by trained evaluators,
6 with appropriate oversight of the process to en-
7 sure consistency; and

8 “(E) used to support continuous improve-
9 ment of educator practice.

10 “(33) **TEACHER PREPARATION ENTITY.**—The
11 term ‘teacher preparation entity’ means an institu-
12 tion of higher education or a nonprofit organization,
13 including those that provide alternative routes to
14 certification, that is approved by the State to pre-
15 pare teachers to be effective.

16 “(34) **TEACHER PREPARATION PROGRAM.**—The
17 term ‘teacher preparation program’ means a pro-
18 gram, whether traditional or alternative route, that
19 is approved by the State to prepare teachers to be
20 effective and that leads to a specific State certifi-
21 cation to be a teacher.

22 “(35) **TEACHER RESIDENCY PROGRAM.**—The
23 term ‘teacher residency program’ means a school-
24 based teacher preparation program in which a pro-
25 spective teacher—

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

4 “(B) receives concurrent instruction during
5 the year described in subparagraph (A) from an
6 educator preparation entity, which courses may
7 be taught by local educational agency personnel
8 or residency program faculty, in the teaching of
9 the content area in which the teacher will be-
10 come certified or licensed;

11 “(C) acquires teaching skills;

12 “(D) prior to completion of the program,
13 attains full State certification of licensure and
14 is prepared to be effective; and

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

19 “(36) **TEACHING SKILLS.**—The term ‘teaching
20 skills’ means skills that enable a teacher to—

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

23 “(B) effectively convey and explain aca-
24 demic subject matter;

1 “(C) effectively teach higher-order analyt-
2 ical, critical thinking, evaluation, problem-solv-
3 ing, and communication skills;

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

6 “(i) are based on empirically-based
7 practice and scientifically valid research,
8 where applicable, related to teaching and
9 learning;

10 “(ii) are specific to academic subject
11 matter; and

12 “(iii) focus on the identification of
13 students’ specific learning needs and de-
14 velop the skills needed to promote success-
15 ful learning, particularly among students
16 with disabilities, English learners, students
17 who are gifted and talented, and students
18 with low literacy levels, and the tailoring of
19 academic instruction to such needs;

20 “(E) conduct and utilize the results of an
21 ongoing assessment of student learning, which
22 may include the use of formative assessments,
23 interim assessments, performance-based assess-
24 ments, project-based assessments, or portfolio
25 assessments, that measures the full range of

1 academic standards and higher-order thinking
2 skills (including application, analysis, synthesis,
3 and evaluation);

4 “(F) effectively manage a classroom, in-
5 cluding the ability to implement multi-tiered
6 systems of support;

7 “(G) communicate and work with parents,
8 and involve parents in their children’s edu-
9 cation; and

10 “(H) use, in the case of an early childhood
11 educator, age-appropriate and developmentally
12 appropriate strategies and practices for children
13 in early childhood education programs.

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

15 **GRANTS**

16 **“SEC. 201. PURPOSES.**

17 “The purposes of this part are to—

18 “(1) improve student achievement in high-need
19 schools;

20 “(2) improve the quality of prospective and new
21 teachers or school leaders by improving the prepara-
22 tion of prospective teachers or school leaders and en-
23 hancing professional development activities for new
24 teachers or school leaders;

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

4 “(4) recruit well qualified individuals, including
5 members of groups underrepresented in teaching
6 and individuals from other occupations, as teachers
7 and school leaders; and

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

12 **“SEC. 202. GRANTS TO IMPROVE EDUCATOR PREPARATION**
13 **AND SUPPORT EDUCATOR RESIDENCIES.**

14 “(a) PROGRAM AUTHORIZED.—From amounts made
15 available under subsection (g), the Secretary is authorized
16 to award grants, on a competitive basis, to eligible part-
17 nerships, to carry out the activities described in this sec-
18 tion.

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

24 “(1) a needs assessment of the partners in the
25 eligible partnership with respect to the preparation,

1 ongoing training, professional development, and re-
2 tention of general education and special education
3 teachers, school leaders, and, as applicable, early
4 childhood educators, including—

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

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

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

20 “(3) an assurance that the eligible partnership
21 will include meaningful collaboration between an ed-
22 ucator preparation program and a high-need local
23 educational agency, in order to ensure educator
24 preparation programs are preparing educators with
25 the teaching skills or leadership skills necessary to

1 meet the needs of the high-need local educational
2 agency;

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

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

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

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

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

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

1 “(A) understand and use research and
2 data to modify and improve classroom instruc-
3 tion;

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

12 “(C) teach English learners;

13 “(8) a description of—

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

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

1 teacher quality and student academic achieve-
2 ment;

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;

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

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

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

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

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

15 “(12) a description of how the eligible partner-
16 ship will design and implement an induction pro-
17 gram to support all new educators who are prepared
18 by the educator preparation program in the partner-
19 ship and who serve in the high-need local edu-
20 cational agency in the partnership, and, to the ex-
21 tent practicable, all new educators who serve in such
22 high-need local educational agency, and how such an
23 induction program will comply with the requirements
24 under section 200(16) and be integrated with other

1 ongoing efforts to support new educators by the
2 high-need local educational agency.

3 “(c) EDUCATOR RESIDENCY PROGRAMS.—

4 “(1) IN GENERAL.—An eligible partnership that
5 receives a grant under this section shall use the
6 grant funds to design and implement an effective ed-
7 ucator residency program to prepare educators for
8 success in the high-need schools served by the high-
9 need local educational agency.

10 “(2) CONTENT OF PROGRAM.—An educator
11 residency program implemented under paragraph (1)
12 shall include the following:

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

22 “(i) engage in regular consultation
23 with the high-need local educational agency
24 throughout the development and implemen-
25 tation of programs and activities carried

1 out under this section and provide evidence
2 that such programs and activities are
3 aligned with the needs of the high-need
4 schools served by such high-need local edu-
5 cational agency;

6 “(ii) incorporate ongoing feedback and
7 regular communication from the high-need
8 local educational agency and the high-need
9 schools served by such high-need local edu-
10 cational agency, in—

11 “(I) the development of recruit-
12 ment and admissions goals and prior-
13 ities;

14 “(II) the design of the educator
15 residency program’s curriculum,
16 coursework content, clinical training,
17 induction programs, and other profes-
18 sional development activities;

19 “(III) continuing efforts to mod-
20 ify and improve the activities and pro-
21 grams carried out by the partner in-
22 stitution; and

23 “(IV) meeting the needs of the
24 high-need schools in which recent pro-
25 gram graduates are employed and by

1 monitoring the performance of such
2 graduates; and

3 “(iii) administer satisfaction surveys
4 and utilize the feedback from such surveys
5 to drive program improvement.

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

16 “(C) EDUCATOR RECRUITMENT.—Develop
17 and implement effective mechanisms (which
18 may include alternative routes to State certifi-
19 cation of teachers or school leaders) to ensure
20 that the eligible partnership is able to recruit
21 well qualified individuals with a record of aca-
22 demic, volunteer, or leadership distinction to be-
23 come effective educators, which shall include—

24 “(i) the development of recruitment
25 and admissions goals and priorities aligned

1 with the hiring objectives identified under
2 subsection (a)(1); and

3 “(ii) an emphasis on recruiting—

4 “(I) individuals from under rep-
5 resented populations;

6 “(II) individuals to—

7 “(aa) become teachers in
8 high-need subject or fields and to
9 teach in schools in rural areas;
10 and

11 “(bb) become school leaders
12 in schools in rural areas or high-
13 need local educational agencies;

14 “(III) mid-career professionals
15 from other occupations, former mili-
16 tary personnel, and recent college
17 graduates; and

18 “(IV) for school leaders, individ-
19 uals with teaching experience and
20 demonstrated leadership competencies.

21 “(D) SUPPORT AND TRAINING FOR PAR-
22 TICIPANTS IN EARLY CHILDHOOD EDUCATION
23 PROGRAMS.—In the case of an eligible partner-
24 ship focusing on early childhood educator prep-
25 aration, implement initiatives that increase

1 compensation for early childhood educators who
2 attain associate or baccalaureate degrees in
3 early childhood education.

4 “(E) RECENT PROGRAM GRADUATE PER-
5 FORMANCE.—Increase capacity and collect and
6 analyze data on the performance of recent pro-
7 gram graduates of educator residency pro-
8 grams, including data on—

9 “(i) results from statewide teacher or
10 school leader evaluation systems;

11 “(ii) recent program graduate reten-
12 tion rates in full-time positions;

13 “(iii) satisfaction survey outcomes;
14 and

15 “(iv) to the extent practicable, surveys
16 of parents on how well the teacher or
17 school leader engages parents in student
18 learning activities.

19 “(F) COMPREHENSIVE LITERACY INSTRU-
20 CTION.—Strengthen comprehensive literacy in-
21 struction, that—

22 “(i) incorporates effective literacy in-
23 struction; and

24 “(ii) is designed to support—

1 that all prospective teachers and, as appli-
2 cable, early childhood educators—

3 “(I) are prepared to be highly ef-
4 fective teachers and, as applicable,
5 highly competent early childhood edu-
6 cators;

7 “(II) understand and can imple-
8 ment research-based teaching prac-
9 tices in classroom instruction;

10 “(III) possess strong teaching
11 skills and an understanding of effec-
12 tive instructional strategies across all
13 applicable content areas that enable
14 all teachers to—

15 “(aa) meet the specific
16 learning needs of all students, in-
17 cluding students with disabilities,
18 English learners, students who
19 are gifted and talented, students
20 with low literacy levels and, as
21 applicable, children in early child-
22 hood education programs;

23 “(bb) differentiate instruc-
24 tion for such students;

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1 “(cc) have knowledge of stu-
2 dent learning styles;

3 “(dd) analyze the results of
4 student learning and other data
5 to improve instruction;

6 “(ee) effectively participate
7 as a member of the individualized
8 education program team, as de-
9 fined in section 614(d)(1)(B) of
10 the Individuals with Disabilities
11 Education Act in order to ensure
12 individualized education plans
13 promote student success;

14 “(ff) if applicable, success-
15 fully employ effective strategies
16 for comprehensive literacy in-
17 struction; and

18 “(gg) employ techniques to
19 improve children’s cognitive, so-
20 cial, emotional, and physical de-
21 velopment;

22 “(IV) if applicable, receive train-
23 ing on effective teaching in rural or
24 diverse communities and on teaching
25 students with disabilities; and

1 “(V) can effectively teach stu-
2 dents with disabilities; and

3 “(iii) administering satisfaction sur-
4 veys to employers of recent program grad-
5 uates and to recent program graduates.

6 “(B) CLINICAL TRAINING.—Implementing
7 at least 1 academic year of preservice high-
8 quality clinical training in high-need schools
9 that includes the following criteria:

10 “(i) Integration of pedagogy, robust
11 classroom practice, and mentoring to pro-
12 mote effective teaching skills.

13 “(ii) Engagement of teacher residents
14 in rigorous coursework, which shall be
15 aligned to the needs of the high-need local
16 educational agency in the eligible partner-
17 ship.

18 “(iii) Establishment of clear criteria
19 for the selection and assignment of mentor
20 teachers.

21 “(iv) Placement of teacher residents
22 in cohorts that facilitate professional col-
23 laboration, both among teacher residents
24 and between such teacher residents and
25 mentors in the receiving school.

1 “(v) Support for teacher residents,
2 once the teacher residents are hired as
3 teachers of record, through an induction
4 program, high-quality professional develop-
5 ment, and regular opportunities to support
6 the residents in their development of teach-
7 ing skills during not less than the resi-
8 dents’ first 2 years of teaching.

9 “(C) SELECTION OF INDIVIDUALS AS
10 TEACHER RESIDENTS.—

11 “(i) ELIGIBLE INDIVIDUAL.—In order
12 to be eligible to be a teacher resident in a
13 teacher residency program under this para-
14 graph, an individual shall—

15 “(I) be—

16 “(aa) a graduate of a 4-year
17 institution of higher education; or

18 “(bb) in the third or fourth
19 year of undergraduate bacca-
20 laureate education being pursued
21 by the teacher candidate; and

22 “(II) submit an application to
23 the teacher residency program.

24 “(ii) SELECTION CRITERIA.—An eligi-
25 ble partnership carrying out a teacher resi-

1 dency program under this subsection shall
2 establish criteria for the selection of eligi-
3 ble individuals to participate in the teacher
4 residency program, aligned to the hiring
5 needs and objectives of the high-need local
6 educational agency in the eligible partner-
7 ship, and based on, at a minimum, the fol-
8 lowing applicant characteristics:

9 “(I) Strong content knowledge or
10 record of accomplishment in the field
11 or subject area to be taught.

12 “(II) Strong verbal and written
13 communication skills.

14 “(III) Other attributes linked to
15 effective teaching, which may be de-
16 termined by interviews or performance
17 assessments, as specified by the eligi-
18 ble partnership.

19 “(IV) Demonstrated commit-
20 ment, which could be evidenced by
21 past work experience, to serving in
22 high-need local educational agencies.

23 “(V) Demonstrated leadership in
24 past education or work experiences.

1 “(4) SCHOOL LEADER RESIDENCY PRO-
2 GRAMS.—In addition to the requirements under
3 paragraph (2), an eligible partnership receiving a
4 grant under this section to design and implement an
5 effective school leader residency program, shall in-
6 clude the following requirements:

7 “(A) REFORMS.—Implementing reforms,
8 including the following:

9 “(i) Preparing prospective school lead-
10 ers for careers as superintendents, prin-
11 cipals, assistant principals, early childhood
12 education program directors, or other
13 school leaders (including individuals pre-
14 paring to work in high-need local edu-
15 cational agencies located in rural areas
16 who may perform multiple duties in addi-
17 tion to the role of a school leader).

18 “(ii) Promoting strong leadership
19 skills and, as applicable, techniques for
20 school leaders to effectively—

21 “(I) create and maintain a data-
22 driven, professional learning commu-
23 nity within the school leader’s school;

24 “(II) provide a climate conducive
25 to the professional development of

1 teachers, with a focus on improving
2 student academic achievement and the
3 development of effective instructional
4 leadership skills;

5 “(III) understand the teaching
6 and assessment skills needed to sup-
7 port successful classroom instruction
8 and to use data to evaluate teacher
9 instruction and drive teacher and stu-
10 dent learning;

11 “(IV) manage resources and
12 school time to improve student aca-
13 demic achievement, and to ensure the
14 school environment is safe;

15 “(V) engage and involve families,
16 community members, the local edu-
17 cational agency, businesses, and other
18 community leaders, to respond to the
19 diverse interests and needs and lever-
20 age additional resources to improve
21 student academic achievement;

22 “(VI) understand how students
23 learn and develop in order to increase
24 academic achievement for all students,

1 including students with disabilities
2 and English learners; and

3 “(VII) understand the varied
4 roles and responsibilities of general
5 and special educators to support
6 meaningful observation, feedback, and
7 evaluations.

8 “(B) CLINICAL TRAINING.—Implementing
9 at least 1 academic year of high-quality clinical
10 training in high-need schools that includes the
11 following criteria:

12 “(i) Integration of coursework, robust
13 school-based practice, and mentoring, to
14 promote effective leadership skills.

15 “(ii) Engagement of school leader
16 residents in rigorous coursework, which
17 shall be aligned to the needs of the high-
18 need local educational agency in the eligi-
19 ble partnership.

20 “(iii) Establishment of clear criteria
21 for the selection and assignment of mentor
22 school leaders.

23 “(iv) Placement of school leader resi-
24 dents in cohorts that facilitate professional
25 collaboration, both among school leader

1 residents and between such school leader
2 residents and mentors in the receiving
3 school.

4 “(v) Support for school leader resi-
5 dents once such school leader residents are
6 hired as school leaders, through an induc-
7 tion program, high-quality professional de-
8 velopment, and regular opportunities, to
9 support residents in their development of
10 leadership skills during not less than the
11 residents’ first 2 years of serving as a
12 school leader.

13 “(C) SELECTION OF INDIVIDUALS AS
14 SCHOOL LEADER RESIDENTS.—

15 “(i) ELIGIBLE INDIVIDUAL.—In order
16 to be eligible to be a school leader resident
17 in a school leader residency program under
18 this paragraph, an individual shall—

19 “(I) be a graduate of a 4-year in-
20 stitution of higher education;

21 “(II) have prior prekindergarten
22 through grade 12 teaching experience;

23 “(III) have experience as an ef-
24 fective leader, manager, and commu-
25 nicator; and

1 “(IV) submit an application to
2 the residency program.

3 “(ii) **SELECTION CRITERIA.**—An eligi-
4 ble partnership carrying out a school lead-
5 er residency program under this subsection
6 shall establish criteria for the selection of
7 eligible individuals to participate in the
8 school leader residency program, aligned to
9 the hiring needs and objectives of the high-
10 need local educational agency in the eligi-
11 ble partnership, and based on, at a min-
12 imum, the following applicant characteris-
13 tics:

14 “(I) Demonstrated leadership
15 skills in an elementary school or sec-
16 ondary school setting.

17 “(II) Strong record of accom-
18 plishment in prior prekindergarten
19 through grade 12 teaching experience.

20 “(III) Strong verbal and written
21 communication skills.

22 “(IV) Other attributes linked to
23 effective leadership.

24 “(V) Demonstrated commitment,
25 which may be evidenced by past work

1 experience, to serving in high-need
2 local educational agencies.

3 “(5) STIPENDS OR SALARIES; APPLICATIONS;
4 AGREEMENTS; REPAYMENTS.—

5 “(A) STIPENDS OR SALARIES.—A teacher
6 residency program or school leader residency
7 program funded under this subsection shall pro-
8 vide a 1-year living stipend or salary to each
9 teacher or school leader resident during the
10 residency program.

11 “(B) APPLICATIONS FOR STIPENDS OR
12 SALARIES.—Each teacher or school leader resi-
13 dency candidate desiring a stipend or salary
14 during the period of residency shall submit an
15 application to the eligible partnership at such
16 time, and containing such information and as-
17 surances, as the eligible partnership may re-
18 quire.

19 “(C) AGREEMENTS TO SERVE.—Each ap-
20 plication submitted under subparagraph (B)
21 shall contain or be accompanied by an agree-
22 ment that the applicant will—

23 “(i) serve as a full-time teacher or
24 school leader for a total of not less than 3
25 academic years immediately after success-

1 fully completing the teacher residency pro-
2 gram or school leader residency program;

3 “(ii) fulfill the requirement under sub-
4 clause (i)—

5 “(I) by serving as a teacher in a
6 high-need subject or field in a high-
7 need school served by the high-need
8 local educational agency in the eligible
9 partnership or serving as a school
10 leader in such a school; or

11 “(II) if there is no appropriate
12 position available in a high-need
13 school served by the high-need local
14 educational agency in the eligible
15 partnership, by serving as a teacher in
16 a high-need subject or field in a high-
17 need school in another high-need local
18 educational agency or serving as a
19 school leader in such a school;

20 “(iii) provide to the eligible partner-
21 ship a certificate, from the chief adminis-
22 trative officer of the local educational
23 agency in which the resident is employed,
24 of the employment required in clauses (i)
25 and (ii) at the beginning of, and upon com-

1 pletion of, each year or partial year of
2 service;

3 “(iv) for teachers, meet the require-
4 ments to be a highly qualified teacher, as
5 defined in section 9101 of the Elementary
6 and Secondary Education Act of 1965, or
7 section 602 of the Individuals with Disabil-
8 ities Education Act, when the applicant be-
9 gins to fulfill the service obligation under
10 this subparagraph; and

11 “(v) comply with the requirements set
12 by the eligible partnership under subpara-
13 graph (D) if the applicant is unable or un-
14 willing to complete the service obligation
15 required under this subparagraph.

16 “(D) REPAYMENTS.—

17 “(i) IN GENERAL.—An eligible part-
18 nership receiving a grant under this sec-
19 tion to design and implement an effective
20 educator residency program shall require a
21 recipient of a stipend or salary under sub-
22 paragraph (A) who does not complete, or
23 who notifies the eligible partnership that
24 the recipient intends not to complete, the
25 service obligation required under subpara-

1 graph (C) to repay such stipend or salary
2 to the eligible partnership, together with
3 interest, at a rate specified by the eligible
4 partnership in the agreement, and in ac-
5 cordance with such other terms and condi-
6 tions specified by the eligible partnership,
7 as necessary.

8 “(ii) OTHER TERMS AND CONDI-
9 TIONS.—Any other terms and conditions
10 specified by the eligible partnership may
11 include reasonable provisions for pro-rata
12 repayment of the stipend or salary de-
13 scribed in subparagraph (A) or for deferral
14 of a teacher or school leader resident’s
15 service obligation required by subpara-
16 graph (C) on grounds of health, incapaci-
17 tation, inability to secure employment in a
18 school served by the eligible partnership,
19 being called to active duty in the Armed
20 Forces of the United States, or other ex-
21 traordinary circumstances.

22 “(iii) USE OF REPAYMENTS.—An eli-
23 gible partnership shall use any repayment
24 received under this subparagraph to carry

1 out additional activities that are consistent
2 with the purposes of this subsection.

3 “(d) CONSULTATION.—

4 “(1) IN GENERAL.—In addition to the require-
5 ments identified in subsection (b)(2)(A), members of
6 an eligible partnership that receives a grant under
7 this section shall engage in regular consultation
8 throughout the development and implementation of
9 programs and activities carried out under this sec-
10 tion.

11 “(2) REGULAR COMMUNICATION.—To ensure
12 timely and meaningful consultation as described in
13 paragraph (1), regular communication shall occur
14 among all members of the eligible partnership, in-
15 cluding the high-need local educational agency. Such
16 communication shall continue throughout the imple-
17 mentation of the grant and the assessment of pro-
18 grams and activities under this section.

19 “(3) WRITTEN CONSENT.—The Secretary may
20 approve changes in grant activities of a grant under
21 this section only if the eligible partnership submits
22 to the Secretary a written consent to such changes
23 signed by all members of the eligible partnership.

24 “(e) CONSTRUCTION.—Nothing in this section shall
25 be construed to prohibit an eligible partnership from using

1 grant funds to coordinate with the activities of eligible
2 partnerships in other States or on a regional basis through
3 Governors, State boards of education, State educational
4 agencies, State agencies responsible for early childhood
5 education, local educational agencies, or State agencies for
6 higher education.

7 “(f) SUPPLEMENT, NOT SUPPLANT.—Funds made
8 available under this section shall be used to supplement,
9 and not supplant, other Federal, State, and local funds
10 that would otherwise be expended to carry out activities
11 under this section.

12 “(g) 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.

16 **“SEC. 203. ADMINISTRATIVE PROVISIONS OF EDUCATOR**
17 **RESIDENCY GRANTS.**

18 “(a) DURATION; NUMBER OF AWARDS; PAY-
19 MENTS.—

20 “(1) DURATION.—

21 “(A) IN GENERAL.—A grant awarded
22 under this part shall be not more than 5 years
23 in duration.

24 “(B) REQUIREMENTS FOR ADDITIONAL
25 FUNDING.—Before receiving funding for the

1 third or any subsequent year of a grant under
2 this part, the eligible partnership receiving the
3 grant shall demonstrate to the Secretary that
4 the eligible partnership is—

5 “(i) making progress in implementing
6 the requirements under section 202(c) at a
7 rate that the Secretary determines will re-
8 sult in full implementation of the program
9 during the remainder of the grant period;
10 and

11 “(ii) making progress, as measured by
12 the performance objectives established by
13 the eligible partnership under section
14 204(a), at a rate that the Secretary deter-
15 mines will result in reaching the targets
16 and achieving the objectives of the grant,
17 during the remainder of the grant period.

18 “(2) NUMBER OF AWARDS.—An eligible part-
19 nership may not receive more than 1 grant during
20 a 5-year period. Nothing in this part shall be con-
21 strued to prohibit an individual member, that can
22 demonstrate need, of an eligible partnership that re-
23 ceives a grant under this part from entering into an-
24 other eligible partnership consisting of new members
25 and receiving a grant with such other eligible part-

1 nership before the 5-year period applicable to the eli-
2 gible partnership with which the individual member
3 has first partnered has expired.

4 “(b) PEER REVIEW.—

5 “(1) PANEL.—The Secretary shall provide the
6 applications submitted under this part to a peer re-
7 view panel for evaluation. With respect to each ap-
8 plication, the peer review panel shall initially rec-
9 ommend the application for funding or for dis-
10 approval.

11 “(2) PRIORITY.—The Secretary, in funding ap-
12 plications under this part, shall give priority—

13 “(A) to eligible partnerships that include a
14 high-need local educational agency that serves a
15 student population that consists of 40 percent
16 or more students from low-income families;

17 “(B) to eligible partnerships that include
18 an institution of higher education whose educa-
19 tor preparation program has a rigorous selec-
20 tion process to ensure the highest quality of
21 students entering such program;

22 “(C) to applications from broad-based eli-
23 gible partnerships that involve businesses and
24 nonprofit community organizations; or

1 “(D) to eligible partnerships so that the
2 awards promote an equitable geographic dis-
3 tribution of grants among rural and urban
4 areas.

5 “(3) SECRETARIAL SELECTION.—The Secretary
6 shall determine, based on the peer review process,
7 which applications shall receive funding and the
8 amounts of the grants under this part. In deter-
9 mining grant amounts, the Secretary shall take into
10 account the total amount of funds available for all
11 grants under this part and the types of activities
12 proposed to be carried out by the eligible partner-
13 ship.

14 “(c) MATCHING REQUIREMENTS.—

15 “(1) IN GENERAL.—Each eligible partnership
16 receiving a grant under this part shall provide, from
17 non-Federal sources, an amount equal to 100 per-
18 cent of the amount of the grant, which may be pro-
19 vided in cash or in-kind, to carry out the activities
20 supported by the grant.

21 “(2) WAIVER.—The Secretary may waive all or
22 part of the matching requirement described in para-
23 graph (1) for any fiscal year for an eligible partner-
24 ship if the Secretary determines that applying the
25 matching requirement to the eligible partnership

1 would result in serious hardship or an inability to
2 carry out the authorized activities described in this
3 part.

4 “(d) **LIMITATION ON ADMINISTRATIVE EXPENSES.**—
5 An eligible partnership that receives a grant under this
6 part may use not more than 4 percent of the funds pro-
7 vided to administer the grant.

8 **“SEC. 204. PERFORMANCE MEASURES AND EVALUATION OF**
9 **EDUCATOR RESIDENCY GRANTS.**

10 “(a) **ELIGIBLE PARTNERSHIP EVALUATION.**—Each
11 eligible partnership submitting an application for a grant
12 under this part shall establish, and include in such appli-
13 cation, an evaluation plan that includes strong and meas-
14 urable performance objectives. The plan shall include, at
15 a minimum, objectives and measures for determining the
16 eligible partnership’s success in increasing—

17 “(1) each teacher candidate or school leader
18 candidate’s performance during their clinical train-
19 ing under paragraphs (3)(B) and (4)(B) of section
20 202(c);

21 “(2) educator retention—

22 “(A) 3 years after initial placement as a
23 teacher or school leader; and

24 “(B) 5 years after initial placement as a
25 teacher or school leader;

1 “(3) the pass rates and scaled scores for first
2 time test takers on the State certification or licens-
3 ing examination;

4 “(4) educator effectiveness, as measured by—

5 “(A) performance on teacher or school
6 leader evaluations, including impact on student
7 growth; and

8 “(B) satisfaction survey outcomes; and

9 “(5) the percentage of—

10 “(A) recent program graduates hired by
11 the high-need local educational agency who are
12 rated effective under a State or district evalua-
13 tion system 2 years after program completion;

14 “(B) recent program graduates hired by
15 the high-need local educational agency who are
16 rated effective under a State or district evalua-
17 tion system 2 years after program completion
18 and are members of underrepresented groups;

19 “(C) recent program graduates hired by
20 the high-need local educational agency who are
21 rated effective under a State or district evalua-
22 tion system 2 years after program completion
23 and who teach in high-need subject areas or
24 fields;

1 “(D) 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 serve in high-need schools or schools
6 in rural areas, disaggregated by the elementary
7 school and secondary school levels; and

8 “(E) early childhood education program
9 classes in the geographic area served by the eli-
10 gible partnership taught by early childhood edu-
11 cators who are highly competent, as applicable.

12 “(b) ANNUAL REPORT.—Each eligible partnership
13 that receives a grant under this part shall submit to the
14 Secretary and make publicly available, at such time and
15 in such manner as the Secretary may require, an annual
16 report including at a minimum—

17 “(1) data on the eligible partnership’s progress
18 on the measures described in subsection (a); and

19 “(2) a description of the challenges the eligible
20 partnership has faced in implementing its grant and
21 how the eligible partnership has addressed or plans
22 to address such challenges.

23 “(c) INFORMATION.—An eligible partnership receiv-
24 ing a grant under this part shall ensure that teachers,
25 school leaders, school superintendents, faculty, and leader-

1 ship at institutions of higher education located in the geo-
2 graphic areas served by the eligible partnership are pro-
3 vided information, including through electronic means,
4 about the activities carried out with funds under this part.

5 “(d) REVISED APPLICATION.—If the Secretary deter-
6 mines that an eligible partnership receiving a grant under
7 this part is not making substantial progress in meeting
8 the purposes, goals, objectives, and measures of the grant,
9 as appropriate, by the end of the third year of a grant
10 under this part, then the Secretary—

11 “(1) shall cancel the grant; and

12 “(2) may use any funds returned or available
13 because of such cancellation under paragraph (1)
14 to—

15 “(A) increase other grant awards under
16 this part; or

17 “(B) award new grants to other eligible
18 partnerships under this part.

19 “(e) TECHNICAL ASSISTANCE, EVALUATION, AND
20 DISSEMINATION.—The Secretary shall reserve not more
21 than 2 percent of the funds appropriated under section
22 202(g) for a fiscal year—

23 “(1) to provide, directly or through grants, con-
24 tracts, or cooperative agreements, technical assist-
25 ance by qualified experts on using practices ground-

1 ed in scientifically valid research to improve the out-
2 comes of projects funded under this part;

3 “(2) acting through the Director of the Insti-
4 tute for Education Sciences, to—

5 “(A) develop performance measures, in-
6 cluding the measures described in subsection
7 (a) and evaluate the activities funded under sec-
8 tion 202 by these performance measures by ap-
9 plying the same measures to each project fund-
10 ed under section 202;

11 “(B) report the findings of the evaluation
12 to the authorizing committees and make pub-
13 licly available on the website of the Department;
14 and

15 “(C) identify best practices and dissemi-
16 nate research on best practices that scientif-
17 ically valid research indicates are the most suc-
18 cessful in improving the quality of educator
19 preparation programs, including through re-
20 gional educational laboratories and comprehen-
21 sive centers (as authorized under the Education
22 Sciences Reform Act of 2002).

23 “(f) EVALUATION TO BE MADE PUBLICLY AVAIL-
24 ABLE.—Each eligible partnership receiving a grant under
25 this part shall complete and make publicly available, not

1 later than 90 days after the grant period for such eligible
2 partnership ends, an evaluation based on the evaluation
3 plan described under subsection (a).

4 “(g) DEVELOPMENT OF PERFORMANCE MEAS-
5 URES.—The Secretary shall develop performance meas-
6 ures described in subsection (e) prior to awarding grants
7 under this part. The Secretary shall ensure that such
8 measures are made available to potential applicants prior
9 to seeking applications for grants under this part.

10 **“PART B—STATE INNOVATION IN EDUCATOR**

11 **PREPARATION**

12 **“SEC. 206. EDUCATOR PREPARATION PROGRAM REFORM**

13 **GRANTS.**

14 “(a) DEFINITIONS.—In this section:

15 “(1) EDUCATOR PREPARATION PROGRAM AC-
16 COUNTABILITY AND IMPROVEMENT SYSTEM.—The
17 term ‘Educator Preparation Program Accountability
18 and Improvement System’ means a system that as-
19 sesses all educator preparation programs within a
20 State, establishes performance levels for educator
21 preparation programs, and informs the interventions
22 for low-performing educator preparation programs.
23 The minimum requirements for such a system shall
24 include—

1 multiple measures, and more
2 than 2 rating categories; or

3 “(bb) for States that do not
4 have a statewide teacher evalua-
5 tion system meeting the require-
6 ments in item (aa), the percent-
7 age of recent program graduates
8 who demonstrate evidence of im-
9 proved student growth that is
10 limited to evidence-based or ex-
11 ternally-validated measures;

12 “(II) the number and percentage
13 of recent program graduates employed
14 as full time teachers who are identi-
15 fied as well-prepared by their employ-
16 ers in the surveys described in sub-
17 paragraph (B);

18 “(III) the number and percent-
19 age of recent graduates employed as
20 full-time teachers who identify them-
21 selves as being well-prepared in sur-
22 veys described in subparagraph (C);

23 “(IV) the number and percentage
24 of teachers who graduated from teach-
25 er preparation programs and who are

1 still teaching in full-time positions 3
2 years after initial placement as a
3 teacher; and

4 “(V) the number and percentage
5 of teachers who graduated from the
6 educator preparation program in the
7 most recent academic year who are
8 teaching in full-time positions;

9 “(ii) for school leader preparation pro-
10 grams—

11 “(I) a statewide measure of
12 school leader impact on student learn-
13 ing for recent program graduates who
14 are employed as full-time school lead-
15 ers as demonstrated through either—

16 “(aa) the percentage of re-
17 cent program graduates in each
18 evaluation rating category for
19 States that have statewide school
20 leader evaluation systems that in-
21 clude the impact on student
22 achievement, multiple measures,
23 and more than 2 rating cat-
24 egories; or

1 “(bb) for States that do not
2 have school leader evaluation sys-
3 tems that meet the requirements
4 of item (aa), the percentage of
5 recent program graduates who
6 demonstrate evidence of improved
7 student achievement and growth
8 that is limited to evidence-based
9 or externally-validated measures;

10 “(II) evidence of training school
11 leaders to provide strong instructional
12 leadership and support to teachers
13 and other staff;

14 “(III) the number and percent-
15 age of recent program graduates em-
16 ployed as full time school leaders who
17 are identified as well-prepared in the
18 surveys described in subparagraph
19 (B);

20 “(IV) the number and percentage
21 of recent program graduates employed
22 as school leaders who, based on sur-
23 veys described in subparagraph (C),
24 described themselves as prepared to
25 be effective school leaders;

1 “(V) the number and percentage
2 of school leaders who graduated from
3 the educator preparation program in
4 the most recent academic year who
5 are employed; and

6 “(VI) the number and percentage
7 of school leaders who graduated from
8 programs and are still serving in a
9 school leadership role 3 years after
10 initial placement as a school leader;

11 “(iii) for all educator preparation pro-
12 grams—

13 “(I) evidence of meaningful col-
14 laboration with high-need local edu-
15 cational agencies to ensure the educa-
16 tor preparation programs are pre-
17 paring educators to meet the work-
18 force needs of high-need local edu-
19 cational agencies and to ensure that
20 high-need local educational agencies
21 have a role in the design of the teach-
22 er or school leader candidate edu-
23 cation offered at educator preparation
24 programs; and

1 “(II) the number and percentage
2 of graduates who are working as full-
3 time teachers or school leaders in
4 high-need schools after 3 years;

5 “(E) using the same metrics and weights
6 to determine the performance level of all educa-
7 tor preparation programs in the State;

8 “(F) public reporting of performance levels
9 on a program by program basis based on the
10 measures described in subparagraph (D);

11 “(G) distribution of educator preparation
12 program performance information to all local
13 educational agencies and school boards in the
14 State;

15 “(H) interventions for programs identified
16 as low performing pursuant to subparagraph
17 (A), including—

18 “(i) for programs identified as low
19 performing for 1 year, requiring such pro-
20 grams to conduct a needs assessment and
21 develop and implement an improvement
22 plan based on that needs assessment;

23 “(ii) for programs identified as low
24 performing for 3 consecutive years, requir-
25 ing such programs to lose eligibility for

1 TEACH grants under subpart 9 of part A
2 of title IV and continue to implement an
3 improvement plan; and

4 “(iii) for programs identified as low
5 performing for 4 consecutive years, requir-
6 ing the State to terminate the ability of
7 such program to operate; and

8 “(I) for programs identified in the lowest
9 performing level for 1 or more years under sub-
10 paragraph (A), an automatic designation as a
11 low performing program under section 212.

12 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-
13 tity’ means—

14 “(A) a State; or

15 “(B) a consortium of States.

16 “(b) PROGRAM AUTHORIZED.—

17 “(1) EDUCATOR PREPARATION PROGRAM RE-
18 FORM GRANTS.—The Secretary shall award grants
19 to eligible entities to enable such entities to reform
20 and improve educator preparation programs.

21 “(2) DURATION.—

22 “(A) IN GENERAL.—A grant awarded
23 under this section shall be not more than 5
24 years in duration.

1 “(B) NUMBER OF GRANTS.—A State shall
2 not receive, directly or as part of a consortium,
3 more than 1 grant under this section for any
4 grant period.

5 “(C) REQUIREMENTS FOR ADDITIONAL
6 FUNDING.—Before receiving funding for the
7 third or any subsequent year of the grant, the
8 eligible entity receiving the grant shall dem-
9 onstrate to the Secretary that the eligible entity
10 is—

11 “(i) making progress in implementing
12 the plan under subsection (c)(1)(A) at a
13 rate that the Secretary determines will re-
14 sult in full implementation of the plan dur-
15 ing the remainder of the grant period; and

16 “(ii) making progress, as measured by
17 the performance measures established by
18 the Secretary under subsection (h), at a
19 rate that the Secretary determines will re-
20 sult in reaching the measures and achiev-
21 ing the objectives of the grant, during the
22 remainder of the grant period.

23 “(D) SUBSTANTIAL PROGRESS.—

24 “(i) IN GENERAL.—If the Secretary
25 determines that an eligible entity receiving

1 a grant under this section is not making
2 substantial progress in meeting the objec-
3 tives of the grant, as appropriate, by the
4 end of the third year of the grant under
5 this section, then the Secretary may, after
6 notice and an opportunity for a hearing in
7 accordance with chapter 5 of title 5,
8 United States Code—

9 “(I) withhold funds provided
10 under the grant under this section for
11 failure to comply substantially with
12 the requirements of this section; or

13 “(II) take actions to recover
14 funds provided under the grant if the
15 entity uses grant funds for an unal-
16 lowable expense, or otherwise fails to
17 discharge its responsibility to properly
18 account for grant funds.

19 “(ii) **USE OF RECOVERED OR UNUSED**
20 **FUNDS.**—Any funds recovered or withheld
21 under clause (i) shall—

22 “(I) be credited to the appropria-
23 tions account from which amounts are
24 available to make grants under this
25 section; and

1 “(II) remain available until ex-
2 pended for any purpose of such ac-
3 count authorized by law that relates
4 to the program under this section.

5 “(E) RESERVATION OF FUNDS.—From
6 amounts made available to carry out this sec-
7 tion for a fiscal year, the Secretary may reserve
8 not more than 5 percent to carry out activities
9 related to technical assistance, outreach and
10 dissemination, and evaluation.

11 “(c) APPLICATION AND SELECTION CRITERIA.—

12 “(1) APPLICATION.—An eligible entity that de-
13 sires to receive a grant under this section shall sub-
14 mit to the Secretary an application at such time, in
15 such manner, and accompanied by such information
16 as the Secretary may require. At a minimum, each
17 such application shall include—

18 “(A) a plan to implement the required ac-
19 tivities in subsection (e)(1) statewide, including
20 a description of its plan to support educator
21 preparation programs to make the necessary re-
22 forms and improvements required under this
23 section;

24 “(B) an assurance that the eligible entity
25 will use the Educator Preparation Program Ac-

1 countability and Improvement System to reward
2 high-performing educator preparation programs
3 and identify and improve low-performing educa-
4 tor preparation programs and the specific cri-
5 teria the eligible entity will use to identify low-
6 performing and high-performing educator prep-
7 aration programs;

8 “(C) evidence of the steps the State has
9 taken and will take to eliminate statutory, regu-
10 latory, procedural, or other barriers to facilitate
11 the full implementation of the State plans
12 under subparagraph (A);

13 “(D) a comprehensive and coherent plan
14 for using funds under this section, and other
15 Federal, State, and local funds to develop state-
16 wide reforms and improvements to educator
17 preparation programs;

18 “(E) evidence of collaboration between the
19 eligible entity, State standards boards for
20 teacher or school leader certification, local edu-
21 cational agencies, educator preparation pro-
22 grams, teachers, school leaders, and other key
23 stakeholders within the State in developing the
24 plan under subparagraph (A), including the de-

1 sign of the Education Preparation Program Ac-
2 countability and Improvement System;

3 “(F) a commitment to participate in the
4 reporting provisions under subsection (f) and
5 the evaluation of the activities carried out under
6 this section, as described in subsection (h); and

7 “(G) a description of the eligible entity’s
8 plan to regularly review the success of activities
9 undertaken as part of the grant and continu-
10 ously improve such activities.

11 “(2) SELECTION CRITERIA.—In awarding
12 grants under this section, the Secretary shall con-
13 sider—

14 “(A) the extent to which the eligible entity
15 has the capacity to implement the activities de-
16 scribed in subsection (e);

17 “(B) the extent to which the eligible entity
18 has a demonstrated record of effectiveness or
19 an evidence-based plan for reforming educator
20 preparation programs; and

21 “(C) the likelihood of the eligible entity
22 sustaining the reforms and improvements re-
23 quired under the grant, once the grant has
24 ended and the eligible entity’s plan for sus-

1 taining the reforms and improvements after the
2 grant has ended.

3 “(d) **AWARDING GRANTS.**—In awarding grants under
4 this section, the Secretary shall give priority to an eligible
5 entity with—

6 “(1) data systems in place to link the results of
7 teacher or school leader evaluation systems for re-
8 cent program graduates back to the educator prepa-
9 ration programs from which they graduated;

10 “(2) statewide teacher or school leader evalua-
11 tion systems based on multiple measures, that in-
12 clude student growth; and

13 “(3) strong partnerships between educator
14 preparation programs and high-need local edu-
15 cational agencies.

16 “(e) **ACTIVITIES.**—

17 “(1) **REQUIRED USES OF FUNDS FOR ALL**
18 **GRANTEES.**—Each eligible entity that receives a
19 grant under this section shall use the grant funds to
20 do the following:

21 “(A) Incorporate into the State’s educator
22 preparation program approval process a re-
23 quirement that educator preparation entities—

1 “(i) successfully recruit top talent and
2 hold a high bar for admission to educator
3 preparation programs;

4 “(ii) present evidence demonstrating
5 selective admission;

6 “(iii) provide participants with clinical
7 training, including prioritizing clinical
8 training in high-need schools;

9 “(iv) prepare all teachers to effectively
10 teach students with disabilities and
11 English learners or school leaders to lead
12 schools that effectively address the aca-
13 demic needs of students with disabilities
14 and English learners;

15 “(v) ensure that all participants dem-
16 onstrate subject matter mastery and mas-
17 tery of effective classroom management or
18 school management techniques; and

19 “(vi) are aligned with research-based
20 professional teaching standards.

21 “(B) Design and implement an Educator
22 Preparation Program Accountability and Im-
23 provement System and require all educator
24 preparation programs to be included in such
25 system.

1 “(C) Require all educator preparation pro-
2 grams to regularly communicate with the in-
3 State local educational agencies they predomi-
4 nantly serve to ascertain the agencies’ educator
5 workforce needs and whether the educator prep-
6 aration programs are meeting the workforce
7 needs and whether recent program graduates
8 have the skills needed to be effective.

9 “(D) Require all educator preparation pro-
10 grams to utilize satisfaction surveys of recent
11 program graduates that are conducted by the
12 States to improve educator preparation pro-
13 grams.

14 “(E) Require all educator preparation pro-
15 grams to utilize satisfaction surveys of employ-
16 ers that are conducted by the States to ascer-
17 tain employer satisfaction with recent program
18 graduates of educator preparation programs.

19 “(F) Ensure statewide data systems, in-
20 cluding the Educator Preparation Program Ac-
21 countability and Improvement System, do not
22 publicly report personally identifiable informa-
23 tion of educators or elementary school or sec-
24 ondary school students, comply with section 444
25 of the General Education Provisions Act ((20

1 U.S.C. 1232g), commonly known as the ‘Family
2 Educational Rights and Privacy Act of 1974’),
3 and share with educator preparation programs
4 the aggregate data on—

5 “(i) the aggregate impact their recent
6 program graduates have on student
7 achievement as demonstrated through
8 teacher or school leader evaluation results
9 of their program graduates;

10 “(ii) retention of their program grad-
11 uates, including at—

12 “(I) 3 years after initial place-
13 ment as a teacher or school leader;
14 and

15 “(II) 5 years after initial place-
16 ment as a teacher or school leader;
17 and

18 “(iii) the number and percentage of
19 recent program graduates hired into full-
20 time positions as teachers or school leaders
21 within 1 year of certification or licensure.

22 “(G) Report publicly on the aggregate per-
23 formance of each educator preparation program
24 operating in the State, including aggregate data
25 on the measures described in subparagraph (F),

1 and ensure that key stakeholders such as appli-
2 cants to teacher preparation programs or school
3 leader preparation programs, school administra-
4 tors, and school board members, receive these
5 performance results.

6 “(H) Redesign certification and licensing
7 exams to ensure that such exams are aligned
8 with the State’s challenging academic content
9 standards and challenging student academic
10 achievement standards required under section
11 1111(b) of the Elementary and Secondary Edu-
12 cation Act of 1965, educator performance as-
13 sessments, and educator evaluation systems.

14 “(I) Utilize data collected, as described in
15 subsection (a)(1), in program approval, pro-
16 gram re-approval, program improvement, and
17 program closures processes.

18 “(J) Require all educator preparation pro-
19 grams within the State to offer a high-quality
20 clinical training to educator candidates.

21 “(2) **REQUIRED USES OF FUNDS FOR CON-**
22 **SORTIA GRANTEES.**—Each eligible entity that re-
23 ceives a grant under this section and is a consortium
24 of States shall use the grant funds to carry out the

1 uses of funds under paragraph (1) and each of the
2 following:

3 “(A) Develop consistent program quality
4 and accountability indicators across State lines.

5 “(B) Develop consistent measures for iden-
6 tifying educator preparation programs as low
7 performing.

8 “(C) Develop systems for the sharing of
9 the data required under the Educator Prepara-
10 tion Program Accountability and Improvement
11 System across State lines that complies with all
12 relevant Federal and State privacy laws, includ-
13 ing 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 of 1974’).

17 “(3) PERMISSIVE USES OF FUNDS.—Each eligi-
18 ble entity that receives a grant under this section
19 may use the grant funds (after meeting all the re-
20 quired uses of funds under paragraph (1) and, as
21 applicable, paragraph (2)) to do the following:

22 “(A) Incentivize educator preparation pro-
23 grams to pursue programmatic accreditation.

1 “(B) Improve diversity of teacher or school
2 leader candidates in educator preparation pro-
3 grams.

4 “(C) Develop partnerships between high-
5 need local educational agencies and educator
6 preparation entities to provide high-quality in-
7 duction programs and mentoring programs for
8 new educators.

9 “(D) Provide subgrants for educator devel-
10 opment. In this subparagraph, the term ‘educa-
11 tor’ means specialized instructional support per-
12 sonnel, or other staff member who provides or
13 directly supports instruction, such as a school
14 librarian, counselor, or paraprofessional.

15 “(E) Include, in the subgrants provided
16 under subparagraph (D), the following activi-
17 ties:

18 “(i) Implementing curriculum changes
19 that improve, evaluate, and assess how well
20 educators develop instructional skills.

21 “(ii) Preparing educators to use em-
22 pirically based practice and scientifically
23 valid research, where applicable.

24 “(iii) Providing pre-service clinical
25 training.

1 “(iv) Creating induction programs for
2 new educators.

3 “(v) Aligning recruitment and admis-
4 sions goals and priorities with the hiring
5 objectives with local educational agencies
6 in the State, including high-need local edu-
7 cational agencies.

8 “(f) REPORTING.—An eligible entity that receives a
9 grant under this section shall submit to the Secretary and
10 make publicly available, at such time and in such manner
11 as the Secretary may require, an annual report, including,
12 at a minimum—

13 “(1) data on the eligible entity’s progress on
14 the performance measures established by the Sec-
15 retary under subsection (h);

16 “(2) a description of the challenges the eligible
17 entity has faced in implementing its plan under this
18 section, and how the eligible entity has addressed or
19 plans to address such challenges; and

20 “(3) data on educator preparation programs in
21 the State recruiting and selecting candidates who
22 are members of groups underrepresented in the
23 teaching profession.

24 “(g) SUPPLEMENT, NOT SUPPLANT.—Grant funds
25 provided under this section shall be used to supplement,

1 and not supplant, any other Federal, State, or local funds
2 otherwise available to carry out the activities described in
3 this section.

4 “(h) RESEARCH, EVALUATION, AND DISSEMINA-
5 TION.—The Secretary, acting through the Director of the
6 Institute of Education Sciences, shall—

7 “(1) develop performance measures to evaluate
8 the effectiveness of the activities carried out under
9 this grant program; and

10 “(2) identify best practices and disseminate re-
11 search on best practices.

12 “(i) DEVELOPMENT OF PERFORMANCE MEAS-
13 URES.—The Secretary shall establish performance meas-
14 ures described under subsection (h) prior to awarding
15 grants under this section. The Secretary shall ensure that
16 such measure are made available to potential applicants
17 prior to seeking applications for grants under this section.

18 “(j) TEACHER PRIVACY.—No State or local edu-
19 cational agency shall be required to publicly report infor-
20 mation in compliance with this section in a case in which
21 the results would reveal personally identifiable information
22 about an individual teacher.

23 “(k) CONSTRUCTION.—Nothing in this section shall
24 be construed to alter or otherwise affect the rights, rem-
25 edies, and procedures afforded school or school district

1 employees under Federal, State or local laws (including
2 applicable regulators or court orders) or under the terms
3 of collective bargaining agreements, memoranda of under-
4 standing, or other agreements between such employees
5 and their employers.

6 “(l) REPORT TO CONGRESS.—Not later than 5 years
7 after the date of enactment of the Higher Education Af-
8 fordability Act, the Secretary shall submit a report to the
9 Committee on Health, Education, Labor, and Pensions of
10 the Senate, the Committee on Appropriations of the Sen-
11 ate, the Committee on Education and the Workforce of
12 the House of Representatives, and the Committee on Ap-
13 propriations of the House of Representatives on lessons
14 learned through programs funded with grants awarded
15 under this section and shall make such report publicly
16 available.

17 “(m) 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 4 succeeding fiscal years.

1 **“PART C—EDUCATOR PREPARATION PROGRAM**

2 **REPORTING AND IMPROVEMENT**

3 **“SEC. 210. INFORMATION ON EDUCATOR PREPARATION**

4 **PROGRAMS.**

5 “(a) INSTITUTIONAL AND PROGRAM REPORT CARDS
6 ON THE QUALITY OF EDUCATOR PREPARATION.—

7 “(1) REPORT CARD.—Each institution of higher
8 education that conducts a traditional educator prep-
9 aration program or alternative routes to State cer-
10 tification or licensure program and that enrolls stu-
11 dents receiving Federal assistance under this Act
12 and each educator preparation entity that is not
13 based at an institution of higher education and that
14 receives Federal assistance shall report annually to
15 the State and the general public, in a uniform and
16 comprehensible manner that conforms with the defi-
17 nitions and methods established by the Secretary,
18 the following, in the aggregate for each institution
19 and entity and disaggregated by program within
20 each institution and entity:

21 “(A) GOALS AND ASSURANCES.—For the
22 most recent year for which the information is
23 available for the institution or entity—

24 “(i) whether the goals set under sec-
25 tion 211 have been met; and

1 “(ii) if the goals under section 211
2 have not been met, a description of the
3 steps the program is taking to improve its
4 performance in meeting such goals.

5 “(B) PASS RATES AND SCALED SCORES.—

6 For the most recent year for which the informa-
7 tion is available for those program participants
8 who took the assessments used for teacher or
9 school leader certification or licensure by the
10 State in which the program is located and are
11 enrolled in the traditional educator preparation
12 program or alternative routes to State certifi-
13 cation or licensure program, for each of such
14 assessments—

15 “(i) the percentage of all program
16 participants who have taken the assess-
17 ment who have passed such assessment
18 compared to the average passage rate per-
19 centage in the State on such assessment;

20 “(ii) the percentage of all program
21 participants who have taken the assess-
22 ment who passed such assessment on the
23 first time taking the assessment compared
24 to the first-time average passage rate in
25 the State on such assessment;

1 “(iii) the percentage of program par-
2 ticipants who have taken such assessment
3 and enrolled in the traditional teacher or
4 school leader preparation program or alter-
5 native routes to State certification or licen-
6 sure program, as applicable;

7 “(iv) the average scaled score for all
8 program participants who have taken such
9 assessment, as compared to the passing
10 score required by the State on such assess-
11 ment;

12 “(v) the average scaled score for all
13 program participants who have taken such
14 assessment for the first time compared to
15 the average scaled score for programs in
16 the State; and

17 “(vi) if applicable, the percentage of
18 all program participants who have taken
19 and passed a teacher performance assess-
20 ment compared to the average passage rate
21 for all programs in the State on such as-
22 sessment.

23 “(C) CANDIDATE INFORMATION.—For the
24 most recent academic year for which data is
25 available—

1 “(i) the median cumulative grade
2 point average of admitted program partici-
3 pants compared to the institution or entity
4 as a whole;

5 “(ii) the median score on standardized
6 entrance examinations of admitted pro-
7 gram participants compared to the institu-
8 tion or entity as a whole, as applicable;

9 “(iii) in the aggregate and
10 disaggregated by race, ethnicity, gender,
11 and Pell Grant recipient status, the num-
12 ber of program participants who—

13 “(I) enrolled in the program; and

14 “(II) completed or graduated
15 from the program in 100 percent of
16 normal time and 150 percent of nor-
17 mal time; and

18 “(iv) the total number of program
19 participants who have been certified or li-
20 censed as teachers or school leaders,
21 disaggregated by race, ethnicity, gender,
22 Pell Grant recipient status, subject and
23 area of certification or licensure.

1 “(D) PROGRAM INFORMATION.—For the
2 most recent academic year for which data is
3 available—

4 “(i) the percentage of enrolled pro-
5 gram participants who participated in a
6 clinical training;

7 “(ii) the number of hours of clinical
8 training required for program participants;
9 and

10 “(iii) the percentage of program par-
11 ticipants graduating from or completing
12 the program who obtained at minimum 50
13 percent of clinical training in high-need
14 schools.

15 “(E) ACCREDITATION AND APPROVAL.—
16 Whether the program is accredited by a special-
17 ized accrediting agency recognized by the Sec-
18 retary for accreditation of professional educator
19 preparation programs and whether the program
20 is approved by the State.

21 “(F) DESIGNATION AS LOW-PER-
22 FORMING.—Whether the program has been des-
23 igned as low performing by the State under
24 section 212.

1 “(G) EDUCATOR TRAINING.—A list of the
2 activities that prepare general education and
3 special education teachers and other educators
4 to effectively teach students with disabilities ef-
5 fectively, including training related to participa-
6 tion as a member of individualized education
7 program teams, as defined in section
8 614(d)(1)(B) of the Individuals with Disabil-
9 ities Education Act, and to effectively teach
10 students who are English learners.

11 “(2) FINES.—The Secretary may impose a fine
12 not to exceed \$27,500 on an institution of higher
13 education or educator preparation entity that is not
14 based at an institution of higher education for fail-
15 ure to provide the information described in this sub-
16 section in a timely or accurate manner.

17 “(3) RULE OF CONSTRUCTION.—Nothing in
18 this section shall be construed to prevent a State
19 from collecting and reporting additional data indica-
20 tors regarding teacher preparation programs.

21 “(4) SPECIAL RULE.—In the case of an institu-
22 tion of higher education, or educator preparation en-
23 tity that is not based at an institution of higher edu-
24 cation, that conducts a traditional educator prepara-
25 tion program or alternative routes to State certifi-

1 cation or licensure program and has fewer than 10
2 program participants in a program, the institution
3 or entity shall collect and publish information, as re-
4 quired under paragraph (1) over a 3-year period.

5 “(5) PROTECTION FOR TEACHER OR LEADER
6 IDENTITY AND DATA VALIDITY.—The Secretary, in
7 consultation with the Commissioner of the National
8 Center for Education Statistics, shall ensure that
9 data collected under paragraph (1) and subsection
10 (b) is collected in a way to protect the privacy of
11 teacher or school leader candidates, as well as teach-
12 ers or school leaders, and to ensure there is suffi-
13 cient data quality to ensure the validity of conclu-
14 sions to be drawn from the data collection.

15 “(b) STATE REPORT CARD ON THE QUALITY OF ED-
16 UCATOR PREPARATION.—

17 “(1) IN GENERAL.—Each State that receives
18 funds under this Act shall provide to the Secretary,
19 and make widely available to the general public and
20 to all local educational agencies located within the
21 State, including by sending information about the
22 State report card to every local educational agency
23 in the State, in a uniform and comprehensible man-
24 ner that conforms with the definitions and methods
25 established by the Secretary, an annual State report

1 card on the quality of educator preparation in the
2 State, both for traditional educator preparation pro-
3 grams and for alternative routes to State certifi-
4 cation or licensure programs, which shall include not
5 less than the following:

6 “(A) All information reported under sub-
7 section (a)(1), for the State as a whole, and for
8 each educator preparation program located
9 within the State.

10 “(B) For the most recent year for which
11 the information is available for each educator
12 preparation program located within the State—

13 “(i) the number and percentage of re-
14 cent program graduates hired into full-
15 time positions as teachers or school leaders
16 within 1 year of certification or licensure,
17 in the aggregate and reported separately
18 by—

19 “(I) teachers in high-need subject
20 areas or fields;

21 “(II) high-need schools; and

22 “(III) certification or licensure
23 type; and

24 “(ii) the number and percentage of re-
25 cent program graduates hired into full-

1 time positions as teachers or school leaders
2 who served for periods of not less than 3
3 academic years after their initial placement
4 in a teacher or school leader position, in
5 the aggregate and reported separately by—

6 “(I) teachers in high-need subject
7 areas or fields;

8 “(II) high-need schools;

9 “(III) certification or licensure
10 type.

11 “(C) For recent program graduates at
12 each educator preparation program in the
13 State—

14 “(i) the percentage of recent program
15 graduates whose elementary and secondary
16 students demonstrate evidence of improved
17 student growth on State teacher or leader
18 evaluation systems, if States have such
19 teacher or leader evaluation systems; and

20 “(ii) the percentage of recent program
21 graduates who are rated highly based on
22 results from State-administered satisfac-
23 tion surveys, as available, and the percent-
24 age of recent program graduates who self-
25 identify as prepared to be effective teach-

1 ers or school leaders based on results from
2 State-administered satisfaction surveys, as
3 available.

4 “(D) Any educator preparation program
5 that has a first-time passage rate for all test
6 takers from the program (regardless of whether
7 or not they are considered program graduates)
8 on assessments used for teacher or school lead-
9 er certification or licensure below 80 percent.

10 “(E) The total number of teachers cer-
11 tified or licensed in the preceding year in each
12 high-need subject or field, as compared to the
13 number of teachers needed in each high-need
14 subject or field, and the total number of school
15 leaders certified or licensed in the preceding
16 year and serving in a high-need school com-
17 pared to the number of school leaders needed in
18 a high-need school, by elementary schools and
19 secondary schools located within the State.

20 “(2) STATE REPORT CARD DISTRIBUTION AND
21 PUBLICATION.—Each academic year, a State shall—

22 “(A) submit the report card required
23 under paragraph (1) for the State and for each
24 educator preparation program in the State to
25 the Secretary;

1 “(B) publish the State’s and each educator
2 preparation program’s report cards on the
3 website of the State educational agency;

4 “(C) require that each educator prepara-
5 tion program in the State publish the report
6 card required under paragraph (1) on the pro-
7 gram’s website and provide the report card to
8 prospective teacher and school candidates as
9 well as teacher and school leader candidates ac-
10 cepted for admission; and

11 “(D) provide the report card required
12 under paragraph (1) to each local educational
13 agency in the State.

14 “(3) **LOW-PERFORMING PROGRAMS.**—Each
15 State receiving funds under this Act shall provide—

16 “(A) the State’s criteria for assessing the
17 performance of educator preparation programs
18 in the State, including the measures described
19 in section 212(a);

20 “(B) a list of all programs identified as
21 low performing under section 212, and an iden-
22 tification of those programs at risk of being
23 placed on such list, including a specification of
24 the factors that led to each program’s identi-
25 fication;

1 “(C) for States that do not identify any
2 programs as low performing under section 212
3 or at risk of being classified as low performing,
4 a description of the reliability and validity of
5 the measures used to assess program perform-
6 ance and evidence that each program met the
7 State’s criteria for assessing performance of
8 teacher preparation programs and school leader
9 preparation programs; and

10 “(D) for States that do not identify any
11 programs as low performing under section 212
12 or at risk of being classified as low performing,
13 an explanation of why programs that have first-
14 time passage rates under 80 percent on assess-
15 ments used for teacher or school leader certifi-
16 cation or licensure are not identified as low-per-
17 forming by the State.

18 “(4) PROHIBITION AGAINST CREATING A NA-
19 TIONAL LIST.—The Secretary shall not create a na-
20 tional list or ranking of States, institutions, or
21 schools using the scaled scores provided under this
22 subsection.

23 “(c) DATA QUALITY.—The Secretary shall prescribe
24 regulations to ensure the reliability, validity, integrity, and
25 accuracy of the data submitted pursuant to this section.

1 “(d) REPORT OF THE SECRETARY ON THE QUALITY
2 OF EDUCATOR PREPARATION.—

3 “(1) REPORT CARD.—The Secretary shall annu-
4 ally provide to the authorizing committees, and pub-
5 lish and make widely available, a report card on
6 teacher and school leader qualifications and prepara-
7 tion in the United States, including all the informa-
8 tion reported in subsection (b)(1). Such report shall
9 identify States which received a grant under this
10 part as part of an eligible partnership.

11 “(2) REPORT TO CONGRESS.—The Secretary
12 shall prepare and submit a report to the authorizing
13 committees and make such report publicly available
14 that contains the following:

15 “(A) A comparison of States’ efforts to im-
16 prove the quality of the current and future edu-
17 cator force, including a list of those States that
18 did not identify any programs as low per-
19 forming under section 212, or at risk for being
20 identified as low performing, and an assessment
21 of the reliability and validity of the criteria used
22 to by such States to evaluate program perform-
23 ance.

1 “(B) A comparison of eligible partnerships’
2 efforts to improve the quality of the current
3 and future educator force.

4 “(C) The national mean and median scaled
5 scores and pass rate on any standardized test
6 that is used in more than one State for teacher
7 or school leader certification or licensure.

8 “(3) SPECIAL RULE.—In the case of a teacher
9 preparation program or school leader preparation
10 program with fewer than 10 graduates in a pro-
11 gram, the Secretary shall collect and publish, and
12 make publicly available, the information required
13 under subsection (b)(1) taken over a 3-year period.

14 “(e) COORDINATION.—The Secretary, to the extent
15 practicable, shall coordinate the information collected and
16 published under this part among States for individuals
17 who took State teacher certification or licensure assess-
18 ments in a State other than the State in which the indi-
19 vidual received the individual’s most recent degree.

20 **“SEC. 211. GOALS FOR MEETING THE NEEDS OF EDUCATOR**
21 **SHORTAGE AREAS.**

22 “(a) ANNUAL GOALS.—Each institution of higher
23 education that offers a traditional educator preparation
24 program (including programs that offer any ongoing pro-
25 fessional development programs) or alternative routes to

1 State certification or licensure program, and that enrolls
2 students receiving Federal assistance under this Act, and
3 each non-institution of higher education-based educator
4 preparation entity receiving Federal assistance shall set
5 annual quantifiable goals for increasing the number of
6 prospective educators trained in educator shortage areas
7 designated by the Secretary or by the State educational
8 agency, including mathematics, science, special education,
9 and instruction of English learners.

10 “(b) ASSURANCES.—Each institution described in
11 subsection (a) shall provide assurances to the Secretary
12 that—

13 “(1) training provided to prospective educators
14 responds to the identified needs of the local edu-
15 cational agencies or States where the institution’s
16 graduates are likely to teach, based on past hiring
17 and recruitment trends;

18 “(2) training provided to prospective educators
19 is closely linked with the needs of schools and the in-
20 structional decisions new teachers face in the class-
21 room;

22 “(3) prospective special education teachers re-
23 ceive course work in core academic subjects and re-
24 ceive training in providing instruction in core aca-
25 demic subjects;

1 “(4) general education teachers receive training
2 in providing instruction to diverse populations, in-
3 cluding children with disabilities, English learners,
4 and children from low-income families; and

5 “(5) prospective educators receive training on
6 how to effectively meet the needs of urban and rural
7 schools, as applicable.

8 “(c) **RULE OF CONSTRUCTION.**—Nothing in this sec-
9 tion shall be construed to require an institution to create
10 a new educator preparation area of concentration or de-
11 gree program or adopt a specific curriculum in complying
12 with this section.

13 **“SEC. 212. STATE IDENTIFICATION OF LOW-PERFORMING**
14 **PROGRAMS.**

15 “(a) **STATE ASSESSMENT.**—In order to receive funds
16 under this Act, a State shall conduct an assessment to
17 identify low-performing educator preparation programs in
18 the State and to assist such programs through the provi-
19 sion of technical assistance. Each such State shall provide
20 the Secretary with an annual list of low-performing educa-
21 tor preparation programs and an identification of those
22 programs at risk of being placed on such list, as applica-
23 ble. Such assessment shall be described in the report
24 under section 210(b). Levels of performance shall be de-
25 termined by the State and shall include, at minimum—

1 “(1) measures of candidates’ academic
2 strength, such as median cumulative grade point
3 averages or median standardized entrance examina-
4 tion scores of admitted students;

5 “(2) first-time passage rates and scaled scores
6 on assessments used for teacher or school leader cer-
7 tification or licensure by the State;

8 “(3) the number of hours of clinical training re-
9 quired for program candidates;

10 “(4) programs’ progress towards achieving
11 goals set under section 211(a);

12 “(5) employment outcomes for recent program
13 graduates, including job placement rates and reten-
14 tion rates, particularly in high-need schools;

15 “(6) recent program graduates’ results from
16 teacher or leader evaluations; and

17 “(7) results of satisfaction surveys, as applica-
18 ble.

19 “(b) **TERMINATION OF ELIGIBILITY.**—Any educator
20 preparation program from which the State has withdrawn
21 the State’s approval, or terminated the State’s financial
22 support, due to the low performance of the program based
23 upon the State assessment described in subsection (a)—

1 “(1) shall be ineligible for any funding for pro-
2 fessional development activities awarded by the De-
3 partment;

4 “(2) may not be permitted to accept or enroll
5 any student who receives aid under title IV in the
6 institution’s educator preparation program;

7 “(3) shall provide transitional support, includ-
8 ing remedial services if necessary, for students en-
9 rolled at the institution at the time of termination
10 of financial support or withdrawal of approval; and

11 “(4) shall be reinstated upon demonstration of
12 improved performance, as determined by the State.

13 “(c) **NEGOTIATED RULEMAKING.**—If the Secretary
14 develops any regulations implementing subsection (b)(2),
15 the Secretary shall submit such proposed regulations to
16 a negotiated rulemaking process, which shall include rep-
17 resentatives of States, institutions of higher education,
18 and educational and student organizations.

19 “(d) **APPLICATION OF THE REQUIREMENTS.**—The
20 requirements of this section shall apply to both traditional
21 educator preparation programs and alternative routes to
22 State certification and licensure programs.

23 **“SEC. 213. GENERAL PROVISIONS.**

24 “(a) **METHODS.**—The Secretary shall ensure that
25 States, institutions of higher education, and educator

1 preparation entities, use fair and equitable methods in re-
2 porting under this part and that the reporting methods
3 do not reveal personally identifiable information.

4 “(b) SPECIAL RULE.—For each State that does not
5 use content assessments as a means of ensuring that all
6 teachers teaching in core academic subjects within the
7 State are highly qualified, as required under section 1119
8 of the Elementary and Secondary Education Act of 1965,
9 in accordance with the State plan submitted or revised
10 under section 1111 of such Act , and that each person
11 employed as a special education teacher in the State who
12 teaches elementary school or secondary school is highly
13 qualified by the deadline, as required under section
14 612(a)(14)(C) of the Individuals with Disabilities Edu-
15 cation Act, the Secretary shall—

16 “(1) to the extent practicable, collect data com-
17 parable to the data required under this part from
18 States, local educational agencies, institutions of
19 higher education, or other entities that administer
20 such assessments to teachers or prospective teachers;
21 and

22 “(2) notwithstanding any other provision of this
23 part, use such data to carry out requirements of this
24 part related to assessments, pass rates, and scaled
25 scores.

1 “(c) RELEASE OF INFORMATION TO EDUCATOR
2 PREPARATION PROGRAMS.—

3 “(1) IN GENERAL.—For the purpose of improv-
4 ing teacher and school leader preparation programs,
5 a State that receives funds under this Act, or that
6 participates as a member of a partnership, consor-
7 tium, or other entity that receives such funds, shall
8 provide to an educator preparation program any and
9 all pertinent education-related information that—

10 “(A) may enable the educator preparation
11 program to evaluate the effectiveness of the
12 program’s graduates or the program itself; and

13 “(B) is possessed, controlled, or accessible
14 by or through the State.

15 “(2) DATA REQUIRED TO BE SHARED.—In ad-
16 dition to the information described in paragraph (1),
17 the State shall share with each educator preparation
18 program in the State, and to the extent practicable,
19 with educator preparation programs in other States
20 whose program graduates are teaching in the State,
21 data from teacher or school leader evaluation re-
22 sults, including any information necessary to com-
23 plete subsections (a) and (b) of section 210.

1 “(3) **PRIVACY.**—The information and data re-
2 quired under paragraphs (1) and (2) to be shared
3 shall—

4 “(A) include aggregate elementary and sec-
5 ondary academic achievement, without revealing
6 personally identifiable information about an in-
7 dividual student, for students who have been
8 taught by graduates of the educator prepara-
9 tion program, as available; and

10 “(B) comply with section 444 of the Gen-
11 eral Education Provisions Act (20 U.S.C.
12 1232g, commonly known as the ‘Family Edu-
13 cational Rights and Privacy Act of 1974’).

14 “(d) **FUNDING.**—A State may use funds made avail-
15 able under section 2113(a)(3) of the Elementary and Sec-
16 ondary Education Act of 1965 to carry out this section.

17 **“PART D—ENHANCING TEACHER EDUCATION**

18 **“Subpart 1—Honorable Augustus F. Hawkins Centers**

19 **of Excellence**

20 **“SEC. 214. DEFINITIONS.**

21 “In this subpart:

22 “(1) **ELIGIBLE INSTITUTION.**—The term ‘eligi-
23 ble institution’ means—

1 “(A) an institution of higher education
2 that offers a teacher preparation program that
3 is—

4 “(i) a part B institution (as defined in
5 section 322);

6 “(ii) a Hispanic-serving institution (as
7 defined in section 502);

8 “(iii) a Tribal College or University
9 (as defined in section 316);

10 “(iv) an Alaska Native-serving institu-
11 tion (as defined in section 317(b));

12 “(v) a Native Hawaiian-serving insti-
13 tution (as defined in section 317(b));

14 “(vi) a Predominantly Black Institu-
15 tion (as defined in section 318);

16 “(vii) an Asian American and Native
17 American Pacific Islander-serving institu-
18 tion (as defined in section 320(b)); or

19 “(viii) a Native American-serving,
20 nontribal institution (as defined in section
21 319);

22 “(B) a consortium of institutions described
23 in subparagraph (A); or

24 “(C) an institution described in subpara-
25 graph (A), or a consortium described in sub-

1 paragraph (B), in partnership with any other
2 institution of higher education, but only if the
3 center of excellence established under section
4 215 is located at an institution described in
5 subparagraph (A).

6 “(2) **SCIENTIFICALLY BASED READING RE-**
7 **SEARCH.**—The term ‘scientifically based reading re-
8 search’ has the meaning given such term in section
9 1208 of the Elementary and Secondary Education
10 Act of 1965.

11 **“SEC. 215. AUGUSTUS F. HAWKINS CENTERS OF EXCEL-**
12 **LENCE.**

13 “(a) **PROGRAM AUTHORIZED.**—From the amounts
14 appropriated to carry out this part, the Secretary is au-
15 thorized to award competitive grants to eligible institu-
16 tions to establish centers of excellence.

17 “(b) **USE OF FUNDS.**—Grants provided by the Sec-
18 retary under this subpart shall be used to ensure that cur-
19 rent and future teachers are highly qualified by carrying
20 out 1 or more of the following activities:

21 “(1) Implementing reforms within teacher prep-
22 aration programs to ensure that such programs are
23 preparing teachers who are highly qualified, are able
24 to understand scientifically valid research, and are
25 able to use advanced technology effectively in the

1 classroom, including use of instructional techniques
2 to improve student academic achievement, by—

3 “(A) retraining or recruiting faculty; and

4 “(B) designing (or redesigning) teacher
5 preparation programs that—

6 “(i) prepare teachers to serve in low-
7 performing schools and close student
8 achievement gaps, and that are based on
9 rigorous academic content, scientifically
10 valid research (including scientifically
11 based reading research and mathematics
12 research, as it becomes available), and
13 challenging State academic content stand-
14 ards and student academic achievement
15 standards; and

16 “(ii) promote strong teaching skills.

17 “(2) Providing sustained and high-quality
18 preservice clinical training, including the mentoring
19 of prospective teachers by exemplary teachers, sub-
20 stantially increasing interaction between faculty at
21 institutions of higher education and new and experi-
22 enced teachers, school leaders, and other administra-
23 tors at elementary schools or secondary schools, and
24 providing support, including preparation time, for
25 such interaction.

1 “(3) Developing and implementing initiatives to
2 promote retention of highly qualified teachers and
3 school leaders, including minority teachers and
4 school leaders, including programs that provide—

5 “(A) teacher or school leader mentoring
6 from exemplary teachers or school leaders, re-
7 spectively; or

8 “(B) induction and support for teachers
9 and school leaders during their first 3 years of
10 employment as teachers or school leaders, re-
11 spectively.

12 “(4) Awarding scholarships based on financial
13 need to help students pay the costs of tuition, room,
14 board, and other expenses of completing a teacher
15 preparation program, not to exceed the cost of at-
16 tendance.

17 “(5) Disseminating information on effective
18 practices for teacher preparation and successful
19 teacher certification and licensure assessment prepa-
20 ration strategies.

21 “(6) Activities authorized under section 202.

22 “(c) APPLICATION.—Any eligible institution desiring
23 a grant under this subpart shall submit an application to
24 the Secretary at such a time, in such a manner, and ac-

1 accompanied by such information as the Secretary may re-
2 quire.

3 “(d) **MINIMUM GRANT AMOUNT.**—The minimum
4 amount of each grant under this subpart shall be
5 \$500,000.

6 “(e) **LIMITATION ON ADMINISTRATIVE EXPENSES.**—
7 An eligible institution that receives a grant under this sub-
8 part may use not more than 2 percent of the funds pro-
9 vided to administer the grant.

10 “(f) **REGULATIONS.**—The Secretary shall prescribe
11 such regulations as may be necessary to carry out this
12 subpart.

13 **“Subpart 2—Preparing General Education Teachers**
14 **to More Effectively Educate Students With Dis-**
15 **abilities**

16 **“SEC. 216. TEACH TO REACH GRANTS.**

17 “(a) **AUTHORIZATION OF PROGRAM.**—

18 “(1) **IN GENERAL.**—The Secretary is authorized
19 to award grants, on a competitive basis, to eligible
20 partnerships to improve the preparation of general
21 education teacher candidates to ensure that such
22 teacher candidates possess the knowledge and skills
23 necessary to effectively instruct students with dis-
24 abilities in general education classrooms.

1 “(2) DURATION OF GRANTS.—A grant under
2 this section shall be awarded for a period of not
3 more than 5 years.

4 “(3) NON-FEDERAL SHARE.—An eligible part-
5 nership that receives a grant under this section shall
6 provide not less than 25 percent of the cost of the
7 activities carried out with such grant from non-Fed-
8 eral sources, which may be provided in cash or in
9 kind.

10 “(b) DEFINITION OF ELIGIBLE PARTNERSHIP.—In
11 this section, the term ‘eligible partnership’ means a part-
12 nership that—

13 “(1) shall include—

14 “(A) 1 or more departments or programs
15 at an institution of higher education—

16 “(i) that prepare elementary or sec-
17 ondary general education teachers;

18 “(ii) that have a program of study
19 that leads to an undergraduate degree, a
20 master’s degree, or completion of a
21 postbaccalaureate program required for
22 teacher certification; and

23 “(iii) the graduates of which are high-
24 ly qualified;

1 “(B) a department or program of special
2 education at an institution of higher education;

3 “(C) a department or program at an insti-
4 tution of higher education that provides degrees
5 in core academic subjects; and

6 “(D) a high-need local educational agency;
7 and

8 “(2) may include a department or program of
9 mathematics, earth or physical science, foreign lan-
10 guage, or another department at the institution that
11 has a role in preparing teachers.

12 “(c) ACTIVITIES.—An eligible partnership that re-
13 ceives a grant under this section—

14 “(1) shall use the grant funds to—

15 “(A) develop or strengthen an under-
16 graduate, postbaccalaureate, or master’s teach-
17 er preparation program by integrating special
18 education strategies into the general education
19 curriculum and academic content;

20 “(B) provide teacher candidates partici-
21 pating in the program under subparagraph (A)
22 with skills related to—

23 “(i) response to intervention, positive
24 behavioral interventions and supports, dif-

1 differentiated instruction, and data driven in-
2 struction;

3 “(ii) universal design for learning;

4 “(iii) determining and utilizing accom-
5 modations for instruction and assessments;

6 “(iv) collaborating with special edu-
7 cators, related services providers, and par-
8 ents, including participation in individual-
9 ized education program development and
10 implementation; and

11 “(v) appropriately utilizing technology
12 and assistive technology for students with
13 disabilities; and

14 “(C) provide extensive clinical training for
15 participants described in subparagraph (B) with
16 mentoring and induction program support
17 throughout the program that continues during
18 the first 2 years of full-time teaching; and

19 “(2) may use grant funds to develop and ad-
20 minister alternate assessments of students with dis-
21 abilities.

22 “(d) APPLICATION.—An eligible partnership seeking
23 a grant under this section shall submit an application to
24 the Secretary at such time, in such manner, and con-

1 taining such information as the Secretary may require.

2 Such application shall include—

3 “(1) a self-assessment by the eligible partner-
4 ship of the existing teacher preparation program at
5 the institution of higher education and needs related
6 to preparing general education teacher candidates to
7 instruct students with disabilities; and

8 “(2) an assessment of the existing personnel
9 needs for general education teachers who instruct
10 students with disabilities, performed by the local
11 educational agency in which most graduates of the
12 teacher preparation program are likely to teach after
13 completion of the program under subsection (c)(1).

14 “(e) PEER REVIEW.—The Secretary shall convene a
15 peer review committee to review applications for grants
16 under this section and to make recommendations to the
17 Secretary regarding the selection of grantees. Members of
18 the peer review committee shall be recognized experts in
19 the fields of special education, teacher preparation, and
20 general education and shall not be in a position to benefit
21 financially from any grants awarded under this section.

22 “(f) EVALUATIONS.—

23 “(1) BY THE PARTNERSHIP.—

24 “(A) IN GENERAL.—An eligible partner-
25 ship receiving a grant under this section shall

1 conduct an evaluation at the end of the grant
2 period to determine—

3 “(i) the effectiveness of the general
4 education teachers who completed a pro-
5 gram under subsection (e)(1) with respect
6 to instruction of students with disabilities
7 in general education classrooms; and

8 “(ii) the systemic impact of the activi-
9 ties carried out by such grant on how each
10 institution of higher education that is a
11 member of the partnership prepares teach-
12 ers for instruction in elementary schools
13 and secondary schools.

14 “(B) REPORT TO THE SECRETARY.—Each
15 eligible partnership performing an evaluation
16 under subparagraph (A) shall report the find-
17 ings of such evaluation to the Secretary.

18 “(2) REPORT BY THE SECRETARY.—Not later
19 than 180 days after the last day of the grant period
20 under this section, the Secretary shall make avail-
21 able to Congress and the public the findings of the
22 evaluations submitted under paragraph (1), and in-
23 formation on best practices related to effective in-
24 struction of students with disabilities in general edu-
25 cation classrooms.

1 **“PART E—GENERAL PROVISIONS**

2 **“SEC. 217. LIMITATIONS.**

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

11 “(b) **NO CHANGE IN STATE CONTROL ENCOURAGED**
12 **OR REQUIRED.**—Nothing in this title shall be construed
13 to encourage or require any change in a State’s treatment
14 of any private, religious, or home school, whether or not
15 a home school is treated as a private school or home school
16 under State law.

17 “(c) **NATIONAL SYSTEM OF TEACHER CERTIFI-**
18 **CATION OR LICENSURE PROHIBITED.**—Nothing in this
19 title shall be construed to permit, allow, encourage, or au-
20 thorize the Secretary to establish or support any national
21 system of teacher certification or licensure.

22 “(d) **RULE OF CONSTRUCTION.**—Nothing in this title
23 shall be construed to alter or otherwise affect the rights,
24 remedies, and procedures afforded to the employees of
25 local educational agencies under Federal, State, or local
26 laws (including applicable regulations or court orders) or

1 under the terms of collective bargaining agreements,
2 memoranda of understanding, or other agreements be-
3 tween such employees and their employers.

4 “(e) **TEACHER OR SCHOOL LEADER PRIVACY.**—No
5 State, institution of higher education, or local educational
6 agency shall be required to publicly report information in
7 compliance with this title in a case in which the results
8 would reveal personally identifiable information about an
9 individual teacher or school leader.”.

10 **TITLE III—INSTITUTIONAL AID**

11 **SEC. 301. RULE OF CONSTRUCTION.**

12 Section 301 (20 U.S.C. 1051) is amended—

13 (1) in the section heading by adding “**; RULE**
14 **OF CONSTRUCTION**” after “**FINDINGS AND PUR-**
15 **POSES**”; and

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

17 “(c) **RULE OF CONSTRUCTION.**—Nothing in this Act
18 shall be construed to restrict an institution from using
19 funds provided under a section of this title for activities
20 and uses that were authorized under such section on the
21 day before the date of enactment of the Higher Education
22 Affordability Act.”.

23 **SEC. 302. PROGRAM PURPOSE.**

24 Section 311 (20 U.S.C. 1057) is amended—

1 (1) by striking subsection (c) and inserting the
2 following:

3 “(c) **AUTHORIZED ACTIVITIES.**—Grants awarded
4 under this section shall be used for 1 or more of the fol-
5 lowing activities:

6 “(1) The purchase, rental, or lease of edu-
7 cational resources.

8 “(2) The construction, maintenance, renovation,
9 or joint use and improvement of classrooms, librar-
10 ies, laboratories, or other instructional facilities, in-
11 cluding the integration of computer technology into
12 institutional facilities to create smart buildings.

13 “(3) Support of faculty exchanges, faculty de-
14 velopment, and faculty fellowships to assist members
15 of the faculty in attaining advanced degrees in their
16 field of instruction.

17 “(4) Student support services, including sup-
18 porting distance education, the development and im-
19 provement of academic programs, tutoring, coun-
20 seling, school-sanctioned travel, and financial lit-
21 eracy for students and families.

22 “(5) Improving funds management, administra-
23 tive management, and the acquisition of equipment
24 for use in strengthening funds management.

1 “(6) Maintaining financial stability through es-
2 tablishing or developing a contributions development
3 office or endowment fund.

4 “(7) Other activities proposed in the application
5 submitted pursuant to section 391 that—

6 “(A) contribute to carrying out the pur-
7 poses of the program assisted under this sec-
8 tion; and

9 “(B) are approved by the Secretary as part
10 of the review and acceptance of such applica-
11 tion.”; and

12 (2) in subsection (d)(2), by inserting “75 per-
13 cent of” after “equal to or greater than”.

14 **SEC. 303. DURATION OF GRANT.**

15 Section 313 (20 U.S.C. 1059) is amended by adding
16 at the end the following:

17 “(e) REQUIREMENT FOR ADDITIONAL FUNDING.—

18 The Secretary shall not award grant funds for the fourth
19 or fifth year of a grant under this part unless the Sec-
20 retary determines that the grantee is making progress in
21 implementing the activities described in the grantee’s ap-
22 plication under section 391 at a rate that will result in
23 the full implementation of such activities before the end
24 of the grant period.”.

1 **SEC. 304. AMERICAN INDIAN TRIBALLY CONTROLLED COL-**
2 **LEGES AND UNIVERSITIES.**

3 Section 316(c) (20 U.S.C. 1059c(c)) is amended—

4 (1) by striking subparagraphs (A) through (N)
5 and inserting the following:

6 “(A) The activities described in section
7 311(c).

8 “(B) Academic instruction in disciplines in
9 which Indians are underrepresented and in-
10 struction in tribal governance or tribal public
11 policy.

12 “(C) Establishing or enhancing a program
13 of teacher education designed to qualify stu-
14 dents to teach in elementary schools or sec-
15 ondary schools, with a particular emphasis on
16 teaching Indian children and youth, that shall
17 include, as part of such program, preparation
18 for teacher certification.

19 “(D) Establishing community outreach
20 programs that encourage Indian elementary
21 school and secondary school students to develop
22 the academic skills and the interest to pursue
23 postsecondary education.”;

24 (2) by striking paragraph (2);

25 (3) by redesignating paragraph (3) as para-
26 graph (2); and

1 (4) in paragraph (2), as redesignated by para-
2 graph (2) of this section, by inserting “not less than
3 75 percent of” after “in an amount equal to”.

4 **SEC. 305. ALASKA NATIVE AND NATIVE HAWAIIAN-SERVING**
5 **INSTITUTIONS.**

6 Section 317(c) (20 U.S.C. 1059d(c)) is amended—

7 (1) in paragraph (1)—

8 (A) by striking “AUTHORIZED ACTIVI-
9 TIES.—” in the subsection heading and all that
10 follows through “Grants awarded under this
11 section shall” and inserting “AUTHORIZED AC-
12 TIVITIES.—Grants awarded under this section
13 shall”; and

14 (B) by inserting “Such activities may in-
15 clude the activities described in section 311(c).”
16 after “capacity to serve Alaska Natives or Na-
17 tive Hawaiians.”; and

18 (2) by striking paragraph (2).

19 **SEC. 306. PREDOMINANTLY BLACK INSTITUTIONS.**

20 Section 318(d) (20 U.S.C. 1059e(d)) is amended—

21 (1) in paragraph (2)(A), by striking “para-
22 graphs (1) through (12)” and inserting “paragraphs
23 (1) through (7)”;

24 (2) in paragraph (3)(B), by inserting “75 per-
25 cent of” after “equal to or greater than”.

1 **SEC. 307. NATIVE AMERICAN-SERVING NONTRIBAL INSTI-**
2 **TUTIONS.**

3 Section 319(c) (20 U.S.C. 1059f(c)) is amended—

4 (1) in paragraph (1)—

5 (A) by striking “AUTHORIZED ACTIVI-
6 TIES.—” in the subsection heading and all that
7 follows through “Grants awarded under this
8 section shall” and inserting “AUTHORIZED AC-
9 TIVITIES.—Grants awarded under this section
10 shall”; and

11 (B) by inserting “Such activities may in-
12 clude the activities described in section 311(e).”
13 after “serve Native Americans and low-income
14 individuals.”; and

15 (2) by striking paragraph (2).

16 **SEC. 308. ASIAN AMERICAN AND NATIVE AMERICAN PA-**
17 **CIFIC ISLANDER-SERVING INSTITUTIONS.**

18 Section 320(c)(2) (20 U.S.C. 1059g(c)(2)) is amend-
19 ed by striking subparagraphs (A) through (N) and insert-
20 ing the following:

21 “(A) the activities described in section
22 311(c);

23 “(B) academic instruction in disciplines in
24 which Asian Americans and Native American
25 Pacific Islanders are underrepresented;

1 “(C) conducting research and data collec-
2 tion for Asian American and Native American
3 Pacific Islander populations and subpopula-
4 tions; and

5 “(D) establishing partnerships with com-
6 munity-based organizations serving Asian
7 Americans and Native American Pacific Island-
8 ers.”.

9 **SEC. 309. NATIVE AMERICAN EDUCATION TUITION COST**
10 **SHARE.**

11 Part A of title III of the Higher Education Act of
12 1965 (20 U.S.C. 1057 et seq.) is amended by inserting
13 after section 319 the following:

14 **“SEC. 319A. NATIVE AMERICAN EDUCATION TUITION COST**
15 **SHARE.**

16 “(a) AMOUNT OF PAYMENT.—

17 “(1) IN GENERAL.—Subject to paragraphs (2)
18 and (3), for fiscal year 2015 and each succeeding
19 fiscal year, the Secretary shall pay to any eligible
20 college an amount equal to 40 percent of the total
21 amount of charges for tuition for such year, and the
22 State shall pay 60 percent of such charges for such
23 year, for all Native American Indian students who—

24 “(A) are not residents of the State in
25 which the college they attend is located; and

1 “(B) are enrolled in the college for the aca-
2 demic year ending immediately prior to the be-
3 ginning of such fiscal year.

4 “(2) **ELIGIBLE COLLEGES.**—For purposes of
5 this section, an eligible college is any institution of
6 higher education serving Native American Indian
7 students that provides tuition-free education to such
8 students, as mandated by Federal law, with the sup-
9 port of the State in which the college is located, in
10 fulfillment of a condition under which the State or
11 college received its original grant of land and facili-
12 ties from the United States.

13 “(b) **TREATMENT OF PAYMENT.**—Any amounts re-
14 ceived by an eligible college under this section shall be
15 treated as a reimbursement from the State in which the
16 college is located, and shall be considered as provided in
17 fulfillment of any Federal mandate upon the State to
18 admit Native American Indian students free of charge of
19 tuition.

20 “(c) **RULE OF CONSTRUCTION.**—Nothing in this sec-
21 tion shall be construed to relieve any State from any man-
22 date the State may have under Federal law to reimburse
23 a college for each academic year—

24 “(1) with respect to Native American Indian
25 students enrolled in the college who are not residents

1 of the State in which the college is located, any
2 amount of charges for tuition for such students for
3 such academic year that exceeds the amount re-
4 ceived under this section for such academic year;
5 and

6 “(2) with respect to Native American Indian
7 students enrolled in the college who are residents of
8 the State in which the college is located, an amount
9 equal to the charges for tuition for such students for
10 such academic year.

11 “(d) DEFINITION.—In this section, the term ‘Native
12 American Indian student’ means an Indian pupil (as such
13 term has been defined for purposes of Federal laws that
14 impose a mandate upon a State or college to provide tui-
15 tion-free education to Native American Indian students in
16 fulfillment of a condition under which the State or college
17 received its original grant of land and facilities from the
18 United States).”.

19 **SEC. 310. GRANTS TO INSTITUTIONS.**

20 Section 323 (20 U.S.C. 1062) is amended—

21 (1) in subsection (a), by striking paragraphs
22 (1) through (15) and inserting the following:

23 “(1) The purchase, rental, or lease of edu-
24 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 sup-
11 porting distance education, the development and im-
12 provement of academic programs, tutoring, coun-
13 seling, school-sanctioned travel, and financial lit-
14 eracy for students and families.

15 “(5) Improving funds management, administra-
16 tive management, and the acquisition of equipment
17 for use in strengthening funds management.

18 “(6) Maintaining financial stability through es-
19 tablishing or developing a contributions development
20 office or endowment fund.

21 “(7) Other activities proposed in the application
22 submitted pursuant to section 325 that—

23 “(A) contribute to carrying out the pur-
24 poses of the program assisted under this sec-
25 tion; 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 (b)(2), is amended by insert-
5 ing “75 percent of” after “equal to or greater than”.

6 **SEC. 311. PROFESSIONAL OR GRADUATE INSTITUTIONS.**

7 Section 326 (20 U.S.C. 1063b) is amended by strik-
8 ing subsection (c) and inserting the following:

9 “(c) USES OF FUNDS.—

10 “(1) IN GENERAL.—A grant under this section
11 may be used for 1 or more of the following activities:

12 “(A) The purchase, rental, or lease of edu-
13 cational resources.

14 “(B) The construction, maintenance, ren-
15 ovation, or joint use and improvement of class-
16 rooms, libraries, laboratories, or other instruc-
17 tional facilities, including the integration of
18 computer technology into institutional facilities
19 to create smart buildings.

20 “(C) Support of faculty exchanges, faculty
21 development, and faculty fellowships to assist
22 members of the faculty in attaining advanced
23 degrees in their field of instruction.

24 “(D) Student support services, including
25 the development and improvement of academic

1 programs, tutoring, counseling, school-san-
2 tioned travel, distance education, and financial
3 literacy for students and families.

4 “(E) Improving funds management, ad-
5 ministrative management, and the acquisition
6 of equipment for use in strengthening funds
7 management.

8 “(F) Maintaining financial stability
9 through establishing or developing a contribu-
10 tions development office or endowment fund.

11 “(G) Other activities proposed in the appli-
12 cations submitted pursuant to subsection (d)
13 and section 391 that—

14 “(i) contribute to carrying out the
15 purposes of the program assisted under
16 this section; and

17 “(ii) are approved by the Secretary as
18 part of the review and acceptance of such
19 application.”.

20 **SEC. 312. APPLICATIONS FOR ASSISTANCE.**

21 Section 391(b) (20 U.S.C. 1068(b)) is amended—

22 (1) by redesignating paragraphs (6) through
23 (8) as paragraphs (7) through (9); and

24 (2) by inserting after paragraph (5), the fol-
25 lowing:

1 “(6) provide an assurance that the institution
2 will report to the Secretary on—

3 “(A) the initial placement of under-
4 graduate students upon entry into the institu-
5 tion, including a description of whether a stu-
6 dent matriculates into a major field of study or
7 other program with a defined set of courses
8 leading to a certification, credential, or other
9 similar recognition;

10 “(B) student persistence data for the insti-
11 tution’s undergraduates, demonstrating how
12 many students are continuously enrolled in the
13 institution, which shall be measured in a man-
14 ner proposed by the institution and approved by
15 the Secretary; and

16 “(C) data on the number of undergraduate
17 students making satisfactory progress, as de-
18 fined in accordance with section 484(c).”.

19 **SEC. 313. LIMITATIONS ON FEDERAL INSURANCE FOR**
20 **BONDS ISSUED BY THE DESIGNATED BOND-**
21 **ING AUTHORITY.**

22 Section 344(a) (20 U.S.C. 1066c(a)) is amended—

23 (1) in the matter preceding paragraph (1), by
24 striking “\$1,100,000,000” and inserting
25 “\$3,000,000,000”;

1 (2) in paragraph (1), by striking
2 “\$733,333,333” and inserting “ $\frac{2}{3}$ ”; and
3 (3) in paragraph (2), by striking
4 “\$366,666,667” and inserting “ $\frac{1}{3}$ ”.

5 **TITLE IV—STUDENT ASSISTANCE**

6 **PART A—GRANTS TO STUDENTS**

7 **Subpart 1—Federal Pell Grants**

8 **SEC. 411. YEAR-ROUND FEDERAL PELL GRANTS; EXTEN-** 9 **SION OF FEDERAL PELL GRANT INFLATION** 10 **ADJUSTMENTS.**

11 Section 401 (20 U.S.C. 1070a) is amended—

12 (1) in subsection (b)—

13 (A) in subparagraph (2)(A)(ii), by striking
14 “paragraph (7)(B)” and inserting “paragraph
15 (9)(B)”;

16 (B) by redesignating paragraphs (5)
17 through (7) as paragraphs (7) through (9), re-
18 spectively;

19 (C) by inserting after paragraph (4) the
20 following:

21 “(5)(A) The purpose of this paragraph is to establish
22 a year-round Federal Pell Grant program to allow eligible
23 students to accelerate the time needed to earn a degree.

24 “(B) Notwithstanding any other provision of this
25 subsection, the Secretary shall award, to an eligible stu-

1 dent who meets the requirements in subparagraph (C),
2 has received a Federal Pell Grant for an award year, and
3 is enrolled in a program of study for 1 or more additional
4 payment periods during the same award year that are not
5 otherwise covered by the student's Federal Pell Grant, an
6 additional Federal Pell Grant for the additional payment
7 periods.

8 “(C) In order to be eligible to receive the additional
9 Federal Pell Grant for an award year that is described
10 in subparagraph (B), a student shall, in addition to meet-
11 ing all eligibility requirements for the receipt of a Federal
12 Pell Grant—

13 “(i) be enrolled full-time in an institution of
14 higher education; and

15 “(ii) have successfully completed at least a full-
16 time course load (as determined by the institution)
17 prior to receiving an additional Federal Pell Grant
18 award as described in subparagraph (B).

19 “(D) In the case of a student receiving more than
20 one Federal Pell Grant in a single award year under sub-
21 paragraph (B), the total amount of the Federal Pell
22 Grants awarded to such student for the award year shall
23 not exceed an amount equal to 150 percent of the total
24 maximum Federal Pell Grant for such award year cal-
25 culated in accordance with paragraph (9)(C)(iv)(II).

1 “(k) NOTIFICATION OF PELL GRANT ELIGIBILITY.—

2 “(1) IN GENERAL.—Each eligible institution
3 shall notify each student enrolled in the institution
4 who is receiving a Federal Pell Grant of the stu-
5 dent’s remaining period of eligibility for a Federal
6 Pell Grant in accordance with subsection (c)(5), at
7 the times required under paragraph (2) and (3).

8 “(2) FREQUENCY OF NOTIFICATIONS.—An eli-
9 gible institution shall provide the notification de-
10 scribed in paragraph (1) to a student enrolled in the
11 institution—

12 “(A) not less than once a year while the
13 student is enrolled; and

14 “(B) for students with 2 years, or less, of
15 eligibility remaining, not less than once a se-
16 mester (or its equivalent) while the student is
17 enrolled.

18 “(3) PELL GRANT RECIPIENTS WHO ARE BOR-
19 ROWERS.—In the case of a student who is receiving
20 a Federal Pell Grant who is also a borrower of a
21 loan made, insured, or guaranteed under part B
22 (other than a loan made pursuant to section 428C
23 or a loan made on behalf of a student pursuant to
24 section 428B) or made under part D (other than a
25 Federal Direct Consolidation Loan or a Federal Di-

1 rect PLUS loan made on behalf of a student), the
2 requirement described in paragraph (1) shall be car-
3 ried out in accordance with the notification and
4 counseling requirements described in section
5 485(n).”.

6 **Subpart 2—Early Awareness of College Financing**

7 **Options**

8 **SEC. 413. EARLY AWARENESS OF COLLEGE FINANCING OP-**
9 **TIONS.**

10 Subpart 2 of part A of title IV (20 U.S.C. 1070a–
11 11) is amended by adding at the end the following:

12 **“CHAPTER 3—EARLY AWARENESS OF**
13 **COLLEGE FINANCING OPTIONS**

14 **“SEC. 405A. EARLY AWARENESS OF COLLEGE FINANCING**
15 **OPTIONS.**

16 “(a) **PURPOSE.**—The purpose of this section is to es-
17 tablish a demonstration program that explores the effec-
18 tiveness of early notification of postsecondary financial aid
19 options and the cost of postsecondary education.

20 “(b) **GRANTS AUTHORIZED; DURATION.**—

21 “(1) **GRANTS AUTHORIZED.**—From amounts
22 appropriated under subsection (l) and not reserved
23 under paragraph (3), and beginning after the first
24 postsecondary education information form described
25 in subsection (h) has been developed, the Secretary

1 is authorized to award grants to 15 State edu-
2 cational agencies to enable such agencies to pay the
3 expenses, including the expenses of local educational
4 agencies in the State, for providing information in a
5 cost-effective way to students in grades 8 through
6 12 in order to—

7 “(A) increase student awareness of, and
8 access to, postsecondary education; and

9 “(B) increase the likelihood that those stu-
10 dents will apply for postsecondary financial aid
11 and attend an institution of higher education.

12 “(2) DURATION.—A grant awarded under this
13 section shall be awarded for a 3-year period.

14 “(3) RESERVATION OF FUNDS.—From amounts
15 made available to carry out this part for a fiscal
16 year, the Secretary may reserve not more than 1
17 percent to award a grant to the Bureau of Indian
18 Education, to enable the Bureau to carry out the
19 purposes of this part with respect to schools oper-
20 ated or funded by the Bureau.

21 “(c) STATE EDUCATIONAL AGENCY APPLICA-
22 TIONS.—

23 “(1) IN GENERAL.—Each State educational
24 agency desiring to participate in the demonstration
25 program under this section shall submit an applica-

1 tion to the Secretary at such time and in such man-
2 ner as the Secretary may require.

3 “(2) CONTENTS.—Each application described in
4 paragraph (1) shall include—

5 “(A) a commitment to utilize the postsec-
6 ondary education information form described in
7 subsection (h) (hereafter referred to as the ‘in-
8 formation form’), including the provision of
9 State-specific grant aid information, as de-
10 scribed in subsection (h)(6);

11 “(B) a description of how the State edu-
12 cational agency plans to disseminate the infor-
13 mation form to every school serving grades 8
14 through 12 in the State;

15 “(C) an assurance that the State edu-
16 cational agency will fully cooperate with the on-
17 going evaluation of the demonstration program;
18 and

19 “(D) such other information as the Sec-
20 retary may require.

21 “(d) SELECTION CONSIDERATIONS.—In selecting
22 State educational agencies to participate in the dem-
23 onstration program under this section, the Secretary shall
24 consider—

1 “(1) the number and quality of State edu-
2 cational agency applications received;

3 “(2) the geographic diversity of applicants; and

4 “(3) a State educational agency’s—

5 “(A) financial responsibility;

6 “(B) administrative capability; and

7 “(C) ability to ensure that the activities
8 carried out under the grant program serve all
9 students in grades 8 through 12 in the State.

10 “(e) **SELECTION PRIORITY.**—In selecting State edu-
11 cational agencies to participate in the demonstration pro-
12 gram under this section, the Secretary shall give priority
13 to those States that have a high percentage of students
14 who are eligible for free and reduced priced lunches under
15 the Richard B. Russell National School Lunch Act or ben-
16 efits under another Federal means-tested program.

17 “(f) **ACTIVITIES.**—Each State educational agency re-
18 ceiving a grant under this section shall carry out the fol-
19 lowing activities:

20 “(1) Make the information form available to
21 every school in the State that serves students in
22 grades 8 through 12 so that such schools can dis-
23 tribute the form to each student in grades 8 through
24 12, not less than once each school year, utilizing the

1 most useful, effective, and relevant modes of commu-
2 nication, including through technology.

3 “(2) Develop a statewide public awareness cam-
4 paign, using a variety of media, to inform students
5 about the cost of postsecondary education and the
6 availability of financial aid.

7 “(3) Ensure that local educational agencies
8 serving students who receive the information form
9 will participate in the evaluation of the demonstra-
10 tion program, and that data from such local edu-
11 cational agencies will be made available in accord-
12 ance with the requirements of section 444 of the
13 General Education Provisions Act (20 U.S.C. 1232)
14 (commonly known as the ‘Family Educational
15 Rights and Privacy Act of 1974’).

16 “(4) Conduct annual surveys of a representative
17 sample of students who receive the information form
18 to determine the short-term and long-term effects of
19 the information form, including what those students
20 know about the cost of postsecondary education and
21 financial aid options, the likelihood of such students
22 applying for financial aid, attending an institution of
23 higher education, and enrolling in Advanced Place-
24 ment (AP), International Baccalaureate (IB), dual
25 enrollment, or early college high school programs,

1 and any other information the State educational
2 agency deems 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 the Higher
8 Education Affordability Act, the Secretary, in con-
9 sultation with the heads of relevant Federal agencies
10 and representatives of college mentors, college ad-
11 missions staff, financial aid staff, student and par-
12 ent focus groups (including students and parents
13 from low-income families), consumer advocates, and
14 secondary school guidance counselors, shall complete
15 the development of an initial model form of postsec-
16 ondary education information (referred to in this
17 subsection as the ‘initial form’).

18 “(2) CONSUMER TESTING PROCESS.—The Sec-
19 retary shall—

20 “(A) submit the initial form for consumer
21 testing in accordance with section 483C, that
22 includes the representatives described in para-
23 graph (1); and

24 “(B) not later than 60 days after the con-
25 clusion of the consumer testing under subpara-

1 graph (A), use the results of the consumer test-
2 ing of the initial form in the development of a
3 final information form described in subsection
4 (h); and

5 “(C) make the final information form de-
6 scribed in subsection (h) available to all State
7 educational agencies who receive a grant under
8 this section.

9 “(h) POSTSECONDARY EDUCATION INFORMATION
10 FORM.—The Secretary shall develop, using the best avail-
11 able evidence and research, an information form that the
12 Secretary shall update annually and distribute to all State
13 educational agencies that receive a grant under this sec-
14 tion. The information form shall contain, at a minimum,
15 the following information:

16 “(1) Information about Federal Pell Grants, in-
17 cluding—

18 “(A) the maximum amount of a Federal
19 Pell Grant for the award year in which the
20 form will be disbursed to students, as deter-
21 mined under clauses (i) and (ii) of section
22 401(b)(2)(A), which must be the most visually
23 prominent figure on the information form; and

24 “(B) information about when, and how, a
25 student may apply for a Federal Pell Grant.

1 “(2)(A) Information on Federal student aid op-
2 tions, including a description of all available Federal
3 grants (including Federal supplemental educational
4 opportunity grants under subpart 3 of part A), loans
5 (including loans under parts D and E), work study
6 assistance under part C, and scholarships for post-
7 secondary education; and

8 “(B) the application processes for such grants,
9 loans, assistance, and scholarships.

10 “(3) Links to the application for the Free Ap-
11 plication for Federal Student Aid described in sec-
12 tion 483 and Federal student aid websites.

13 “(4) A link to the Department’s College Afford-
14 ability and Transparency Center website, including
15 information about net price calculators, or a suc-
16 cessor website with similar information.

17 “(5) Information about fee waivers for applica-
18 tions for institutions of higher education that may
19 be available to qualified students.

20 “(6) A State-specific section, in which each
21 State educational agency shall include information
22 on State grants for postsecondary education.

23 “(i) STATE REPORT.—Each State educational agency
24 receiving a grant under this section shall use results from
25 the surveys described in subsection (f)(4), and other perti-

1 nent information, to submit an annual report to the Sec-
2 retary including 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 (AP), International Baccalaureate (IB), dual
22 enrollment, or early college high school pro-
23 grams;

1 “(B) in the case of a student in grade 12,
2 to submit an application to an institution of
3 higher education;

4 “(C) to take the Preliminary SAT/National
5 Merit Scholarship Qualifying Test (PSAT/
6 NMSQT), SAT, or ACT; and

7 “(D) in the case of a student in grade 12,
8 to file a Free Application for Federal Student
9 Aid described in section 483.

10 “(6) The number of students who received the
11 information form and were in grade 12 in the pre-
12 vious year, disaggregated by race, ethnicity, gender,
13 status as an English language learner, status as an
14 economically disadvantaged individual, and status as
15 an individual with a disability, (except that such
16 disaggregation shall not be required in a case in
17 which the results would reveal personally identifiable
18 information about an individual student) who—

19 “(A) enrolled in an institution of higher
20 education;

21 “(B) applied for Federal financial aid; and

22 “(C) received Federal financial aid.

23 “(7) A description of the impact of the grant
24 program on the parents of students who received the
25 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, a State educational
19 agency shall ensure that the information form is dis-
20 tributed to all students in grades 8 through 12 in
21 the State.

22 “(1) 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 2 succeeding fiscal years.”.

1 **Subpart 3—American Dream Grants**

2 **SEC. 414. AMERICAN DREAM GRANTS.**

3 Subpart 4 of part A of title IV (20 U.S.C. 1070e et
4 seq.) is amended by adding at the end the following:

5 **“SEC. 415G. AMERICAN DREAM GRANTS.**

6 “(a) DREAMER STUDENTS.—

7 “(1) IN GENERAL.—In this section, the term
8 ‘Dreamer student’ means an individual who—

9 “(A) was younger than 16 years of age on
10 the date on which the individual initially en-
11 tered the United States;

12 “(B) has provided a list of each secondary
13 school that the student attended in the United
14 States; and

15 “(C)(i) has earned a high school diploma
16 or the recognized equivalent of such diploma
17 from a secondary school, has obtained a high
18 school equivalency diploma in the United
19 States, or is scheduled to complete the require-
20 ments for such a diploma or equivalent before
21 the next academic year begins;

22 “(ii) has acquired a degree from an institu-
23 tion of higher education or has completed not
24 less than 2 years in a program for a bacca-
25 laurate degree or higher degree at an institu-
26 tion of higher education in the United States

1 and has made satisfactory academic progress,
2 as defined in section 484(c), during such time
3 period; or

4 “(iii) has served in the uniformed services,
5 as defined in section 101 of title 10, United
6 States Code, for not less than 4 years and, if
7 discharged, received an honorable discharge.

8 “(2) **HARDSHIP EXCEPTION.**—The Secretary
9 shall issue regulations that direct when a State shall
10 waive the requirement of subparagraph (A) or (B),
11 or both, of paragraph (1) to qualify as a Dreamer
12 student under such paragraph, if the 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 to eligible States to enable the States to carry
6 out the activities described in this section.

7 “(3) ELIGIBLE STATE.—An eligible State
8 means a State that—

9 “(A) increases access and affordability to
10 higher education for students by—

11 “(i) offering in-State tuition for
12 Dreamer students; or

13 “(ii) expanding in-State financial aid
14 to Dreamer students; and

15 “(B) submits an application to the Sec-
16 retary that contains an assurance that—

17 “(i) the State has made significant
18 progress establishing a longitudinal data
19 system that includes the elements de-
20 scribed in section 6201(e)(2)(D) of the
21 America COMPETES Act (20 U.S.C.
22 9871(e)(2)(D));

23 “(ii) notwithstanding any other provi-
24 sion of law, the State will not discriminate
25 in awarding student financial assistance or

1 determining who is eligible for in-State tui-
2 tion, against a Dreamer student who re-
3 sides in the State, if the student otherwise
4 qualifies for the assistance or tuition; and
5 “(iii) for fiscal year 2015 and each of
6 the 4 succeeding fiscal years, the State will
7 maintain State support for public institu-
8 tions of higher education located in the
9 State (not including support for capital
10 projects, research and development, or tui-
11 tion and fees paid by students) at not less
12 than the level of such support for fiscal
13 year 2013 adjusted annually for inflation
14 as determined by the Consumer Price
15 Index (as such term is defined in section
16 478(f)) for the previous calendar year.

17 “(4) ALLOTMENTS.—The Secretary shall allot
18 the amount appropriated to carry out this section
19 for each fiscal year and not reserved under para-
20 graph (1) among the eligible States in proportion to
21 the number of Dreamer students enrolled at least
22 half-time in postsecondary education who reside in
23 the State for the most recent fiscal year for which
24 satisfactory data are available, compared to the

1 number of such students who reside in all eligible
2 States for that fiscal year.

3 “(c) SUPPLEMENT NOT SUPPLANT.—Grant funds
4 awarded under this section shall be used to supplement,
5 and not supplant, non-Federal funds that would otherwise
6 be used for activities authorized under this section.

7 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated to carry out this section
9 such sums as may be necessary for fiscal year 2015 and
10 each of the four succeeding fiscal years.”.

11 **PART B—FEDERAL FAMILY EDUCATION LOAN**

12 **PROGRAM**

13 **SEC. 421. SIMPLIFICATION OF INCOME-BASED REPAYMENT**

14 **OPTIONS FOR FEDERALLY INSURED STU-**

15 **DENT LOANS.**

16 (a) AMENDMENT REPLACING INCOME-SENSITIVE RE-
17 PLACEMENT.—Section 427(a)(2)(H) (20 U.S.C.
18 1077(a)(2)(H)) is amended—

19 (1) by striking “graduated or income-sensitive
20 repayment schedule” and inserting “graduated re-
21 payment schedule or income-based repayment sched-
22 ule under section 493C”; and

23 (2) by striking “in accordance with the regula-
24 tions of the Secretary” and inserting “in accordance

1 with section 493C and regulations issued by the Sec-
2 retary”.

3 (b) **EFFECTIVE DATE RELATING TO TERMINATION**
4 **OF INCOME-SENSITIVE REPAYMENT.**—The amendments
5 made by subsection (a) shall take effect on the date that
6 is 1 year after the date of enactment of this Act.

7 **SEC. 422. IMPROVEMENTS TO MILITARY LOAN DEFERMENT;**
8 **CLARIFICATION OF SCRA PROTECTIONS; SIM-**
9 **PLIFICATION OF INCOME-BASED REPAYMENT**
10 **OPTIONS.**

11 (a) **AMENDMENTS.**—Section 428 (20 U.S.C. 1078) is
12 amended—

13 (1) in subsection (b)—

14 (A) in paragraph (1)—

15 (i) in subparagraph (D), by striking
16 “may, following a default by the borrower,
17 be subject to income contingent repayment
18 in accordance with subsection (m)” and in-
19 serting “may, following a default by the
20 borrower, be subject to income-based re-
21 payment in accordance with subsection (m)
22 and section 493C(d)”;

23 (ii) in subparagraph (E), by striking
24 “standard, graduated” and all that follows
25 and inserting “standard, graduated, in-

1 come-based, or extended repayment sched-
2 ule (as described in paragraph (9)), estab-
3 lished by the lender in accordance with the
4 regulations of the Secretary”; and

5 (iii) in subparagraph (M)—

6 (I) by redesignating clause (iv) as
7 clause (v);

8 (II) in clause (iii), by striking
9 “the borrower—” and all that follows
10 through “described in subclause (I) or
11 (II); or” and inserting “the borrower
12 is performing eligible military service,
13 and for the 180-day period following
14 the demobilization date for such eligi-
15 ble military service;”; and

16 (III) by inserting after clause
17 (iii) the following:

18 “(iv) not in excess of 180 days after
19 the effective movement date listed on the
20 military orders of a borrower’s spouse if
21 that spouse is a member of the Armed
22 Forces who has received military orders for
23 a permanent change of station; or”; and

24 (B) in paragraph (9)(A)(iii), by inserting
25 “and an income-sensitive repayment plan shall

1 be available only for borrowers who have se-
2 lected or been required to use a plan before the
3 date that is 1 year after the date of enactment
4 of the Higher Education Affordability Act” be-
5 fore the semicolon at the end;

6 (2) in subsection (d), by striking “section 207
7 of the Servicemembers Civil Relief Act (50 U.S.C.
8 App. 527)” and inserting “the Servicemembers Civil
9 Relief Act (50 U.S.C. App. 501 et seq.)”; and

10 (3) by striking subsection (m) and inserting the
11 following:

12 “(m) **INCOME-BASED REPAYMENT.**—

13 “(1) **AUTHORITY OF SECRETARY TO RE-**
14 **QUIRE.**—The Secretary may require borrowers who
15 have defaulted on loans made under this part that
16 are assigned to the Secretary under subsection
17 (c)(8) to repay those loans under an income-based
18 repayment plan, under terms and conditions estab-
19 lished by the Secretary that are the same, or similar
20 to, the terms and conditions established under such
21 section.

22 “(2) **LOANS FOR WHICH INCOME-BASED REPAY-**
23 **MENT MAY BE REQUIRED.**—A loan made under this
24 part may be required to be repaid under this sub-
25 section if the note or other evidence of the loan has

1 been assigned to the Secretary pursuant to sub-
2 section (c)(8).”.

3 (b) RULEMAKING REGARDING TERMINATION OF IN-
4 COME CONTINGENT AND INCOME-SENSITIVE REPAYMENT
5 PLANS.—By not later than 1 year after the date of enact-
6 ment of this Act, the Secretary of Education shall promul-
7 gate a final rule ending all eligibility for income contingent
8 and income-sensitive repayment plans for loans made
9 under part B or D of title IV of the Higher Education
10 Act of 1965 unless the borrowers have selected, and re-
11 mained continuously enrolled in, such payment plans be-
12 fore the date that is 1 year after the date of enactment
13 of this Act, in accordance with the amendments made by
14 this Act.

15 (c) EFFECTIVE DATE REGARDING INCOME-CONTIN-
16 GENT AND INCOME-SENSITIVE REPAYMENT PLANS.—

17 The amendments made by clauses (i) and (ii) of
18 subparagraph (A), and subparagraph (B), of para-
19 graph (1), and by paragraph (3), of subsection (a)
20 shall take effect on the date that is 1 year after the
21 date of enactment of this Act.

1 **SEC. 423. SIMPLIFICATION OF INCOME BASED REPAYMENT**
2 **OPTIONS FOR FEDERAL CONSOLIDATION**
3 **LOANS.**

4 (a) AMENDMENTS.—Section 428C of such Act (20
5 U.S.C. 1078–3) is amended—

6 (1) by striking subclause (V) of subsection
7 (a)(3)(B)(i) and inserting the following:

8 “(V) an individual may obtain a subse-
9 quent consolidation loan under section 455(g)
10 only—

11 “(aa) for the purposes of obtaining in-
12 come-based repayment under section 493C,
13 and only if the loan has been submitted to
14 the guaranty agency for default aversion or
15 if the loan is already in default;

16 “(bb) for the purposes of using the
17 public service loan forgiveness program
18 under section 455(m); or

19 “(cc) for the purpose of using the no
20 accrual of interest for active duty service
21 members benefit offered under section
22 455(o).”;

23 (2) in subsection (b)—

24 (A) by striking subparagraph (E) of para-
25 graph (1) and inserting the following:

26 “(E) that the lender shall—

1 “(i) offer an income-based repayment
2 schedule, established by the lender in ac-
3 cordance with section 493C and regula-
4 tions promulgated by the Secretary, to the
5 borrower of any consolidation loan made
6 by the lender on or after July 1, 1994, and
7 before July 1, 2010; and

8 “(ii) only in the case of any borrower
9 who has selected, before the date that is 1
10 year after the date of enactment of the
11 Higher Education Affordability Act, an in-
12 come-sensitive repayment schedule, in ac-
13 cordance with regulations promulgated by
14 the Secretary and as in effect on the day
15 before the date that is 1 year before such
16 date of enactment, continue to offer such
17 borrower the income-sensitive repayment
18 schedule until the borrower selects an al-
19 ternative repayment schedule;” and

20 (B) in paragraph (5), by inserting “(if
21 such borrower has selected an income contin-
22 gent repayment schedule before the date that is
23 1 year after the date of enactment of the High-
24 er Education Affordability Act)” after “income

1 contingent repayment under part D of this
2 title”; and

3 (3) in subsection (c)—

4 (A) in the matter preceding clause (i) of
5 paragraph (2)(A), by inserting “, except that an
6 income-sensitive repayment schedule shall only
7 be available to borrowers who have selected
8 such schedule before the date that is 1 year
9 after the date of enactment of the Higher Edu-
10 cation Affordability Act” after “regulations of
11 the Secretary”; and

12 (B) in paragraph (3)(B), by inserting “for
13 borrowers who have selected income contingent
14 repayment before the date that is 1 year after
15 the date of enactment of the Higher Education
16 Affordability Act” after “subsection (b)(5)”.

17 (b) **EFFECTIVE DATE FOR TERMINATION OF IN-**
18 **COME-SENSITIVE OR INCOME CONTINGENT REPAYMENT**
19 **PLANS.**—The amendments made by subsection (a) shall
20 take effect on the date that is 1 year after the date of
21 enactment of this Act.

22 **SEC. 424. REASONABLE COLLECTION COSTS AND REHABILI-**
23 **TATION PAYMENTS.**

24 Section 428F (20 U.S.C. 1078–6) is amended—

25 (1) in subsection (a)—

1 (A) by striking item (aa) of paragraph
2 (1)(D)(i)(II), as amended by section 501(2) of
3 division A of the Bipartisan Budget Act of
4 2013 (Public Law 113–67), and inserting the
5 following:

6 “(aa) charge to the borrower
7 an amount that is reasonable and
8 that does not exceed the bona
9 fide collection costs associated
10 with such loan that are actually
11 incurred in collecting the debt
12 against the borrower, which
13 amount shall not exceed 16 per-
14 cent of the outstanding principal
15 and interest at the time of the
16 loan sale; and”;

17 (B) by striking paragraph (5); and

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

19 “(d) DETERMINATION OF REASONABLE AND AF-
20 FORDABLE.—

21 “(1) IN GENERAL.—For purposes of this sec-
22 tion, a monthly payment shall be reasonable and af-
23 fordable based upon the borrower’s total financial
24 circumstances if the payment is the equivalent of a
25 monthly payment amount determined for a borrower

1 under the income-based repayment plan under sec-
2 tion 493C, except that in no cases shall the monthly
3 payment under this section be less than \$5.

4 “(2) APPEALS PROCESS.—The Secretary shall
5 establish a clear and accessible process for appealing
6 the monthly payment amount determined as reason-
7 able and affordable under this section in any case
8 where a borrower believes that the borrower’s
9 monthly payment amount is incorrect, or that the
10 amount calculated for the borrower under paragraph
11 (1) is based on incorrect information or is unreason-
12 able based on the borrower’s total circumstances.”.

13 **SEC. 425. FFEL LOAN FORGIVENESS FOR CERTAIN AMER-**
14 **ICAN INDIAN EDUCATORS.**

15 Section 428J(c) (20 U.S.C. 1078–10(c)) is amended
16 by adding at the end the following:

17 “(4) AMERICAN INDIAN TEACHERS IN LOCAL
18 EDUCATIONAL AGENCIES WITH A HIGH PERCENTAGE
19 OF AMERICAN INDIAN STUDENTS.—Notwithstanding
20 the amount specified in paragraph (1) and the re-
21 quirements under subparagraphs (A) and (B) of
22 subsection (b)(1), the aggregate amount that the
23 Secretary shall repay under this section shall be not
24 more than \$17,500 in the case of a borrower who—

1 “(A) has been employed as a full-time
2 teacher for 5 consecutive complete school years
3 in a local educational agency described in sec-
4 tion 7112(b) of the Elementary and Secondary
5 Education Act of 1965 or in a school operated
6 or funded by the Bureau of Indian Education;
7 and

8 “(B) is a member of an Indian tribe (as
9 defined in section 4 of the Indian Self-Deter-
10 mination and Education Assistance Act (25
11 U.S.C. 450b)).”.

12 **SEC. 426. IMPROVEMENTS TO CREDIT REPORTING FOR**
13 **FEDERAL STUDENT LOANS.**

14 Section 430A (20 U.S.C. 1080A) is amended—

15 (1) by redesignating subsections (d) through (f)
16 as subsections (e) through (g), respectively; and

17 (2) by inserting after subsection (c) the fol-
18 lowing:

19 “(d) **TREATMENT OF REHABILITATION AND INCOME-**
20 **BASED REPAYMENT AND INCOME CONTINGENT REPAY-**
21 **MENT PLANS.—**

22 “(1) **NECESSARY STEPS.—**The Secretary and
23 each guaranty agency, eligible lender, and subse-
24 quent holder of a loan shall take all necessary steps
25 to ensure that information furnished under this sec-

1 section 428F that meet the requirements
2 of such section; and

3 “(C) for purposes of payments under an
4 income-based repayment plan under section
5 493C or any income contingent repayment plan
6 authorized under section 455(e), any additional
7 steps that the Secretary determines necessary,
8 through rulemaking or published guidance,
9 based on the results of the study performed
10 under section 1018 of the Higher Education Af-
11 fordability Act.

12 “(2) APPLICATION TO AGENTS AND CONTRAC-
13 TORS.—The requirements of paragraph (1) shall
14 apply to any person furnishing information about
15 loan performance on behalf of the Secretary, a guar-
16 anty agency, eligible lender, or subsequent holder of
17 a loan, including third party student loan servicers
18 or collectors.”.

19 **SEC. 427. REDUCED DUPLICATION IN STUDENT LOAN SERV-**
20 **ICING.**

21 Section 432(l)(4) (20 U.S.C. 1082(l)(4)) is amended
22 by striking “simplifying and standardizing” and inserting
23 “simplifying, standardizing, and reducing duplication in”.

1 **SEC. 428. IMPROVED DETERMINATION OF COHORT DE-**
2 **FAULT RATES; PUBLICATION OF DEFAULT**
3 **PREVENTION PLAN.**

4 Section 435 (20 U.S.C. 1085) is amended—

5 (1) in subsection (a)—

6 (A) in paragraph (2), by adding at the end
7 the following:

8 “(D) In any case where the Secretary has de-
9 termined that the institution has engaged in default
10 manipulation, the Secretary—

11 “(i) shall recalculate the cohort default
12 rate for the institution under this section using
13 corrected data and information, for all fiscal
14 years for which the default manipulation has
15 occurred; and

16 “(ii) using the recalculated cohort default
17 rate, shall redetermine under subsection (a)(2)
18 whether the institution is ineligible to partici-
19 pate in a program under this title.”; and

20 (B) in paragraph (7)(A), by adding at the
21 end the following:

22 “(iii) SUMMARY OF DEFAULT PRE-
23 VENTION PLAN.—Upon receiving technical
24 assistance from the Secretary under clause
25 (ii), each institution subject to this sub-
26 paragraph shall—

1 “(I) prepare a summary of the
2 plan described under clause (i) that is
3 directed to a student audience;

4 “(II) make the summary publicly
5 available; and

6 “(III) provide the summary to
7 students at the institution.”; and

8 (2) in subsection (m)(3), by striking “through
9 the use of” and all that follows through the period
10 at the end and inserting “through default manipula-
11 tion”.

12 **SEC. 429. IMPROVED DISABILITY DETERMINATIONS.**

13 (a) IN GENERAL.—Section 437(a) (20 U.S.C.
14 1087(a)) is amended—

15 (1) in the matter preceding subparagraph (A)
16 of paragraph (1), by striking “Notwithstanding any
17 other provision of this subsection,” and inserting
18 “Except as provided in paragraph (4),”;

19 (2) by striking paragraph (2) and inserting the
20 following:

21 “(2) SERVICE-CONNECTED DISABILITY DETER-
22 MINATIONS.—

23 “(A) IN GENERAL.—A borrower who has
24 been determined by the Secretary of Veterans
25 Affairs or Secretary of Defense to be unemploy-

1 able due to a service-connected condition and
2 who provides documentation of such determina-
3 tion to the Secretary of Education, shall be con-
4 sidered permanently and totally disabled for the
5 purpose of discharging such borrower's loans
6 under this subsection, and such borrower shall
7 not be required to present additional docu-
8 mentation for purposes of this subsection.

9 “(B) DETERMINATION BY THE SECRETARY
10 OF VETERANS AFFAIRS OR THE SECRETARY OF
11 DEFENSE.—

12 “(i) IN GENERAL.—A borrower who
13 has been assigned a disability rating of
14 100 percent (or a combination of ratings
15 equaling 100 percent or more) by the Sec-
16 retary of Veterans Affairs or the Secretary
17 of Defense for a service-connected dis-
18 ability (as defined in section 101 of title
19 38, United States Code) and who provides
20 documentation of such rating to the Sec-
21 retary of Education, shall be considered
22 permanently and totally disabled for the
23 purpose of discharging such borrower's
24 loans under this subsection, and such bor-
25 rower shall not be required to present any

1 additional documentation for purposes of
2 this subsection.

3 “(ii) **RATING OF DISABILITY.**—A dis-
4 ability rating described in clause (i), or
5 similar determination of unemployability
6 by the Secretary of Veterans Affairs or the
7 Secretary of Defense, transmitted in ac-
8 cordance with clause (iii) shall be consid-
9 ered sufficient documentation for purposes
10 of this subsection.

11 “(iii) **TRANSFER OF INFORMATION.**—
12 Not later than 180 days after the date of
13 enactment of the Higher Education Afford-
14 ability Act, the Secretary, in coordination
15 with the Secretary of Defense and the Sec-
16 retary of Veteran Affairs, shall create a
17 system through which the applicable dis-
18 ability ratings (or alternative means of
19 transmitting a determination of
20 unemployability) shall be automatically
21 transmitted from the Department of De-
22 fense or the Department of Veterans Af-
23 fairs, as the case may be, to the Depart-
24 ment of Education and shall satisfy the
25 documentation requirement described in

1 this subparagraph. The Secretary shall
2 have the authority to enter into any agree-
3 ments necessary to implement the require-
4 ments of this subparagraph.

5 “(3) DISABILITY DETERMINATIONS BY THE SO-
6 CIAL SECURITY ADMINISTRATION.—A borrower who
7 has been determined by the Social Security Adminis-
8 tration to be disabled with medical improvement not
9 expected and who provides documentation of such
10 determination to the Secretary of Education, shall
11 be considered permanently and totally disabled for
12 the purpose of discharging such borrower’s loans
13 under this subsection, and such borrower shall not
14 be required to present additional documentation for
15 purposes of this subsection.

16 “(4) REINSTATEMENT PROVISIONS.—A bor-
17 rower of a loan that is discharged under paragraph
18 (2) or (3) shall not be subject to the reinstatement
19 provisions described in paragraph (1).

20 “(5) DATA COLLECTION AND REPORT TO CON-
21 GRESS.—

22 “(A) DATA COLLECTION.—The Secretary
23 shall annually collect data about borrowers ap-
24 plying for, and borrowers receiving, loan dis-

1 charges under this subsection, which shall in-
2 clude the following:

3 “(i) Data regarding—

4 “(I) the number of applications
5 received under this subsection;

6 “(II) the number of such applica-
7 tions that were approved; and

8 “(III) the number of loan dis-
9 charges that were completed under
10 this subsection.

11 “(ii) A summary of the reasons why
12 the Secretary reinstated the obligation of,
13 and resumed collection on, loans dis-
14 charged under this subsection.

15 “(iii) The data described in subclauses
16 (I) through (III) of clause (i), and clause
17 (ii), for each of the following:

18 “(I) Borrowers applying for, and
19 borrowers receiving, loan discharges
20 under paragraph (2)(A).

21 “(II) Borrowers applying for, and
22 borrowers receiving, loan discharges
23 under paragraph (2)(B).

1 “(III) Borrowers applying for,
2 and borrowers receiving, loan dis-
3 charges under paragraph (3).

4 “(iv) Any other information the Sec-
5 retary determines is necessary.

6 “(B) REPORT.—The Secretary shall annu-
7 ally report to Congress, and make publicly
8 available, the information described in subpara-
9 graph (A).”.

10 (b) REPORTS.—

11 (1) PLAN.—Not later than 90 days after the
12 date of the enactment of this Act, the Secretary of
13 Education shall submit to the appropriate commit-
14 tees of Congress a report that includes a plan to
15 carry out the activities described under section
16 437(a)(2)(B)(iii) of the Higher Education Act of
17 1965 (20 U.S.C. 1087(a)(2)(B)(iii)), as amended by
18 this section.

19 (2) FOLLOW-UP REPORT.—If the Secretary of
20 Education has not carried out the activities de-
21 scribed under section 437(a)(2)(B)(iii) of the Higher
22 Education Act of 1965, as amended by this section,
23 by the date that is 1 year after the date of enact-
24 ment of this Act, the Secretary of Education shall
25 submit, by such date, a report that includes an ex-

1 planation of why those activities have not been im-
2 plemented.

3 **SEC. 430. TREATMENT OF BORROWERS FALSELY CER-**
4 **TIFIED AS ELIGIBLE TO BORROW DUE TO**
5 **IDENTITY THEFT.**

6 Section 437(c)(1) (20 U.S.C. 1087(c)(1)) is amended
7 by striking “of a crime”.

8 **PART C—FEDERAL DIRECT LOAN PROGRAM**

9 **SEC. 451. ELIMINATION OF ORIGINATION FEES AND OTHER**
10 **AMENDMENTS TO TERMS AND CONDITIONS**
11 **OF LOANS.**

12 (a) AMENDMENTS.—Section 455 (20 U.S.C. 1087e)
13 is amended—

14 (1) by repealing subsection (c);

15 (2) in subsection (d)—

16 (A) in paragraph (1)(D), by inserting “or
17 to any borrower who has not selected the in-
18 come contingent repayment plan before the date
19 that is 1 year after the date of enactment of the
20 Higher Education Affordability Act” before the
21 semicolon at the end; and

22 (B) in paragraph (5)—

23 (i) by striking subparagraph (A) and
24 inserting the following:

1 “(A) pay collection costs in an amount
2 that is reasonable and that does not exceed the
3 bona fide collection costs associated with such
4 student loan that are actually incurred in col-
5 lecting the debt against the borrower; and”;
6 and

7 (ii) in subparagraph (B), by striking
8 “income contingent repayment plan” and
9 inserting “income-based repayment plan,
10 as provided in 493C”;

11 (3) in subsection (e)—

12 (A) in paragraph (1), by striking “The
13 Secretary” and inserting “With respect to bor-
14 rowers who have selected, or been required to
15 use, an income contingent repayment plan be-
16 fore the date that is 1 year after the date of en-
17 actment of the Higher Education Affordability
18 Act, the Secretary”;

19 (B) in paragraph (3), by inserting “before
20 the date that is 1 year after the date of enact-
21 ment of the Higher Education Affordability
22 Act” after “income contingent repayment”;

23 (C) by striking paragraph (6); and

24 (D) by redesignating paragraph (7) as
25 paragraph (6);

1 (4) in subsection (f)(2)—

2 (A) in subparagraph (C), by striking “the
3 borrower—” and all that follows through “de-
4 scribed in clause (i) or (ii); or” and inserting
5 “the borrower is performing eligible military
6 service, and for the 180 day period following
7 the demobilization date for such eligible mili-
8 tary service;”;

9 (B) by redesignating subparagraph (D) as
10 subparagraph (E); and

11 (C) by inserting after subparagraph (C)
12 the following:

13 “(D) any period not in excess of 180 days
14 after the effective movement date listed on the
15 military orders of a borrower’s spouse if that
16 spouse is a member of the Armed Forces who
17 has received military orders for a permanent
18 change of station; or”;

19 (5) by striking subsection (h) and inserting the
20 following:

21 “(h) **BORROWER CLAIMS AND DEFENSES.—**

22 “(1) **IN GENERAL.—**Notwithstanding any other
23 provision of State or Federal law, a borrower, re-
24 gardless of the account status of the borrower’s loan,
25 may assert as an affirmative claim or defense

1 against repayment, any act or omission of an insti-
2 tution of higher education attended by the borrower
3 that would give rise to a cause of action against the
4 institution under this Act, other Federal law, or ap-
5 plicable State law, except that in no event may a
6 borrower recover from the Secretary, in any action
7 arising from or relating to a loan made under this
8 part, an amount in excess of the amount such bor-
9 rower has repaid on such loan.

10 “(2) EXERCISE BY SECRETARY.—The Secretary
11 may elect to carry out the authority under this sub-
12 section on behalf of a group of multiple borrowers
13 if the Secretary determines that the group has been
14 harmed by the same act, omission, or practice.”;

15 (6) in subsection (m)—

16 (A) by redesignating paragraphs (3) and

17 (4) as paragraphs (4) and (5), respectively; and

18 (B) by inserting after paragraph (2) the

19 following:

20 “(3) LUMP SUM PAYMENT.—For purposes of
21 this subsection, if a borrower has enrolled in a re-
22 payment plan described in paragraph (1)(A) and
23 makes a lump sum payment through a student loan
24 repayment program under section 2171 of title 10,
25 United States Code, or a similarly structured eligible

1 repayment program (as determined by the Sec-
2 retary), the Secretary will treat the borrower as hav-
3 ing made a number of qualifying payments equal to
4 the lesser of—

5 “(A) the number, rounded to the nearest
6 whole number, equal to the quotient of—

7 “(i) such lump sum payment; divided
8 by

9 “(ii) the monthly payment amount
10 that the borrower would have otherwise
11 made under the repayment plan described
12 in paragraph (1)(A) selected by the bor-
13 rower; or

14 “(B) 12 payments.”; and

15 (7) in subsection (o)—

16 (A) by striking paragraph (1) and insert-
17 ing the following:

18 “(1) IN GENERAL.—Notwithstanding any other
19 provision of this part and in accordance with para-
20 graphs (2) and (4), the Secretary shall not charge
21 interest on a loan made to a borrower under this
22 part for which the first disbursement is made on or
23 after October 1, 2008 during the period in which a
24 borrower who is performing eligible military service
25 is serving in an area of hostilities in which service

1 qualifies for special pay under section 310 of title
2 37, United States Code.”;

3 (B) by striking paragraph (3) and insert-
4 ing the following:

5 “(3) IMPLEMENTATION OF ACCRUAL OF INTER-
6 EST PROVISION FOR MEMBERS OF THE ARMED
7 FORCES.—

8 “(A) IN GENERAL.—The Secretary of Edu-
9 cation shall enter into any necessary agree-
10 ments, including agreements with the Commis-
11 sioner of Revenue and the Secretary of De-
12 fense—

13 “(i) to ensure that interest does not
14 accrue for eligible military borrowers, in
15 accordance with this subsection; and

16 “(ii) to obtain or provide any informa-
17 tion necessary to implement clause (i)
18 without requiring a request from the bor-
19 rower.

20 “(B) REPORTS.—

21 “(i) PLAN.—Not later than 90 days
22 after the date of the enactment of the
23 Higher Education Affordability Act, the
24 Secretary shall submit to the appropriate
25 committees of Congress a report that in-

1 cludes a plan to implement the accrual of
2 interest provision described in subpara-
3 graph (A).

4 “(ii) FOLLOW-UP REPORT.—If the
5 Secretary has not implemented the accrual
6 of interest provision described in subpara-
7 graph (A) by the date that is 1 year after
8 the date of enactment of the Higher Edu-
9 cation Affordability Act, the Secretary
10 shall submit, by such date, a report that
11 includes an explanation of why such provi-
12 sion has not been implemented.”; and

13 (C) in paragraph (4), by striking “who
14 qualifies as an eligible military borrower under
15 this subsection” and inserting “described in
16 paragraph (1)”.

17 (b) EFFECTIVE DATES.—

18 (1) REPEAL OF LOAN FEES.—The amendment
19 made by subsection (a)(1) shall apply with respect to
20 loans made under part D of title IV of the Higher
21 Education Act of 1965 (20 U.S.C. 1087a et seq.) for
22 which the first disbursement of principal is made,
23 or, in the case of a Federal Direct Consolidation
24 Loan, the application is received, on or after July 1,
25 2014.

1 (2) **TERMINATING INCOME CONTINGENT REPAY-**
2 **MENT.**—The amendments made by subparagraphs
3 (A) and (B)(ii) of paragraph (2), and paragraph (3),
4 of subsection (a) shall take effect on the date that
5 is 1 year after the date of enactment of this Act.

6 **SEC. 452. IMPROVED STUDENT LOAN SERVICING AND DEBT**
7 **COLLECTION PRACTICES.**

8 (a) **AMENDMENTS.**—Section 456 (20 U.S.C. 1087f)
9 is amended by adding at the end the following:

10 “(c) **LIMITATION ON CONTRACTS FOR THE SERV-**
11 **ICING OF LOANS.**—

12 “(1) **IN GENERAL.**—A contract entered into
13 under this section for the servicing of loans made or
14 purchased under this part shall include—

15 “(A) a provision that prohibits the servicer
16 from marketing to a borrower of a loan which
17 the servicer services, a financial product or
18 service while the borrower is enrolled in an in-
19 stitution of higher education;

20 “(B) a provision that, after the borrower is
21 no longer enrolled in an institution of higher
22 education, the servicer may only market a fi-
23 nancial product or service to the borrower
24 through an opt-in rather than an opt-out sys-
25 tem; and

1 “(C) a provision that, to the extent prac-
2 ticable, the servicer shall clearly disclose in any
3 written material or correspondence sent or
4 made available to the borrower (including cor-
5 respondence and disclosures on the website of
6 the servicer) that the material or correspond-
7 ence is in relation to a Department of Edu-
8 cation loan.

9 “(2) NO PREDISPUTE ARBITRATION
10 CLAUSES.—A contract entered into under this sec-
11 tion for the servicing of loans made or purchased
12 under this part shall include a provision that any
13 rights and remedies available to borrowers against
14 the servicer may not be waived by any agreement,
15 policy, or form, including by a predispute arbitration
16 agreement.

17 “(d) STUDY OF DIRECT LOAN DEBT COLLECTION.—

18 “(1) IN GENERAL.—The Secretary shall con-
19 duct a study to determine whether it is efficient and
20 effective to contract with private entities under this
21 section for the collection of loans made or purchased
22 under this part that are in default.

23 “(2) EVALUATION METHOD.—For purposes of
24 the study described in paragraph (1), the Secretary

1 shall evaluate efficiency and effectiveness in terms
2 of—

3 “(A) the cost incurred by the Federal Gov-
4 ernment for the collections of defaulted loans
5 under this part through contracts under this
6 section, and such cost in comparison with the
7 costs of other methods by which debt owed to
8 the Federal Government are collected or recov-
9 ered, including the collection of any unpaid
10 taxes;

11 “(B) the consumer protections provided to
12 the borrower who has defaulted on a loan under
13 this part through the collections process;

14 “(C) the impact of the collections process
15 for defaulted loans under this part on the integ-
16 rity of the loan program carried out under this
17 part; and

18 “(D) borrower experience, as determined
19 through borrower surveys.

20 “(3) RECOVERY COSTS.—

21 “(A) IN GENERAL.—As part of the study
22 conducted under this subsection, the Secretary
23 shall calculate the average recovery cost, per
24 dollar recovered, through the collection of de-
25 faulted loans made under this part, in the ag-

1 gregate for all borrowers of defaulted loans and
2 disaggregated for the following categories of
3 borrowers of defaulted loans:

4 “(i) Veterans with a service-connected
5 disability (as defined in section 101 of title
6 38, United States Code).

7 “(ii) Individuals who are entitled to
8 benefits under section 223 of the Social
9 Security Act (42 U.S.C. 423).

10 “(iii) Individuals who are allowed an
11 earned income tax credit pursuant to sec-
12 tion 32 of the Internal Revenue Code of
13 1986.

14 “(iv) Recipients of assistance under
15 the supplemental nutrition assistance pro-
16 gram established under the Food and Nu-
17 trition Act of 2008 (7 U.S.C. 2011 et
18 seq.).

19 “(B) **CONSULTATION.**—The Secretary
20 shall consult with the Secretary of the Treas-
21 ury, the Administrator of the Social Security
22 Administration, the Secretary of Veterans Af-
23 fairs, and the Secretary of Agriculture, as ap-
24 propriate, in order to identify individuals in the
25 categories described in clauses (i) through (iv)

1 of subparagraph (A) and to calculate the aver-
2 age recovery cost per dollar recovered for each
3 category of borrowers.

4 “(4) **ADDITIONAL INFORMATION REGARDING**
5 **COSTS.**—The Secretary may directly carry out collec-
6 tion activities for a subset of defaulted loans under
7 this part, instead of awarding contracts under sub-
8 section (b)(2) for such activities, if the Secretary de-
9 termines it would better inform the study required
10 under paragraph (1).

11 “(5) **REPORT.**—By not later than the date that
12 is 1 year after the date of enactment of the Higher
13 Education Affordability Act, the Secretary shall pre-
14 pare and submit to the authorizing committees a re-
15 port that includes the findings of the study con-
16 ducted under paragraph (1).

17 “(e) **CERTIFICATION NECESSARY FOR CONTINUED**
18 **PRIVATE DEBT COLLECTIONS.**—

19 “(1) **CERTIFICATION.**—Not later than 1 year
20 after the date of enactment of the Higher Education
21 Affordability Act, the Secretary shall submit to the
22 authorizing committees, and make available to the
23 public—

1 “(A) a certification that the Secretary has
2 determined, based on the results of the study
3 conducted under subsection (d), that—

4 “(i) the use of private entities for the
5 collection of defaulted loans made or pur-
6 chased under this part is necessary to
7 maintain the integrity of the loan program
8 carried out under this part;

9 “(ii) the collection costs paid to such
10 private entities under the contracts author-
11 ized by this section, in the aggregate and
12 for each category of borrowers described in
13 subsection (d)(3)(A), are reasonable; and

14 “(iii) expending funds for such collec-
15 tion costs is in the best financial interest
16 of the United States; or

17 “(B) a notification that the Secretary will
18 not issue the certification described in subpara-
19 graph (A).

20 “(2) PROHIBITION OF CONTRACTS FOR PRIVATE
21 DEBT COLLECTIONS WITHOUT CERTIFICATION.—

22 Notwithstanding subsection (b)(2), beginning on the
23 date that is 1 year after the date of enactment of
24 the Higher Education Affordability Act, the Sec-
25 retary shall not enter into any contract with a pri-

1 vate entity under this section for the collection of de-
2 faulted loans made or purchased under this part if
3 the Secretary did not issue the certification de-
4 scribed in paragraph (1)(A) by such date.

5 “(f) TERMINATION OF CONTRACTS.—

6 “(1) TERMINATION.—The Secretary shall ter-
7 minate any contract with an entity for the collection
8 of defaulted loans made or purchased under this
9 part if the entity, an affiliate of that entity, or a
10 service provider of the entity is found to have com-
11 mitted a violation of—

12 “(A) the prohibition on unfair, deceptive,
13 or abusive acts or practices under section 1031
14 of the Consumer Financial Protection Act of
15 2010 (12 U.S.C. 5531), including the regula-
16 tions promulgated under such section, relating
17 to the services performed pursuant to a con-
18 tract under this section; or

19 “(B) the Fair Debt Collection Practices
20 Act (15 U.S.C. 1692 et seq.), including the reg-
21 ulations promulgated under such Act, relating
22 to the services performed pursuant to a con-
23 tract under this section.

1 “(2) PROHIBITION ON ADDITIONAL CON-
2 TRACTS.—If the Secretary terminates a contract
3 with an entity under paragraph (1), such entity—

4 “(A) shall not be eligible to participate in
5 the next award cycle for contracts relating to
6 the collection of defaulted loans made or pur-
7 chased under this part that follows the date of
8 termination of the contract; and

9 “(B) shall not be eligible to receive any
10 new contract relating to the collection of such
11 defaulted loans during the 2-year period begin-
12 ning on the date of termination.

13 “(3) IDENTIFICATION OF OTHER VIOLA-
14 TIONS.—

15 “(A) IN GENERAL.—In any case where the
16 Secretary obtains evidence that any person or
17 entity has engaged in debt collection practices
18 described in paragraph (1) that may constitute
19 a violation of Federal law, the Secretary shall
20 transmit such evidence to the Director of the
21 Bureau of Consumer Financial Protection for
22 further proceedings under the appropriate law.

23 “(B) RULE OF CONSTRUCTION.—Nothing
24 in this paragraph shall be construed to affect

1 any other authority provided to the Secretary to
2 disclose information to a Federal agency.”.

3 (b) **STUDY AND REPORT ON SPECIALTY SERVICING**
4 **CONTRACTS.—**

5 (1) **IN GENERAL.—**The Secretary of Education,
6 in consultation with the Director of the Bureau of
7 Consumer Financial Protection and the Secretary of
8 the Treasury, shall—

9 (A) conduct a study as to whether spe-
10 cialty servicing contracts in the Federal Direct
11 Loan Program under part D of title IV of the
12 Higher Education Act of 1965 (20 U.S.C.
13 1087a et seq.) could better serve varying seg-
14 ments of student loan borrowers, and, in par-
15 ticular, the unique needs of borrowers in delin-
16 quency or experiencing partial financial hard-
17 ship and the allocation of servicer resources to
18 assist such borrower segment; and

19 (B) not later than 180 days after the date
20 of enactment of this Act, submit a report to the
21 Committee on Health, Education, Labor, and
22 Pensions of the Senate, the Committee on
23 Banking, Housing, and Urban Affairs of the
24 Senate, the Committee on Education and the
25 Workforce of the House of Representatives, and

1 seq.) and whether servicers adequately encour-
2 age repayment, as well as the use of alternative
3 repayment options and discharge where appro-
4 priate; and

5 (B) that includes an analysis of the criteria
6 utilized by the Department of Education in de-
7 termining performance-based allocation of ac-
8 count volume in entering into contracts for
9 servicing of loans made or purchased under
10 part D of title IV of the Higher Education Act
11 of 1965 (20 U.S.C. 1087a et seq.), and the ef-
12 fectiveness of those metrics in promoting repay-
13 ment.

14 (2) COMMENTS FROM THE PUBLIC.—In con-
15 ducting the report under paragraph (1), the Sec-
16 retary of Education, in consultation with the Direc-
17 tor of the Bureau of Consumer Financial Protection
18 and the Secretary of the Treasury, shall seek and
19 take comments from the public.

20 (3) PROCEDURES TO IMPLEMENT REC-
21 COMMENDATIONS.—If the report conducted under
22 paragraph (1) includes recommendations on meas-
23 ures to improve the incentive structure, the report
24 shall also include the procedures to implement such
25 recommendations.

1 (4) PUBLICATION.—The report conducted
2 under paragraph (1) shall be published not later
3 than 180 days after the date of enactment of this
4 Act.

5 (d) REPORT AND PLAN ON FFEL SERVICING.—

6 (1) IN GENERAL.—Not later than 180 days
7 after the date of enactment of this Act, the Sec-
8 retary of Education, in consultation with the Direc-
9 tor of the Bureau of Consumer Financial Protection
10 and the Secretary of the Treasury, shall publish a
11 report that identifies whether the public has ade-
12 quate visibility into the market of loan servicing
13 under part B of title IV of the Higher Education
14 Act of 1965 (20 U.S.C. 1071 et seq.) to adequately
15 assess the performance of such servicing under such
16 part, including—

17 (A) the utilization of alternative repayment
18 plans;

19 (B) the distribution of delinquent and de-
20 faulted loan balances; and

21 (C) loan performance by institution type.

22 (2) PLAN.—If the Secretary of Education, in
23 consultation with the Director of the Bureau of Con-
24 sumer Financial Protection and the Secretary of the
25 Treasury, determines that the public does not have

1 enough visibility into the market of loan servicing, as
2 described in paragraph (1), the Secretary of Edu-
3 cation, in consultation with the Director of the Bu-
4 reau of Consumer Financial Protection and the Sec-
5 retary of the Treasury, shall establish a plan to dis-
6 close such information necessary to provide for such
7 visibility.

8 (e) **REPORT ON SERVICING CHALLENGES.**—The Sec-
9 retary of Education shall periodically issue a report, at
10 times determined appropriate by the Secretary, about the
11 challenges borrowers face in the servicing of their student
12 loans, impediments to the efficient and effective servicing
13 of loans under title IV of the Higher Education Act of
14 1965 (20 U.S.C. 1070 et seq.), and any changes, including
15 protections for consumers, that should be considered to
16 improve postsecondary education loan servicing for all bor-
17 rowers, servicers, taxpayers, and the Department of Edu-
18 cation.

19 **SEC. 453. FEDERAL DIRECT LOAN FORGIVENESS FOR CER-**
20 **TAIN AMERICAN INDIAN EDUCATORS.**

21 Section 460(c) of the Higher Education Act of 1965
22 (20 U.S.C. 1087j(c)) is amended by adding at the end the
23 following:

24 “(4) **AMERICAN INDIAN TEACHERS IN LOCAL**
25 **EDUCATIONAL AGENCIES WITH A HIGH PERCENTAGE**

1 OF AMERICAN INDIAN STUDENTS.—Notwithstanding
2 the amount specified in paragraph (1) and the re-
3 quirements under subparagraphs (A) and (B) of
4 subsection (b)(1), the aggregate amount that the
5 Secretary shall cancel under this section shall be not
6 more than \$17,500 in the case of a borrower who—

7 “(A) has been employed as a full-time
8 teacher for 5 consecutive complete school years
9 in a local educational agency described in sec-
10 tion 7112(b) of the Elementary and Secondary
11 Education Act of 1965 or in a school operated
12 or funded by the Bureau of Indian Education;
13 and

14 “(B) is a member of an Indian tribe (as
15 defined in section 4 of the Indian Self-Deter-
16 mination and Education Assistance Act (25
17 U.S.C. 450b)).”.

18 **PART D—FEDERAL PERKINS LOANS**

19 **SEC. 461. SIMPLIFICATION OF MILITARY DEFERMENT ELI-**
20 **GIBILITY.**

21 Section 464(c)(2)(A) (20 U.S.C. 1087dd(c)(2)(A)) is
22 amended—

23 (1) by redesignating clauses (iv) and (v) as
24 clauses (v) and (vi), respectively;

1 (2) in clause (iii), by striking “the borrower—
2 ” and all that follows through “described in sub-
3 clause (I) or (II);” and inserting “during which the
4 borrower is performing eligible military service, and
5 for the 180 day period following the demobilization
6 date for such eligible military service;”; and

7 (3) by inserting after clause (iii) the following:

8 “(iv) not in excess of 180 days after the ef-
9 fective movement date listed on the military or-
10 ders of a borrower’s spouse if that spouse is a
11 member of the Armed Forces who has received
12 military orders for a permanent change of sta-
13 tion; or”.

14 **SEC. 462. 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 **PART E—NEED ANALYSIS**

21 **SEC. 471. INCREASED INCOME PROTECTION ALLOWANCE**
22 **FOR DEPENDENT STUDENTS.**

23 (a) AMENDMENT.—Section 475(g)(2)(D) (20 U.S.C.
24 1087oo(g)(2)(D)) is amended to read as follows:

1 “(D) an income protection allowance (or a
2 successor amount prescribed by the Secretary
3 under section 478) of \$10,260 for academic
4 year 2015–2016;”.

5 (b) **EFFECTIVE DATE.**—The amendment made by
6 subsection (a) shall take effect on July 1, 2015.

7 **SEC. 472. INCREASED INCOME PROTECTION ALLOWANCE**
8 **FOR INDEPENDENT STUDENTS WITHOUT DE-**
9 **PENDENTS OTHER THAN A SPOUSE.**

10 (a) **AMENDMENT.**—Section 476(b)(1)(A)(iv) (20
11 U.S.C. 1087pp(b)(1)(A)(iv)) is amended to read as fol-
12 lows:

13 “(iv) an income protection allowance
14 (or a successor amount prescribed by the
15 Secretary under section 478)—

16 “(I) for single or separated stu-
17 dents, or married students where both
18 are enrolled pursuant to subsection
19 (a)(2), of \$13,730 for academic year
20 2015–2016; and

21 “(II) for married students where
22 1 is enrolled pursuant to subsection
23 (a)(2), of \$19,600 for academic year
24 2015–2016;”.

1 (b) EFFECTIVE DATE.—The amendment made by
 2 subsection (a) shall take effect on July 1, 2015.

3 **SEC. 473. INCREASED INCOME PROTECTION ALLOWANCE**
 4 **FOR INDEPENDENT STUDENTS WITH DE-**
 5 **PENDENTS OTHER THAN A SPOUSE.**

6 (a) AMENDMENT.—Section 477(b)(4) of the Higher
 7 Education Act of 1965 (20 U.S.C. 1087qq(b)(4)) is
 8 amended to read as follows:

9 “(4) INCOME PROTECTION ALLOWANCE.—The
 10 income protection allowance is determined by the fol-
 11 lowing table (or a successor table prescribed by the
 12 Secretary under section 478), for academic year
 13 2015–2016:

“Income Protection Allowance						
Family Size	Number in College					For each additional subtract:
	1	2	3	4	5	
(including student)						
2	\$28,650	\$24,430				\$4,250
3	34,690	30,490	\$26,280			
4	41,890	37,690	33,500	\$29,270		
5	48,710	44,490	40,300	36,090	\$31,900	
6	56,290	52,080	47,900	43,670	39,480	
For each additional add:	6,000					”.

14 (b) EFFECTIVE DATE.—The amendment made by
 15 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

10 (i)—

11 (I) by striking “during the school
12 year in which the application is sub-
13 mitted as either an unaccompanied
14 youth” and inserting “as either an
15 unaccompanied youth age 23 or
16 younger who is”; and

17 (II) by striking “terms are” and
18 inserting “term is”;

19 (ii) in clause (i), by inserting “, or a
20 designee of the liaison” after “Act”; and

21 (iii) in clause (ii), by striking “a pro-
22 gram funded under the Runaway and
23 Homeless Youth Act” and inserting “an
24 emergency or transitional shelter, street
25 outreach program, homeless youth drop-in

1 center, or other program serving homeless
2 youth,”; and

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

4 “(3) SIMPLIFYING THE DETERMINATION PROC-
5 ESS FOR UNACCOMPANIED YOUTH.—

6 “(A) VERIFICATION.—A financial aid ad-
7 ministrator is not required to verify homeless-
8 ness determinations made by the individuals au-
9 thorized to make such determinations under
10 clause (i), (ii), or (iii) of paragraph (1)(H) in
11 the absence of conflicting information. A docu-
12 mented phone call with, or a written statement
13 from, one of the authorized individuals is suffi-
14 cient verification when needed.

15 “(B) DETERMINATION OF INDEPEND-
16 ENCE.—A financial aid administrator shall con-
17 duct the verification under paragraph (1)(H) if
18 a student does not have, and cannot get, docu-
19 mentation from any of the individuals author-
20 ized to make such determinations under clause
21 (i), (ii), or (iii) of paragraph (1)(H). The finan-
22 cial aid administrator shall make the deter-
23 mination of independence based on the deter-
24 mination of a student as an unaccompanied
25 youth who is a homeless child or youth (as such

1 terms are defined in section 725 of the McKin-
2 ney-Vento Homeless Assistance Act), or as un-
3 accompanied, at risk of homelessness, and self-
4 supporting, which—

5 “(i) shall be distinct from a deter-
6 mination of independence described under
7 paragraph (1)(I); and

8 “(ii) may be based on a documented
9 interview with the student if there is no
10 written documentation available.

11 “(C) DURATION OF DETERMINATION.—A
12 student shall receive a determination under
13 paragraph (1)(H) during the school year in
14 which the student initially submits the applica-
15 tion. If a student is determined to be inde-
16 pendent under paragraph (1)(H), the student
17 shall be presumed to be independent in subse-
18 quent years unless—

19 “(i) the student informs the financial
20 aid office that circumstances have changed;
21 or

22 “(ii) the financial aid administrator
23 has specific conflicting information about
24 the student’s independence.”; and

1 (3) by striking paragraph (5) of subsection (e)
2 and inserting the following:

3 “(5) payments made and services provided
4 under part E of title IV of the Social Security Act,
5 including the value of vouchers for education and
6 training made available under section 477 of such
7 Act, and any payments made directly to youth as
8 part of an extended foster care program pursuant to
9 such part E; and”.

10 **PART F—GENERAL PROVISIONS**

11 **SEC. 481. DEFINITIONS.**

12 Section 481 (20 U.S.C. 1088) is amended—

13 (1) by striking subsection (d);

14 (2) in the subsection heading of subsection (f),
15 by striking “DEFINITION OF”;

16 (3) by redesignating subsections (b), (c), (e),
17 and (f) as subsections (f), (m), (c), and (d), respec-
18 tively, and transferring such subsections so as to be
19 in alphabetical order;

20 (4) by inserting after subsection (a) the fol-
21 lowing:

22 “(b) **COMMISSION, BONUS, OR OTHER INCENTIVE**
23 **PAYMENT.**—For purposes of this title, the term ‘commis-
24 sion, bonus, or other incentive payment’ means a sum of
25 money or something of value, other than a fixed salary

1 or wages, paid to or given to a person or an entity for
2 services rendered.”;

3 (5) by inserting after subsection (d), as redesignig-
4 nated by paragraph (3), the following:

5 “(e) ELIGIBLE MILITARY SERVICE.—

6 “(1) IN GENERAL.—The term ‘eligible military
7 service’—

8 “(A) in the case of a member of a regular
9 component of the Armed Forces, means full-
10 time duty in the Armed Forces, other than ac-
11 tive duty for training (as defined in section 101
12 of title 38, United States Code) of 30 days or
13 less;

14 “(B) in the case of a member of the re-
15 serve components of the Armed Forces, means
16 service on active duty under a call or order to
17 active duty under—

18 “(i) section 688, 12302, 12304, or
19 12322 of title 10, United States Code;

20 “(ii) subsection (a), (d), or (g) of sec-
21 tion 12301 of title 10, United States Code;

22 or

23 “(iii) section 712 of title 14, United
24 States Code; and

1 “(C) in the case of a member of the Army
2 National Guard of the United States or Air Na-
3 tional Guard of the United States, means, in
4 addition to service described in subparagraph
5 (B), full-time service—

6 “(i) in the National Guard of a State
7 for the purpose of organizing, admin-
8 istering, recruiting, instructing, or training
9 the National Guard; or

10 “(ii) in the National Guard under sec-
11 tion 502(f) of title 32, United States Code,
12 when authorized by the President or the
13 Secretary of Defense for the purpose of re-
14 sponding to a national emergency declared
15 by the President and supported by Federal
16 funds.

17 “(D) in the case of a servicemember who
18 is a commissioned officer of the Public Health
19 Service or the National Oceanic and Atmos-
20 pheric Administration, active service.

21 “(2) EXCLUSIONS.—The term ‘eligible military
22 service’ does not include any period during which an
23 individual—

24 “(A) was assigned full-time by the Armed
25 Forces to a civilian institution for a course of

1 education that was substantially the same as
2 established courses offered to civilians;

3 “(B) serves as a cadet or midshipman at
4 one of the military service academies of the
5 United States; or

6 “(C) serves under the provisions of section
7 12103(d) of title 10, United States Code, pur-
8 suant to an enlistment in the Army National
9 Guard or the Air National Guard, or as a Re-
10 serve for service in the Army Reserve, Navy Re-
11 serve, Air Force Reserve, Marine Corps Re-
12 serve, or Coast Guard Reserve.”;

13 (6) by inserting after subsection (f), as redesi-
14 gnated by paragraph (3), the following:

15 “(g) INSTITUTION AFFILIATE.—For purposes of this
16 title, the term ‘institution affiliate’ means any person or
17 entity that controls, is controlled by, or is under common
18 control with, an institution of higher education.

19 “(h) MILITARY ORDERS.—For purposes of this title,
20 the term ‘military orders’, when used with respect to a
21 member of the Armed Forces, means official military or-
22 ders, or any notification, certification, or verification from
23 the member’s commanding officer, with respect to the
24 member’s current or future military duty status.

1 “(i) REVENUE-SHARING ARRANGEMENT.—For pur-
2 poses of this title, the term ‘revenue-sharing arrangement’
3 means an arrangement between an institution of higher
4 education and third party under which—

5 “(1) the third party provides, exclusively or
6 nonexclusively, educational products or services to
7 prospective students or students attending the insti-
8 tution of higher education; and

9 “(2) the third party or institution of higher
10 education pays a fee or provides other material bene-
11 fits, including revenue- or profit-sharing, to the in-
12 stitution of higher education or third party in con-
13 nection with the educational products or services
14 provided to prospective students or students attend-
15 ing the institution of higher education.

16 “(j) SECURING ENROLLMENTS OR SECURING OR
17 AWARDING FINANCIAL AID.—

18 “(1) IN GENERAL.—For purposes of this title,
19 the term ‘securing enrollments or securing or award-
20 ing financial aid’—

21 “(A) means any activity carried out by a
22 person or entity for the purpose of the admis-
23 sion or matriculation of a student to an institu-
24 tion of higher education or the award of finan-
25 cial aid to a student that occurs at any time

1 until the student has completed the student's
2 educational program at an institution;

3 “(B) includes contact in any form with a
4 prospective student, such as contact through
5 preadmission or advising activities, scheduling
6 an appointment to visit the enrollment office or
7 any other office of the institution, attendance at
8 such an appointment, or involvement in a pro-
9 spective student's signing of an enrollment
10 agreement or financial aid application; and

11 “(C) does not include making a payment
12 to a third party for the provision of student
13 contact information for prospective students, as
14 long as such payment is not based on—

15 “(i) any additional conduct or action
16 by the third party or any prospective stu-
17 dent, such as participation in preadmission
18 or advising activities, scheduling an ap-
19 pointment to visit the enrollment office or
20 any other office of the institution or at-
21 tendance at such an appointment, or the
22 signing, or being involved in the signing, of
23 a prospective student's enrollment agree-
24 ment or financial aid application; or

1 “(ii) the number of students (cal-
2 culated at any point in time of an edu-
3 cational program) who apply for enroll-
4 ment, are awarded financial aid, or are en-
5 rolled for any period of time, including
6 through completion of an educational pro-
7 gram.

8 “(k) **SERVICE PROVIDER.**—For purposes of this title,
9 the term ‘service provider’ means any State, person, or
10 entity that enters into a contract with an eligible institu-
11 tion to administer any aspect of the institution’s participa-
12 tion in any program under this title, including—

13 “(1) securing enrollments or securing or award-
14 ing financial aid;

15 “(2) student performance in educational
16 coursework;

17 “(3) student graduation;

18 “(4) job placement of students; or

19 “(5) any other academic facet of a student’s en-
20 rollment in an institution of higher education.

21 “(l) **STUDENT DEFAULT RISK.**—For purposes of this
22 title, the term ‘student default risk’ means a risk that is
23 reflected as a percentage that is calculated by taking an
24 institution’s 3-year cohort default rate, as defined in sec-
25 tion 435(m), for the most recent fiscal year available, and

1 multiplying it by the percentage of students enrolled at
2 such institution receiving a Federal student loan author-
3 ized under this title during the previous academic year.”.

4 **SEC. 482. STANDARD NOTIFICATION FORMAT FOR DELIN-**
5 **QUENT BORROWERS; EXPLANATION OF BEN-**
6 **EFITS OF FEDERAL LOANS.**

7 Part G of title IV (20 U.S.C. 1088 et seq.) is amend-
8 ed by inserting after section 483 the following:

9 **“SEC. 483A. STANDARD NOTIFICATION FORMAT FOR DELIN-**
10 **QUENT BORROWERS; EXPLANATION OF BEN-**
11 **EFITS OF FEDERAL LOANS.**

12 **“(a) STANDARD NOTIFICATION FORMAT FOR DELIN-**
13 **QUENT BORROWERS.—**

14 **“(1) IN GENERAL.—**The Secretary, in consulta-
15 tion with the Director of the Bureau of Consumer
16 Financial Protection, shall develop and submit to
17 consumer testing in accordance with section 483C, a
18 standard format to be used to notify, by writing and
19 by telephone, borrowers who are delinquent, or at
20 risk of becoming delinquent, on loans made, insured,
21 or guaranteed under part B or D of the borrower’s
22 repayment options, including deferment, forbear-
23 ance, the income-based repayment plan available
24 under section 493C, loan forgiveness opportunities,
25 and, if applicable, the possibility for loan discharge.

1 develop a standard format for financial aid award letters
2 based on recommendations from representatives of stu-
3 dents, students' families, institutions of higher education,
4 secondary school and postsecondary education counselors,
5 and nonprofit consumer groups.

6 “(b) **KEY REQUIRED CONTENTS FOR FINANCIAL AID**
7 **AWARD LETTERS.**—The standard format developed under
8 subsection (a) shall include, in a consumer-friendly man-
9 ner that is simple and understandable, the following items
10 clearly separated from each other and listed on the first
11 page of the financial aid award letter in either electronic
12 or written format:

13 “(1) Information on the student's cost of at-
14 tendance based on the most current costs for the
15 academic period covered by the financial aid award
16 letter, including the following expenses (as deter-
17 mined under section 472):

18 “(A) Tuition and fees.

19 “(B) Room and board costs.

20 “(C) Books and supplies.

21 “(D) Transportation.

22 “(E) Miscellaneous personal expenses.

23 “(2)(A) The amount of financial aid that the
24 student would not have to repay, such as scholar-
25 ships, grant aid offered under this title, or grant aid

1 offered by the institution, a State, or an outside
2 source to the student for such academic period;

3 “(B) a disclosure that the financial aid does not
4 have to be repaid and whether the student can ex-
5 pect to receive similar amounts of such financial aid
6 for each academic period the student is enrolled at
7 the institution; and

8 “(C) in the case of any institution that has a
9 policy or practice of front-loading grant aid, a dislo-
10 sure of that practice and that the student may re-
11 ceive less grant aid in future academic terms.

12 “(3) The net price that the student, or the stu-
13 dent’s family on behalf of the student, will have to
14 pay for the student to attend the institution for such
15 academic period, equal to the difference between—

16 “(A) the cost of attendance as described in
17 paragraph (1) for the student for such aca-
18 demic period; and

19 “(B) the amount of financial aid described
20 in paragraph (2) that is included in the finan-
21 cial aid award letter.

22 “(4) Work study assistance, including such as-
23 sistance available under part C, the likelihood of
24 finding employment opportunities on campus, and a
25 disclosure that the aid must be earned by the stu-

1 dent and the assistance offered is subject to the
2 availability of employment opportunities.

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 plans, and that longer
23 repayment terms may result in the student pay-
24 ing more money over the life of the 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 the benefits unique to Federal
14 student loans, including various repayment plans,
15 loan forgiveness, and loan deferment, and the terms
16 to examine carefully if considering a private edu-
17 cation loan.

18 “(8) The deadline and summary of the process,
19 if any, for accepting the financial aid offered in the
20 financial aid award letter.

21 “(9) The academic period covered by the finan-
22 cial aid award letter and a clear indication whether
23 the aid offered is based on full-time or part-time en-
24 rollment.

1 “(10) With respect to institutions where more
2 than 30 percent of enrolled students borrow loans to
3 pay for their education, the institution’s most recent
4 cohort default rate, as defined in section 435(m),
5 compared to the national average cohort default
6 rate.

7 “(11) Any other information the Secretary, in
8 consultation with the heads of relevant Federal
9 agencies, determines necessary so that students and
10 parents can make informed loan borrowing decisions,
11 including quality metrics such as percentage of stu-
12 dents at the institution who take out student loans
13 and average debt at graduation for students at the
14 institution.

15 “(c) OTHER REQUIRED CONTENTS FOR THE FINAN-
16 CIAL AID AWARD LETTER.—The standard format for a
17 financial aid award letter developed under subsection (a)
18 shall also include the following information, in a concise
19 format determined by the Secretary, in consultation with
20 the heads of relevant Federal agencies:

21 “(1) A concise summary of the terms and con-
22 ditions of financial aid recommended under para-
23 graphs (2), (4), and (5) of subsection (b), and a
24 method to provide students with additional informa-

1 tion about such terms and conditions, such as links
2 to the supplementary information.

3 “(2) At the institution’s discretion, additional
4 options for paying for the net amount listed in sub-
5 section (b)(3), such as the amount recommended to
6 be paid by the student or student’s family, Federal
7 Direct PLUS Loans, or private education loans. If
8 the institution recommends private education loans,
9 the financial aid award letter shall contain the addi-
10 tional following general disclosures:

11 “(A) The availability of, and the student’s
12 potential eligibility for, additional Federal fi-
13 nancial assistance under this title.

14 “(B) The impact of a proposed private
15 education loan on the student’s potential eligi-
16 bility for other financial assistance, including
17 Federal financial assistance under this title.

18 “(C) The student’s ability to select a pri-
19 vate educational lender of the student’s choice.

20 “(D) The student’s right to accept or re-
21 ject a private education loan within the 30-day
22 period following a private educational lender’s
23 approval of a student’s application and a stu-
24 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. 484. 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 master promissory note.

1 “(5) The standard notification format for bor-
2 rowers who are delinquent or at risk of being delin-
3 quent under section 483A.

4 “(6) The institutional financial aid award letter
5 required under section 483B.

6 “(7) The methodology for comparing institu-
7 tions based on the speed-based repayment rate
8 under section 483D(c)(4)(A).

9 “(8) Online entrance, exit, and interim loan
10 counseling tools, including the Department of Edu-
11 cation’s Financial Awareness Counseling Tool and
12 other online tools that may be used, and any disclo-
13 sures that may be provided, during the counseling
14 that is required under subsections (b), (l), and (n)
15 of section 485.

16 “(9) The personalized periodic statement re-
17 quired for borrowers who are automatically enrolled
18 into an income-based repayment plan under section
19 493C(d)(1)(D).

20 “(10) Any consent form or any online tool re-
21 quired for consent of borrowers with \$0 payment
22 under paragraph (1)(C)(ii)(II) or (3)(B) of section
23 493C(d).

24 “(b) PARTICIPANTS IN CONSUMER TESTING.—The
25 consumer testing process for a product described in sub-

1 section (a) shall include, as the Secretary determines nec-
2 essary for the product—

3 “(1) representatives of students (including low-
4 income students, first generation college students,
5 students underrepresented in higher education (in-
6 cluding students from ethnic and racial minorities),
7 adult students, and prospective students);

8 “(2) students’ families (including low-income
9 families, families with first generation college stu-
10 dents, families with students who are underrep-
11 resented in higher education (including students
12 from ethnic and racial minorities), and families with
13 prospective students);

14 “(3) representatives of institutions of higher
15 education, including faculty;

16 “(4) secondary school and postsecondary edu-
17 cation counselors;

18 “(5) postsecondary financial aid officers; and

19 “(6) nonprofit consumer groups.

20 “(c) USE OF CONSUMER TESTING RESULTS.—The
21 Secretary shall use the results of the consumer testing in
22 the final development of each product described in sub-
23 section (a), and may modify the definitions, terms, for-
24 matting, and design of any product tested under this sec-

1 tion based on the results of the consumer testing before
2 finalizing the product.

3 “(d) REPORT TO CONGRESS.—Not later than 3
4 months after the date any consumer testing under this
5 section concludes, the Secretary shall submit to the au-
6 thorizing committees a report that contains the results of
7 such consumer testing.”.

8 **SEC. 485. LOAN REPAYMENT RATE AND SPEED-BASED RE-**
9 **PAYMENT RATE.**

10 Part G of title IV (20 U.S.C. 1088 et seq.) is further
11 amended by inserting after section 483C, as added by sec-
12 tion 484, the following:

13 **“SEC. 483D. LOAN REPAYMENT RATE AND SPEED-BASED**
14 **REPAYMENT RATE.**

15 “(a) DEFINITIONS.—In this section:

16 “(1) AMOUNT PAID.—The term ‘amount paid’,
17 when used with respect to a covered Federal student
18 loan, means the amount paid of the outstanding bal-
19 ance, calculated by determining the difference be-
20 tween the original outstanding balance on the loan
21 and the current loan balance on the loan.

22 “(2) COHORT LOAN.—The term ‘cohort loan’,
23 when used with respect to an institution, means a
24 covered Federal student loan in the 2-year loan re-

1 payment cohort identified for the institution under
2 subsection (b)(2) for a fiscal year.

3 “(3) COVERED FEDERAL STUDENT LOAN.—The
4 term ‘covered Federal student loan’ means—

5 “(A) a loan made, insured, or guaranteed
6 under part B or D that is issued to a student
7 borrower; or

8 “(B) the portion of a loan made under sec-
9 tion 428C or a Federal Direct Consolidation
10 Loan that is used to repay a loan described in
11 subparagraph (A).

12 “(4) CURRENT LOAN BALANCE.—The term
13 ‘current loan balance’ means the sum of the current
14 outstanding balance due on a covered Federal stu-
15 dent loan, as of the date on which a rate determina-
16 tion under this section is being made, plus the ac-
17 crued and unpaid interest balance on the loan as of
18 such date.

19 “(5) ORIGINAL OUTSTANDING BALANCE.—The
20 term ‘original outstanding balance’, when used with
21 respect to a covered Federal student loan, means the
22 total amount of the outstanding balance of the loan,
23 including capitalized interest and any unpaid ac-
24 crued interest that has not been capitalized, as of
25 the date that the loan entered repayment.

1 “(6) PAYMENTS-MADE LOAN.—The term ‘pay-
2 ments-made loan’ means a covered Federal student
3 loan that has never been in default (or, in the case
4 of a loan described in paragraph (3)(B), neither the
5 consolidation loan nor any underlying loan have ever
6 been in default), where—

7 “(A) payments made by a borrower during
8 the most recently completed fiscal year reduce
9 the outstanding balance of the loan (which, in
10 the case of a loan described in paragraph
11 (3)(B), shall be deemed to mean reducing the
12 outstanding balance of the entire consolidation
13 loan) to an amount that is less than the out-
14 standing balance of the loan at the beginning of
15 that fiscal year; or

16 “(B) the borrower of the loan is in the
17 process of qualifying for public service loan for-
18 giveness under section 455(m) and submits an
19 employment certification to the Secretary that
20 demonstrates the borrower is engaged in a pub-
21 lic service job and the borrower made qualifying
22 payments, as determined under such section, on
23 the loan during the most recently completed fis-
24 cal year.

25 “(b) LOAN REPAYMENT RATE.—

1 “(1) METHOD OF CALCULATION.—Each fiscal
2 year, the Secretary shall determine the loan repay-
3 ment rate for each institution of higher education
4 that is participating in a program under this title or
5 seeking to regain eligibility to participate in a pro-
6 gram under this title by using the loan cohort identi-
7 fied under paragraph (2) to calculate the loan repay-
8 ment rate, in accordance with paragraph (3).

9 “(2) DETERMINATION OF LOAN COHORT.—

10 “(A) IN GENERAL.—For purposes of calcu-
11 lating the loan repayment rate for a fiscal year
12 under this subsection, the 2-year loan repay-
13 ment cohort for an institution of higher edu-
14 cation shall consist of all covered Federal stu-
15 dent loans of the institution that are in their
16 third year of repayment or in their fourth year
17 of repayment, except as provided in subpara-
18 graph (B).

19 “(B) SPECIAL RULES AND EXCLUSIONS.—

20 “(i) SPECIAL RULE FOR MEDICAL AND
21 DENTAL STUDENTS.—Notwithstanding
22 subparagraph (A), a covered Federal stu-
23 dent loan for any borrower who is a profes-
24 sional or graduate student enrolled in a
25 program of study that requires a medical

1 purposes of this subsection, except as
2 provided in subclause (II).

3 “(II) EXCEPTION FOR IN-SCHOOL
4 DEFERMENT.—The Secretary shall
5 not include any period during which
6 payments on a covered Federal stu-
7 dent loan are deferred under section
8 428(b)(1)(M)(i), 428B(d)(1)(A)(i), or
9 455(f)(2)(A) in determining the bor-
10 rower’s period of repayment for pur-
11 poses of paragraph (1), subject to
12 subclause (III).

13 “(III) NO EXCEPTION FOR CER-
14 TAIN SHORT TERM PROGRAMS OF
15 STUDY.—Subclause (II) shall not
16 apply in any case where a deferral de-
17 scribed in such subclause is due to a
18 borrower’s enrollment, after comple-
19 tion of the program for which the loan
20 was made, in a program of study of
21 less than 6 months in duration.

22 “(iv) TREATMENT OF CONSOLIDATION
23 LOANS.—For each covered Federal student
24 loan that is a loan described in subsection
25 (a)(3)(B), the Secretary shall—

1 “(I) determine the original out-
2 standing balance for each original cov-
3 ered Federal student loan that com-
4 prises the consolidation loan;

5 “(II) determine the date that the
6 repayment period began, in accord-
7 ance with this subparagraph, for each
8 such original loan;

9 “(III) include, in determining the
10 duration of the repayment period
11 under this paragraph for the under-
12 lying loan, the period during which
13 the original loan was in repayment
14 and the period during which the con-
15 solidation loan was in repayment; and

16 “(IV) include the amount deter-
17 mined under subclause (I) for each
18 underlying loan in the calculations
19 under this paragraph for the appro-
20 priate fiscal year based on the repay-
21 ment period for the underlying loan.

22 “(3) FORMULA FOR LOAN REPAYMENT RATE.—

23 “(A) IN GENERAL.—For purposes of this
24 section, the loan repayment rate for an institu-

1 prising the consolidation loan has ever
2 been in default); and

3 “(II) has been paid in full by a
4 borrower.

5 “(ii) CONSOLIDATION LOANS AND RE-
6 FINANCING.—A covered Federal student
7 loan described in subsection (a)(3)(B) or
8 consolidated under another refinancing
9 process provided for under this Act, is not
10 counted as a loan paid in full for purposes
11 of this subparagraph until the consolida-
12 tion loan or other financial instrument is
13 paid in full by the borrower.

14 “(4) PUBLICATION.—The Secretary shall make
15 the loan repayment rate for each institution of high-
16 er education participating in a program under this
17 title or seeking to regain eligibility to participate in
18 a program under this title publicly available on the
19 College Navigator website of the Department, or any
20 successor website, and the website for the National
21 Center for Education Statistics.

22 “(c) SPEED-BASED REPAYMENT RATE.—

23 “(1) PURPOSE.—The purpose of the speed-
24 based repayment rate under this subsection is to
25 provide an estimate of—

1 “(A) the annual rate at which student bor-
2 rowers at an institution of higher education are
3 repaying their loans under part B and D; and

4 “(B) the total expected time it takes stu-
5 dent borrowers to repay their loans.

6 “(2) IN GENERAL.—In order to provide addi-
7 tional information regarding loan repayment, the
8 Secretary shall, for each fiscal year—

9 “(A) determine the speed-based repayment
10 rate for each institution of higher education
11 that is participating in a program under this
12 title or seeking to regain eligibility to partici-
13 pate in a program under this title;

14 “(B) determine the information required
15 for the comparison methodology established by
16 the Secretary under paragraph (4); and

17 “(C) publish the most recently available
18 speed-based repayment rate and the comparison
19 information under paragraph (4) for each such
20 institution on the College Scorecard, in accord-
21 ance with section 133(d)(3), and on the College
22 Affordability and Transparency Center website,
23 or any successor website, of the Department.

24 “(3) DETERMINATION OF SPEED-BASED REPAY-
25 MENT RATE.—In order to provide additional infor-

1 mation regarding loan repayment and determine the
2 speed-based repayment rate required under para-
3 graph (2)(A) for an institution of higher education,
4 the Secretary shall, for each fiscal year—

5 “(A) determine the percentage paid of the
6 total original outstanding balance of all cohort
7 loans of the institution for the fiscal year (in-
8 cluding, for purposes of calculating the speed-
9 based repayment rate only, all loans that would
10 be cohort loans for such fiscal year if the loans
11 were not in delinquency, forbearance,
12 deferment, or default) for which the determina-
13 tion is being made, by dividing—

14 “(i) the amount paid of all such co-
15 hort loans of the institution for such year;
16 by

17 “(ii) the total original outstanding
18 balance of all such cohort loans of the in-
19 stitution for such year; and

20 “(B) divide such percentage by the average
21 number of years in repayment for the cohort
22 loans of the institution, rounded to the nearest
23 month and weighted based on the dollar
24 amount of the current loan balance of each co-
25 hort loan.

1 “(4) COMPARISON METHODOLOGY FOR DISCLO-
2 SURE PURPOSES.—

3 “(A) IN GENERAL.—The Secretary shall
4 establish a methodology for comparing similar
5 institutions of higher education based on the
6 speed-based repayment rate. The methodology
7 shall—

8 “(i) use clear and understandable
9 terms, such as ‘quickly’ and ‘slowly’, to in-
10 dicate the relative significance of the
11 speed-based repayment rate of an institu-
12 tion of higher education;

13 “(ii) include a projection of the ex-
14 pected time for the average borrower in the
15 loan cohort described in paragraph (3)(A)
16 of each institution to complete repayment
17 at each institution, based on the speed-
18 based repayment rate;

19 “(iii) include a comparison of each in-
20 stitution’s expected time of repayment
21 under clause (ii) with the expected times of
22 repayment for similar institutions;

23 “(iv) not disaggregate the compari-
24 sons based on status as a public, private

1 nonprofit, or proprietary institution of
2 higher education;

3 “(v) distinguish the overall speed-
4 based repayment rate of an institution
5 from the speed-based repayment rate of all
6 professional degree programs of the insti-
7 tution; and

8 “(vi) calculate a separate speed-based
9 repayment rate for each program at an in-
10 stitution that is subject to gainful employ-
11 ment regulations under section 668.7 of
12 title 34, Code of Federal Regulations.

13 “(B) CONSUMER TESTING.—The Secretary
14 shall submit the methodology described in sub-
15 paragraph (A) for consumer testing in accord-
16 ance with section 483C.

17 “(5) GUIDANCE AND REGULATIONS.—The Sec-
18 retary may issue guidance and promulgate rules for
19 the purposes of determining the speed-based repay-
20 ment rate.

21 “(6) AUTHORITY TO ADJUST FORMULA.—Not-
22 withstanding any other provision of this section, the
23 Secretary may adjust the formula for calculating the
24 speed-based repayment rate under paragraphs (2)

1 and (3) to provide a more informative and accurate
2 measure of the speed of repayment.

3 “(d) PUBLICATION OF STUDENT DEFAULT RISK.—
4 Each year, the Secretary shall publish the student default
5 risk for each institution for the most recent fiscal year
6 on the website of the National Center for Education Sta-
7 tistics.”.

8 **SEC. 486. ABILITY TO BENEFIT.**

9 (a) IN GENERAL.—Subsection (d) of section 484 (20
10 U.S.C. 1091) is amended to read as follows:

11 “(d) STUDENTS WHO ARE NOT HIGH SCHOOL
12 GRADUATES.—

13 “(1) STUDENT ELIGIBILITY.—In order for a
14 student who does not have a certificate of gradua-
15 tion from a school providing secondary education, or
16 the recognized equivalent of such certificate, to be
17 eligible for any assistance under subparts 1, 3, and
18 4 of part A and parts B, C, D, and E of this title,
19 the student shall meet the requirements of one of
20 the following subparagraphs:

21 “(A) The student is enrolled in an eligible
22 career pathway program and meets one of the
23 following standards:

24 “(i) The student shall take an inde-
25 pendently administered examination and

1 shall achieve a score, specified by the Sec-
2 retary, demonstrating that such student
3 can benefit from the education or training
4 being offered. Such examination shall be
5 approved by the Secretary on the basis of
6 compliance with such standards for devel-
7 opment, administration, and scoring as the
8 Secretary may prescribe in regulations.

9 “(ii) The student shall be determined
10 as having the ability to benefit from the
11 education or training in accordance with
12 such process as the State shall prescribe.
13 Any such process described or approved by
14 a State for the purposes of this section
15 shall be effective 6 months after the date
16 of submission to the Secretary unless the
17 Secretary disapproves such process. In de-
18 termining whether to approve or dis-
19 approve such process, the Secretary shall
20 take into account the effectiveness of such
21 process in enabling students without high
22 school diplomas or the equivalent thereof
23 to benefit from the instruction offered by
24 institutions utilizing such process, and
25 shall also take into account the cultural di-

1 versity, economic circumstances, and edu-
2 cational preparation of the populations
3 served by the institutions.

4 “(iii) The student shall be determined
5 by the institution of higher education as
6 having the ability to benefit from the edu-
7 cation or training offered by the institution
8 of higher education upon satisfactory com-
9 pletion of 6 credit hours or the equivalent
10 coursework that are applicable toward a
11 degree or certificate offered by the institu-
12 tion of higher education.

13 “(B) The student has completed a sec-
14 ondary school education in a home school set-
15 ting that is treated as a home school or private
16 school under State law.

17 “(2) ELIGIBLE CAREER PATHWAY PROGRAM.—
18 In this subsection, the term ‘eligible career pathway
19 program’ means a program that—

20 “(A) concurrently enrolls participants in
21 connected adult education and eligible postsec-
22 ondary programs;

23 “(B) provides counseling and supportive
24 services to identify and attain academic and ca-
25 reer goals;

1 “(C) provides structured course sequences
2 that—

3 “(i) are articulated and
4 contextualized; and

5 “(ii) allow students to advance to
6 higher levels of education and employment;

7 “(D) provides opportunities for accelera-
8 tion to attain recognized postsecondary creden-
9 tials, including degrees, industry relevant cer-
10 tifications, and certificates of completion of ap-
11 prenticeship programs;

12 “(E) is organized to meet the needs of
13 adults;

14 “(F) is aligned with the education and skill
15 needs of the regional economy; and

16 “(G) has been developed and implemented
17 in collaboration with partners in business, work-
18 force development, and economic development.”.

19 (b) **EFFECTIVE DATE AND TRANSITION.**—The
20 amendment made by subsection (a) shall apply to students
21 who first enroll in a program of study during the period
22 beginning July 1, 2012, and ending June 30, 2019.

1 **SEC. 487. REASONABLE COLLECTION COSTS IN STATE**
2 **COURT JUDGMENTS.**

3 Section 484A(b)(1) (20 U.S.C. 1091a(b)(1)) is
4 amended by striking “reasonable collection costs” and in-
5 serting “reasonable collection costs, which, in the case of
6 a loan made under part D, means collection costs in an
7 amount that is reasonable and that does not exceed the
8 bona fide collection costs associated with such student loan
9 that are actually incurred in collecting the debt against
10 the borrower”.

11 **SEC. 488. IMPROVED DISCLOSURES, COUNSELING, AND FI-**
12 **NANCIAL ASSISTANCE INFORMATION FOR**
13 **STUDENTS.**

14 (a) **IN GENERAL.**—Section 485 (20 U.S.C. 1092) is
15 amended—

16 (1) in subsection (b)—

17 (A) in paragraph (1)(A)—

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

20 “(i) personalized information that reflects the
21 borrower’s actual borrowing circumstances, which
22 shall include—

23 “(I) the repayment plans available, includ-
24 ing the income-based repayment option under
25 section 493C and the standard 10-year repay-

1 ment option under section 428(b)(9)(A)(i) or
2 455(d)(1)(A);

3 “(II) a description of the different features
4 of each plan; and

5 “(III) personalized information showing es-
6 timates of the borrower’s anticipated monthly
7 payments and the difference in total interest
8 paid and total payments under each plan;”;

9 (ii) by redesignating clauses (viii) and
10 (ix) as clauses (x) and (xi), respectively;

11 (iii) by inserting after clause (vii) the
12 following:

13 “(viii) a statement that student loans must be
14 repaid even if the student does not complete the pro-
15 gram in which the student is enrolled;

16 “(ix) information and resources related to fi-
17 nancial literacy and planning, including budgeting,
18 as determined by the Secretary based on the rec-
19 ommendations of the Secretary of Treasury in the
20 report submitted under section 1103 of the Higher
21 Education Affordability Act;”;

22 (iv) by adding at the end the fol-
23 lowing:

24 “(C) The counseling described in subparagraph (A)—

1 “(i) shall be provided in a simple and under-
2 standable manner that includes mechanisms to check
3 for comprehension; and

4 “(ii) shall be provided—

5 “(I) during an exit counseling session con-
6 ducted in person; or

7 “(II) online.”; and

8 (B) in paragraph (2)(A)(iv), by striking “,
9 address, social security number, references, and
10 driver’s license number” and inserting “, postal
11 address, social security number, references,
12 driver’s license number, phone number, and
13 personal electronic mailing address that is not
14 associated with the institution”;

15 (2) in subsection (d)(1), by striking “income-
16 sensitive” and all that follows through “part D” and
17 inserting “income-based repayment plans for loans
18 made, insured, or guaranteed under part B or made
19 under part D.”;

20 (3) in subsection (f)—

21 (A) by striking the subsection heading and
22 inserting “DISCLOSURE OF CAMPUS SECURITY
23 AND HARASSMENT POLICY AND CAMPUS CRIME
24 STATISTICS”;

25 (B) in paragraph (6)(A)—

1 (i) by redesignating clauses (iii), (iv),
2 and (v) as clauses (vii), (viii), and (ix), re-
3 spectively; and

4 (ii) by inserting after clause (ii) the
5 following:

6 “(iii) The term ‘commercial mobile service’
7 has the meaning given the term in section
8 332(d) of the Communications Act of 1934 (47
9 U.S.C. 332(d)).

10 “(iv) The term ‘electronic communication’
11 means any transfer of signs, signals, writing,
12 images, sounds, or data of any nature trans-
13 mitted in whole or in part by a wire, radio, elec-
14 tromagnetic, photoelectronic, or photooptical
15 system.

16 “(v) The term ‘electronic messaging serv-
17 ices’ has the meaning given the term in section
18 102 of the Communications Assistance for Law
19 Enforcement Act (47 U.S.C. 1001).

20 “(vi) The term ‘harassment’ means con-
21 duct, including acts of verbal, nonverbal, or
22 physical aggression, intimidation, or hostility
23 (including conduct that is undertaken in whole
24 or in part, through the use of electronic mes-
25 saging services, commercial mobile services,

1 electronic communications, or other technology)
2 that—

3 “(I) is sufficiently severe, persistent,
4 or pervasive so as to limit a student’s abil-
5 ity to participate in or benefit from a pro-
6 gram or activity at an institution of higher
7 education, or to create a hostile or abusive
8 educational environment at an institution
9 of higher education; and

10 “(II) is based on a student’s actual or
11 perceived—

12 “(aa) race;

13 “(bb) color;

14 “(cc) national origin;

15 “(dd) sex;

16 “(ee) disability;

17 “(ff) sexual orientation;

18 “(gg) gender identity; or

19 “(hh) religion.”;

20 (C) by redesignating paragraphs (9)
21 through (18) as paragraphs (10) through (19),
22 respectively; and

23 (D) by inserting after paragraph (8) the
24 following:

1 “(9)(A) Each institution of higher education
2 participating in any program under this title, other
3 than a foreign institution of higher education, shall
4 develop and distribute as part of the report de-
5 scribed in paragraph (1) a statement of policy re-
6 garding harassment, which shall include—

7 “(i) a prohibition of harassment of enrolled
8 students by other students, faculty, and staff—

9 “(I) on campus;

10 “(II) in noncampus buildings or on
11 noncampus property;

12 “(III) on public property;

13 “(IV) through the use of electronic
14 mail addresses issued by the institution of
15 higher education;

16 “(V) through the use of computers
17 and communication networks, including
18 any telecommunications service, owned, op-
19 erated, or contracted for use by the institu-
20 tion of higher education or its agents; or

21 “(VI) during an activity sponsored by
22 the institution of higher education or car-
23 ried out with the use of resources provided
24 by the institution of higher education;

1 “(ii) a description of the institution’s pro-
2 grams to combat harassment, which shall be
3 aimed at the prevention of harassment;

4 “(iii) a description of the procedures that
5 a student should follow if an incident of harass-
6 ment occurs; and

7 “(iv) a description of the procedures that
8 the institution will follow once an incident of
9 harassment has been reported.

10 “(B) The statement of policy described in sub-
11 paragraph (A) shall address the following areas:

12 “(i) Procedures for timely institutional ac-
13 tion in cases of alleged harassment, which pro-
14 cedures shall include a clear statement that the
15 accuser and the accused shall be informed of
16 the outcome of any disciplinary proceedings in
17 response to an allegation of harassment.

18 “(ii) Possible sanctions to be imposed fol-
19 lowing the final determination of an institu-
20 tional disciplinary procedure regarding harass-
21 ment.

22 “(iii) Notification of existing counseling,
23 mental health, or student services for victims or
24 perpetrators of harassment, both on campus
25 and in the community.

1 “(iv) Identification of a designated em-
2 ployee or office at the institution that will be
3 responsible for receiving and tracking each re-
4 port of harassment by a student, faculty, or
5 staff member.”;

6 (4) in subsection (l)—

7 (A) by striking paragraph (1) and insert-
8 ing the following:

9 “(1) DISCLOSURE REQUIRED PRIOR TO SIGNING
10 MASTER PROMISSORY NOTE.—Each eligible institu-
11 tion shall, prior to obtaining or arranging execution
12 of a master promissory note for a loan under part
13 D (other than a Federal Direct Consolidation Loan)
14 by a first-time borrower at such institution, ensure
15 that the borrower receives comprehensive informa-
16 tion on the terms and conditions of the loan and of
17 the responsibilities the borrower has with respect to
18 such loan in accordance with paragraph (2). Such
19 information—

20 “(A) shall be provided through the use of
21 interactive programs that include mechanisms
22 to check the borrower’s comprehension of the
23 terms and conditions of the borrower’s loans
24 under part D, using simple and understandable
25 language and clear formatting; and

1 “(B) shall be provided—

2 “(i) during an entrance counseling
3 session conducted in person; or

4 “(ii) online.”;

5 (B) in paragraph (2)—

6 (i) in subparagraph (H), by striking
7 “within the regular time for program com-
8 pletion”; and

9 (ii) by adding at the end the fol-
10 lowing:

11 “(L)(i) A disclosure that Federal student
12 loans offer generally more favorable terms and
13 beneficial repayment options than private edu-
14 cation loans, an explanation of the difference
15 and relevance between student loans with a
16 fixed interest rate as compared to student loans
17 with a variable interest rate, and a rec-
18 ommendation that students examine available
19 Federal student loan options before applying for
20 private education loans.

21 “(ii) The explanation of the benefits pro-
22 vided under Federal student loans developed by
23 the Secretary under section 483A(b).

24 “(M) An explanation, if applicable, that a
25 student may refuse all or part of a student loan

1 available under part D, which could help mini-
2 mize the student's debt obligations.

3 “(N) Information relating to the institu-
4 tion's cohort default rate, including—

5 “(i) the cohort default rate, as defined
6 in section 435(m), of the institution;

7 “(ii) an easy to understand expla-
8 nation of the cohort default rate;

9 “(iii) the percentage of students at
10 the institution of higher education who
11 borrow Federal student loans under this
12 title;

13 “(iv) the national average cohort de-
14 fault rate (as determined by the Secretary
15 in accordance with section 435(m));

16 “(v) in the case of an institution with
17 a cohort default rate that is greater than
18 the national average cohort default rate (as
19 described in clause (iv)), a disclosure to the
20 student that the institution's cohort de-
21 fault rate is above the national average;
22 and

23 “(vi) in the case of an institution with
24 a cohort default rate that is greater than
25 30 percent, a disclosure to the students

1 that if the cohort default rate remains
2 greater than 30 percent for the 3 consecu-
3 tive years—

4 “(I) the institution will lose insti-
5 tutional eligibility for the purposes of
6 programs authorized under this title;
7 and

8 “(II) the student will no longer
9 be able to receive Federal financial aid
10 at that institution.

11 “(O) Information relating to the institu-
12 tion’s speed-based loan repayment rate, includ-
13 ing—

14 “(i) the speed-based loan repayment
15 rate, as described in section 483D(e), of
16 the institution and, if applicable, the
17 speed-based loan repayment rate of each
18 program at the institution that is subject
19 to gainful employment regulations under
20 section 668.7 of title 34, Code of Federal
21 Regulations;

22 “(ii) an easy to understand descrip-
23 tion of what a speed-based loan repayment
24 rate is;

1 “(iii) the national average speed-based
2 loan repayment rate, as determined by the
3 Secretary in accordance with section
4 483D(c); and

5 “(iv) in the case of an institution with
6 a speed-based loan repayment rate that is
7 below the national average speed-based
8 loan repayment rate (as described in clause
9 (iii)), a disclosure to the student that the
10 institution’s speed-based loan repayment
11 rate is below the national average.

12 “(P) In the case of an institution with a
13 school default risk for a fiscal year, as cal-
14 culated by the Secretary, of 0.1 or higher, an
15 explanation of the obligations of the institution
16 under section 487(a)(32)(A).

17 “(Q) The percentages of students at the
18 institution who obtain a degree or certificate
19 within 100 percent of the normal time for com-
20 pletion of the student’s program, and who ob-
21 tain a degree or certificate within 150 percent
22 of the normal time for completion of, the stu-
23 dent’s program.

24 “(R) Information and resources related to
25 financial literacy and planning, including budg-

1 eting, as determined by the Secretary based on
2 the recommendations of the Secretary of Treas-
3 ury in the report submitted under section 1103
4 of the Higher Education Affordability Act.”;
5 and

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

7 “(3) BORROWER CONTACT INFORMATION.—

8 “(A) IN GENERAL.—Each eligible institu-
9 tion shall—

10 “(i) require that a borrower who ap-
11 plies for a loan under this title to attend
12 the institution on or after the date of en-
13 actment of the Higher Education Afford-
14 ability Act submit to the institution, dur-
15 ing the entrance counseling required by
16 this subsection, the borrower’s contact in-
17 formation at the time of the entrance
18 counseling, including the borrower’s phone
19 number and the borrower’s postal address;
20 and

21 “(ii) request that the borrower provide
22 a personal electronic mailing address of the
23 borrower that is not associated with the in-
24 stitution.

1 “(B) BORROWER RESPONSIBILITY.—A bor-
2 rower receiving entrance counseling under this
3 subsection shall provide the institution with the
4 personal electronic mailing address described in
5 subparagraph (A)(ii) and shall update the bor-
6 rower’s contact information as necessary to en-
7 sure that the information remains accurate.”;
8 and
9 (5) by adding at the end the following:

10 “(n) ADDITIONAL NOTIFICATIONS AND COUNSELING
11 FOR BORROWERS.—

12 “(1) ANNUAL NOTIFICATIONS.—Each eligible
13 institution shall, not less than once every year while
14 a student is enrolled in the institution, carry out the
15 notification requirements described in subparagraphs
16 (A) through (G) with respect to a borrower of a loan
17 made, insured, or guaranteed under part B (other
18 than a loan made pursuant to section 428C) or
19 made under part D (other than a Federal Direct
20 Consolidation Loan). Such notification requirements
21 may be fulfilled by notifications provided at the
22 same time as existing methods of communication,
23 such as by accompanying the annual financial aid
24 award letter, subject to subparagraph (E).

1 “(A) STUDENT LOAN BALANCE; LOAN
2 TERMS.—The eligible institution shall provide
3 the borrower with a written notification of—

4 “(i) the borrower’s outstanding bal-
5 ance of principal and interest owing on any
6 loan made, insured, or guaranteed under
7 this title;

8 “(ii) the borrower’s repayment op-
9 tions;

10 “(iii) a disclosure that Federal stu-
11 dent loans offer generally more favorable
12 terms and beneficial repayment options
13 than private education loans, an expla-
14 nation of the difference and relevance be-
15 tween student loans with a fixed interest
16 rate as compared to student loans with a
17 variable interest rate, and a recommenda-
18 tion that students examine available Fed-
19 eral student loan options before applying
20 for private education loans; and

21 “(iv) the explanation of the benefits
22 provided under Federal student loans de-
23 veloped by the Secretary under section
24 483A(b).

1 “(B) FEDERAL DIRECT STAFFORD LOAN
2 ELIGIBILITY.—In addition to the notifications
3 under subparagraph (A) and under subpara-
4 graph (C), if applicable, in the case of a bor-
5 rower described in paragraph (1) who qualifies
6 for a Federal Direct Stafford Loan and who
7 was a new borrower on or after July 1, 2013,
8 the institution shall provide—

9 “(i) a written notification of the pe-
10 riod of time that the borrower has remain-
11 ing before the borrower will not be eligible
12 for a Federal Direct Stafford Loan in ac-
13 cordance with section 455(q) because the
14 period of time for which the borrower has
15 received Federal Direct Stafford Loans, in
16 the aggregate, exceeds the period of enroll-
17 ment described in section 455(q)(3); and

18 “(ii) a written notification to such
19 student when the period of time for which
20 the borrower has received Federal Direct
21 Stafford Loans, in the aggregate,
22 reaches—

23 “(I) except as provided in sub-
24 clause (II) or (III), a period equal to
25 100 percent of the published length of

1 the educational program in which the
2 student is enrolled;

3 “(II) in the case of a borrower
4 who was previously enrolled in 1 or
5 more other educational programs that
6 began on or after July 1, 2013, a pe-
7 riod equivalent to $\frac{2}{3}$ of the maximum
8 period of time that the borrower is eli-
9 gible to receive a Federal Direct Staf-
10 ford Loan, as calculated in accordance
11 with section 455(q)(3)(A)(ii); or

12 “(III) in the case of a borrower
13 who was or is enrolled on less than a
14 full-time basis or in the case of a bor-
15 rower whose course of study or pro-
16 gram is described in paragraph (3)(B)
17 or (4)(B) of section 484(b), a period
18 equivalent to $\frac{2}{3}$ of the maximum pe-
19 riod of time that the borrower is eligi-
20 ble to receive a Federal Direct Staf-
21 ford Loan, as calculated in accordance
22 with section 455(q)(3)(B).

23 “(C) FEDERAL PELL GRANT ELIGI-
24 BILITY.—In addition to the notifications under
25 subparagraph (A) and under subparagraph (B),

1 if applicable, in the case of a borrower de-
2 scribed in paragraph (1) who is receiving a
3 Federal Pell Grant, the institution shall provide
4 a written notification to such borrower of the
5 student's remaining period of eligibility for a
6 Federal Pell Grant in accordance with section
7 401(c)(5).

8 “(D) CONFIRMATION OF RECEIPT OF NO-
9 TIFICATION.—Each eligible institution shall re-
10 quire the borrower, for each applicable notifica-
11 tion described in this paragraph, to provide
12 written confirmation (including through elec-
13 tronic means) that the borrower has received
14 the notification and understands the informa-
15 tion contained in that notification.

16 “(E) NOTIFICATIONS BY CERTAIN INSTI-
17 TUTIONS.—In the case of an institution de-
18 scribed in paragraph (2), the notification re-
19 quirements under this paragraph (including the
20 confirmation of notification described in sub-
21 paragraph (D)) shall be carried out annually
22 during the interim in-school counseling de-
23 scribed in paragraph (2).

1 “(F) ADDITIONAL LOAN COUNSELING RE-
2 QUIREMENTS FOR CERTAIN STUDENT BOR-
3 ROWERS.—

4 “(i) BORROWERS IN NEED OF ADDI-
5 TIONAL LOAN COUNSELING.—A borrower
6 shall be subject to the requirements de-
7 scribed in clause (iii) if—

8 “(I) the borrower has a loan
9 made, insured, or guaranteed under
10 part B (other than a loan made pur-
11 suant to section 428C or a loan made
12 on behalf of a student pursuant to
13 section 428B) or made under part D
14 (other than a Federal Direct Consoli-
15 dation Loan or a Federal Direct
16 PLUS loan made on behalf of a stu-
17 dent); and

18 “(II)(aa) the borrower has trans-
19 ferred to the institution from another
20 institution of higher education; or

21 “(bb) the borrower meets certain
22 criteria that may place a borrower at
23 greater risk of defaulting on student
24 loans.

1 tory progress, as described in section
2 484(c); and

3 “(III) in the case of a borrower
4 described in clause (i)(II)(bb), include
5 the development of an institutionally
6 approved academic plan designed to
7 ensure that the borrower will complete
8 the borrower’s educational program
9 within a reasonable timeframe.

10 “(G) COUNSELING FOR PARENT PLUS BOR-
11 ROWERS.—

12 “(i) IN GENERAL.—Each eligible insti-
13 tution shall, prior to disbursement of a
14 Federal Direct PLUS loan made on behalf
15 of a student, ensure that the borrower re-
16 ceives comprehensive information on the
17 terms and conditions of the loan and of the
18 responsibilities the borrower has with re-
19 spect to such loan. Such information—

20 “(I) shall be provided through
21 the use of interactive programs that
22 use mechanisms to check the bor-
23 rower’s understanding of the terms
24 and conditions of the borrower’s loan,

1 using simple and understandable lan-
2 guage and clear formatting; and

3 “(II) shall be provided—

4 “(aa) during a counseling
5 session conducted in person; or

6 “(bb) online.

7 “(ii) INFORMATION TO BE PRO-
8 VIDED.—The information to be provided to
9 the borrower under clause (i) shall include
10 the following:

11 “(I) Information on how interest
12 accrues and is capitalized during peri-
13 ods when the interest is not paid by
14 the borrower.

15 “(II) An explanation of when
16 loan repayment begins, of the options
17 available for a borrower who may need
18 a deferment, and that interest accrues
19 during a deferment.

20 “(III) The repayment plans that
21 are available to the borrower, includ-
22 ing personalized information show-
23 ing—

24 “(aa) estimates of the bor-
25 rower’s anticipated monthly pay-

1 ments under each repayment
2 plan that is available; and

3 “(bb) the difference in inter-
4 est paid and total payments
5 under each repayment plan.

6 “(IV) The obligation of the bor-
7 rower to repay the full amount of the
8 loan, regardless of whether the stu-
9 dent on whose behalf the loan was
10 made completes the program in which
11 the student is enrolled.

12 “(V) The likely consequences of
13 default on the loan, including adverse
14 credit reports, delinquent debt collec-
15 tion procedures under Federal law,
16 and litigation.

17 “(VI) A notification that the loan
18 is not eligible for an income-based re-
19 payment plan under section 493C.

20 “(VII) The name and contact in-
21 formation of the individual the bor-
22 rower may contact if the borrower has
23 any questions about the borrower’s
24 rights and responsibilities or the
25 terms and conditions of the loan.

1 “(2) INTERIM IN-SCHOOL COUNSELING RE-
2 QUIREMENTS FOR INSTITUTIONS WITH GREATER
3 THAN AVERAGE STUDENT DEFAULT RISK.—Each eli-
4 gible institution that has a student default risk that
5 is greater than the national average student default
6 risk (as determined by the Secretary), shall require
7 each borrower of a loan made, insured, or guaran-
8 teed under part B (other than a loan made pursuant
9 to section 428C or a loan made on behalf of a stu-
10 dent pursuant to section 428B) or made under part
11 D (other than a Federal Direct Consolidation Loan
12 or a Federal Direct PLUS loan made on behalf of
13 a student), to undertake not less than 1 online or in-
14 person counseling session at the beginning of each
15 academic year that the borrower is enrolled at such
16 institution, which shall include—

17 “(A) the applicable notification require-
18 ments described in paragraph (1); and

19 “(B) a statement that student loans must
20 be repaid even if the student does not complete
21 the program in which the student enrolled.

22 “(o) REQUIRED DATA.—In any case where an insti-
23 tution needs data to comply with subsection (b), (l), or
24 (n) that are not available to the institution but that are
25 available to the Department or a Federal agency, the Sec-

1 retary or the head of such agency shall provide or make
2 available such information to the institution.

3 “(p) REPORTS RELATING TO CLINICAL TRAINING
4 PROGRAMS.—

5 “(1) REPORT ON CLINICAL TRAINING PROGRAM
6 AGREEMENTS.—

7 “(A) IN GENERAL.—Beginning in the year
8 in which the Higher Education Affordability
9 Act is enacted, an eligible institution that par-
10 ticipates in any program under this title shall
11 prepare and submit a report to the Secretary
12 containing the information described in sub-
13 paragraph (C), for every year in which the eligi-
14 ble institution has an agreement with a hospital
15 or health facility, through which—

16 “(i) the eligible institution agrees to
17 provide funding or other benefits to the
18 hospital or health facility; and

19 “(ii) that hospital or health facility
20 provides opportunities for students at the
21 institution to participate in a clinical train-
22 ing program.

23 “(B) TIMING.—Following the year in
24 which the Higher Education Affordability Act is
25 enacted, the report described in this paragraph

1 shall be submitted not more than 30 days after
2 the end of any year for which a report is re-
3 quired to comply with subparagraph (A).

4 “(C) CONTENTS OF REPORT.—The report
5 described in this paragraph shall include the
6 following:

7 “(i) The amount of any payments
8 from the institution of higher education to
9 a hospital or health facility during the pe-
10 riod covered by the report, and the precise
11 terms of any agreement under which such
12 amounts are determined.

13 “(ii) Any conditions associated with
14 the transfer of money or the provision of
15 clinical training program opportunities
16 that are part of the agreement described in
17 subparagraph (A).

18 “(iii) Any memorandum of under-
19 standing between the institution of higher
20 education, or an alumni association or
21 foundation affiliated with or related to
22 such institution, and a hospital or health
23 facility, that directly or indirectly relates to
24 any aspect of any agreement referred to in
25 subparagraph (A) or controls or directs

1 any obligations or distribution of benefits
2 between or among any such entities.

3 “(iv) For each hospital or health facil-
4 ity that has an agreement described in
5 subparagraph (A) with the institution, the
6 number of clinical training positions at the
7 hospital or health facility that are reserved
8 for students at that institution.

9 “(2) REPORT ON CHARITABLE DONATIONS.—

10 “(A) IN GENERAL.—Beginning in the year
11 in which the Higher Education Affordability
12 Act is enacted, and annually thereafter, an eli-
13 gible institution shall prepare and submit to the
14 Secretary a report containing the information
15 described in subparagraph (C) if—

16 “(i) the eligible institution made a
17 charitable donation to a hospital or health
18 facility in any of the previous 3 years; and

19 “(ii) the number of students from the
20 eligible institution who participate in any
21 clinical training program at the hospital or
22 health facility where such a donation was
23 made increases by more than 5 students or
24 10 percent, whichever is less, as compared
25 to the number of such students who par-

1 anticipated in a clinical training program at
2 that hospital or health facility during the
3 first year in the previous 3-year period.

4 “(B) **TIMING.**—Following the year in
5 which the Higher Education Affordability Act is
6 enacted, the report described in subparagraph
7 (A) shall be submitted not more than 30 days
8 after the end of any year for which a report is
9 required to comply with subparagraph (A).

10 “(C) **CONTENTS OF REPORT.**—The report
11 described in this paragraph shall include the
12 following:

13 “(i) The amount of each charitable
14 donation that was made in the previous 3-
15 year period by the eligible institution to a
16 hospital or health facility.

17 “(ii) The number of students from the
18 eligible institution who participate in any
19 clinical training program at the hospital or
20 health facility where each such donation
21 was made—

22 “(I) during the year in which the
23 report is submitted; and

1 “(II) during the first year in the
2 previous 3-year period covered by the
3 report.

4 “(3) AGGREGATION BY INSTITUTION.—The in-
5 formation required to be reported in this subsection
6 shall include, and shall be aggregated with respect
7 to, each institution of higher education and each
8 alumni association or foundation affiliated with or
9 related to such institution. For any year in which an
10 institution is required to submit a report described
11 under paragraph (1) and a report described under
12 paragraph (2), the institution may submit a single
13 report for that year containing all of the information
14 required under paragraphs (1) and (2).

15 “(4) REPORT TO CONGRESS.—The Secretary, in
16 conjunction with the Secretary of Health and
17 Human Services, shall submit to Congress, and
18 make available to the public, an annual report that
19 lists the reports submitted to the Secretary by each
20 institution of higher education in accordance with
21 this subsection.

22 “(5) PUBLIC DISCLOSURE.—Each eligible insti-
23 tution described in paragraph (1) or (2) of this sub-
24 section shall make readily available the reports de-
25 scribed in such paragraph (as applicable), through

1 appropriate publications, mailings, and electronic
2 media to the general public.

3 “(6) DEFINITIONS.—In this subsection:

4 “(A) CLINICAL TRAINING PROGRAM.—The
5 term ‘clinical training program’ means any pro-
6 gram at, or associated or affiliated with, a hos-
7 pital or health facility (or any of a hospital’s af-
8 filiates or health facility’s affiliates), the com-
9 pletion of which fulfills a requirement that is
10 necessary to receive a license, certificate, spe-
11 cialized accreditation, or other academically re-
12 lated pre-condition necessary under Federal or
13 State law for a health profession.

14 “(B) HEALTH FACILITY.—The term
15 ‘health facility’ has the meaning given that
16 term in section 804(d).

17 “(C) HOSPITAL.—The term ‘hospital’ has
18 the meaning given that term in section 1861 of
19 the Social Security Act (42 U.S.C. 1395x).”.

20 (b) EFFECT ON CHANGES TO CAMPUS SAFETY PRO-
21 VISIONS ON OTHER LAWS.—Nothing in the amendments
22 made by subsection (a)(3), shall be construed to invalidate
23 or limit rights, remedies, procedures, or legal standards
24 available to victims of discrimination under any other Fed-
25 eral law or law of a State or political subdivision of a

1 State, including title VI of the Civil Rights Act of 1964
2 (42 U.S.C. 2000d et seq.), title IX of the Education
3 Amendments of 1972 (20 U.S.C. 1681 et seq.), section
4 504 or 505 of the Rehabilitation Act of 1973 (29 U.S.C.
5 794, 794a), or the Americans with Disabilities Act of 1990
6 (42 U.S.C. 12101 et seq.). The obligations imposed by this
7 Act are in addition to those imposed by title VI of the
8 Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title
9 IX of the Education Amendments of 1972 (20 U.S.C.
10 1681 et seq.), section 504 of the Rehabilitation Act of
11 1973 (29 U.S.C. 794), and the Americans with Disabil-
12 ities Act of 1990 (42 U.S.C. 12101 et seq.).

13 (c) EFFECTIVE DATE FOR TERMINATION OF IN-
14 COME-SENSITIVE REPAYMENT PLAN REFERENCE.—The
15 amendment made by subsection (a)(2) shall take effect on
16 the date that is 1 year after the date of enactment of this
17 Act.

18 **SEC. 489. IMPROVEMENTS TO NATIONAL STUDENT LOAN**

19 **DATA SYSTEM.**

20 (a) AMENDMENTS.—Section 485B (20 U.S.C.
21 1092b) is amended—

22 (1) in subsection (a), by inserting “and loans
23 made or insured under part A of title VII, or part
24 E of title VIII, of the Public Health Service Act (42

1 U.S.C. 292 et seq., 296 et seq.),” after “parts D
2 and E,”; and

3 (2) by striking subsection (h) and inserting the
4 following:

5 “(h) INTEGRATION OF DATABASES.—

6 “(1) IN GENERAL.—The Secretary shall inte-
7 grate the National Student Loan Data System with
8 the Federal Pell Grant applicant and recipient data-
9 bases as of January 1, 1994, and any other data-
10 bases containing information on participation in pro-
11 grams under this title.

12 “(2) DEPARTMENT OF DEFENSE AND DEPART-
13 MENT OF VETERANS AFFAIRS INFORMATION.—

14 “(A) IN GENERAL.—In order to incor-
15 porate the military and veteran status of bor-
16 rowers into the National Student Loan Data
17 System, the Secretary shall integrate the Na-
18 tional Student Loan Data System with informa-
19 tion from—

20 “(i) the Department of Defense, in-
21 cluding the Defense Manpower Data Cen-
22 ter; and

23 “(ii) the Department of Veterans Af-
24 fairs, including data about veterans who
25 are eligible for educational assistance

1 under laws administered by the Secretary
2 of Veterans Affairs.

3 “(B) MEMORANDA OF UNDERSTANDING.—

4 The Secretary shall enter into any memoranda
5 of understanding or other agreements that are
6 necessary to carry out this paragraph.”; and

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

8 “(i) PUBLIC HEALTH SERVICE LOANS.—The Sec-
9 retary shall include in the National Student Loan Data
10 System established pursuant to subsection (a) information
11 regarding loans made under—

12 “(1) subpart II of part A of title VII of the
13 Public Health Service Act; or

14 “(2) part E of title VIII of the Public Health
15 Service Act.

16 “(j) PRIVATE EDUCATION LOAN INFORMATION.—

17 The Secretary shall include in the National Student Loan
18 Data System established pursuant to subsection (a) the
19 information regarding private education loans that is de-
20 termined necessary by the Director of the Bureau of Con-
21 sumer Financial Protection, in coordination with the Sec-
22 retary, to be included pursuant to section 128(e)(13) of
23 the Truth in Lending Act (15 U.S.C. 1638(e)(13)).”.

24 (b) REPORTS.—

1 (1) PLAN.—Not later than 90 days after the
2 date of the enactment of this Act, the Secretary of
3 Education shall submit to the appropriate commit-
4 tees of Congress a report that includes a plan to im-
5 plement the Department of Defense and Department
6 of Veterans Affairs data integration provision de-
7 scribed under section 485B(h)(2) of the Higher
8 Education Act of 1965, as amended by subsection
9 (a).

10 (2) FOLLOW-UP REPORT.—If the Secretary of
11 Education has not implemented the Department of
12 Defense and Department of Veterans Affairs data
13 integration provision described under section
14 485B(h)(2) of the Higher Education Act of 1965, as
15 amended by subsection (a), by the date that is 1
16 year after the date of enactment of this Act, the
17 Secretary of Education shall submit, by such date,
18 a report that includes an explanation of why such
19 provision has not been implemented.

20 **SEC. 490. COMPETENCY-BASED EDUCATION DEMONSTRATION PROGRAM.**
21

22 Part G of title IV (20 U.S.C. 1088 et seq.) is further
23 amended by inserting after section 486A the following:

1 **“SEC. 486B. COMPETENCY-BASED EDUCATION DEMONSTRA-**
2 **TION PROGRAM.**

3 “(a) PURPOSE.—It is the purpose of this section—

4 “(1) to allow a demonstration program that is
5 monitored by the Secretary to explore ways of deliv-
6 ering education and disbursing student financial aid
7 that are based on demonstrating competencies rath-
8 er than credit hours;

9 “(2) to potentially lower the cost of postsec-
10 ondary education and reduce the time needed to at-
11 tain a postsecondary degree; and

12 “(3) to help determine—

13 “(A) the specific statutory and regulatory
14 requirements that should be modified to provide
15 greater access to high-quality competency-based
16 education programs, which may be independent
17 of, or combined with, traditional credit hour or
18 clock hour programs;

19 “(B) the most effective means of delivering
20 competency-based education; and

21 “(C) the appropriate level and distribution
22 methodology of Federal assistance for students
23 enrolled in competency-based education.

24 “(b) DEFINITIONS.—In this section:

1 “(1) **COMPETENCY-BASED EDUCATION.**—The
2 term ‘competency-based education’ means an aca-
3 demic program that—

4 “(A) uses direct assessment of learning for
5 any of its components as a substitute for tradi-
6 tional coursework measured in credit-hours; and

7 “(B) upon successful completion, results in
8 the attainment of a 2-year or 4-year postsec-
9 ondary degree or certificate.

10 “(2) **ELIGIBLE ENTITY.**—The term ‘eligible en-
11 tity’ means any of the following:

12 “(A) An institution of higher education, as
13 defined in section 101, that is eligible to partici-
14 pate in programs under this title.

15 “(B) A consortia of institutions of higher
16 education that meet the requirements in sub-
17 paragraph (A).

18 “(c) **DEMONSTRATION PROGRAMS AUTHORIZED.**—

19 “(1) **IN GENERAL.**—The Secretary shall carry
20 out a competency-based education demonstration
21 program under which the Secretary selects, in ac-
22 cordance with subsection (e), eligible entities to par-
23 ticipate and receive waivers described in paragraph
24 (2), in order to enable the eligible entities to offer
25 competency-based education programs.

1 “(2) WAIVERS.—

2 “(A) IN GENERAL.—The Secretary may
3 waive, for an eligible entity participating in the
4 demonstration program under this section, any
5 requirement of subsections (a) and (f) of sec-
6 tion 481 as such subsections relate to require-
7 ments under this Act for a minimum number of
8 weeks of instruction (including any regulation
9 promulgated under such subsections).

10 “(B) ADDITIONAL REQUIREMENTS ELIGI-
11 BLE FOR WAIVER.—

12 “(i) IN GENERAL.—In addition to any
13 waiver authorized under subparagraph (A),
14 the Secretary may waive any requirements
15 described in clause (ii) for an eligible enti-
16 ty that requests such a waiver in the appli-
17 cation submitted under subsection (d), if—

18 “(I) the Secretary determines
19 that the eligible entity has proposed a
20 high-quality plan for competency-
21 based education that requires such
22 waiver;

23 “(II) the eligibility entity has
24 provided equivalent metrics to each of
25 the requirements described in clause

1 (ii) for which the eligible entity is
2 seeking a waiver; and

3 “(III) the Secretary has certified
4 that all requirements being waived
5 have such high-quality equivalents.

6 “(ii) DESCRIPTION OF ADDITIONAL
7 REQUIREMENTS.—Requirements described
8 in this clause are requirements under this
9 part, part F, or title I (including any regu-
10 lations promulgated under such parts or
11 title) that inhibits the operation of com-
12 petency-based education, related to—

13 “(I) minimum weeks of instruc-
14 tional time;

15 “(II) credit hour or clock hour
16 equivalencies; and

17 “(III) the definitions of the terms
18 ‘academic year’, ‘full-time student’,
19 ‘standard term’, ‘non-term’, ‘non-
20 standard term’, ‘term’, ‘satisfactory
21 academic progress’, ‘educational activ-
22 ity’, ‘program of study’, and ‘payment
23 period’.

24 “(d) APPLICATION.—

1 “(1) IN GENERAL.—Each eligible entity desir-
2 ing to participate in the demonstration program
3 under this section shall submit to the Secretary an
4 application at such time, in such manner, and con-
5 taining such information as the Secretary shall re-
6 quire.

7 “(2) CONTENTS.—Each application submitted
8 under paragraph (1) shall include—

9 “(A) a description of the competency-based
10 education to be offered by the eligible entity
11 through the demonstration program;

12 “(B) a detailed description of the proposed
13 academic delivery, business, and financial mod-
14 els to be used in the program, including brief
15 explanations of how the program’s approach
16 would result in the achievement and assessment
17 of competencies and how the approach would
18 differ from standard credit hour approaches;

19 “(C)(i) a summary of the evidence-based
20 analysis of the financial impact of the proposed
21 program on the institution, its prospective stu-
22 dents, and the Federal government; and

23 “(ii) a written assurance that—

24 “(I) the summary presented to the
25 Secretary is a good-faith representation of

1 all the information available to the institu-
2 tion at the time of the application; and

3 “(II) all material internal analyses
4 and supporting data used in the summary
5 shall be retained and made available to the
6 Secretary upon request for a period of not
7 less than 5 years after the approval of the
8 proposed program;

9 “(D) a written assurance that the program
10 fully conforms to the institution’s academic
11 policies, and that any degrees or certificates
12 conferred through the program shall be equiva-
13 lent to the institution’s traditional degrees or
14 certificates;

15 “(E) documentation of approval of the
16 competency-based demonstration program from
17 a regional accrediting agency or association;

18 “(F) a description of the statutory and
19 regulatory requirements described in subsection
20 (c)(2) for which a waiver is sought, the reasons
21 for which each such waiver is sought, and how
22 the institution proposes to mitigate any risks to
23 students or the Federal Government as a result
24 of the waiver;

1 “(G) a description of the entity’s proposal
2 for determining a student’s Federal student aid
3 eligibility under this title and awarding and dis-
4 tributing such aid, including safeguards to en-
5 sure that students are making satisfactory
6 progress that warrants disbursement of such
7 aid, and an explanation of how the proposal en-
8 sures that the program does not require the ex-
9 penditure of additional Federal funding beyond
10 what the student is eligible for;

11 “(H) a description of the students to
12 whom competency-based education will be of-
13 fered, including an assurance that the eligible
14 entity will include a minimum of 100 and a
15 maximum of 2,000 eligible students as part of
16 the program;

17 “(I) a description of the goals the entity
18 hopes to achieve through the use of com-
19 petency-based education, including evidence-
20 based estimates of cost savings to the institu-
21 tion, students, and the Federal Government as
22 a direct result of the delivery method being pro-
23 posed;

1 “(J) a description of how the entity plans
2 to maintain program quality and integrity, con-
3 sistent with part H;

4 “(K) an assurance that the entity will fully
5 cooperate with the ongoing evaluations of the
6 demonstration program under subsection (f)(3);

7 “(L) an assurance that the entity will not
8 require the expenditure of additional Federal
9 funding to implement the proposed program;

10 “(M) an evidence-based estimate of the
11 percentage of students the program would en-
12 roll whom the institution estimates will success-
13 fully complete the program, satisfy all academic
14 requirements, and attain the academic creden-
15 tial the program is intended to confer;

16 “(N) a written assurance that the eligible
17 entity will comply with section 444 of the Gen-
18 eral Education Provisions Act (commonly re-
19 ferred to as the ‘Family Educational Rights
20 and Privacy Act of 1974’) by agreeing to obtain
21 a signed consent form from each student who
22 will participate in the program, before the stu-
23 dent enrolls in the program or receives Federal
24 student financial aid under this title for the
25 program, that will allow the Secretary to con-

1 duct an evaluation of the program’s effective-
2 ness, including its impact on post-enrollment
3 earnings through matching data with other
4 Federal agencies, as long as—

5 “(i) no information from the student’s
6 education record would be permanently
7 stored with any other Federal agency; and

8 “(ii) no student’s personally identifi-
9 able information would be publicly dis-
10 closed; and

11 “(O) such other information as the Sec-
12 retary may require.

13 “(e) SELECTION.—

14 “(1) IN GENERAL.—Not later than 180 days
15 after the date of enactment of the Higher Education
16 Affordability Act, the Secretary shall select not more
17 than 15 eligible entities to participate in the dem-
18 onstration program under this section.

19 “(2) CONSIDERATIONS.—In selecting eligible
20 entities to participate in the demonstration program
21 under this section, the Secretary shall—

22 “(A) not select any eligible entity for which
23 the estimated percentage of students in the pro-
24 posed program expected to complete their de-
25 gree, as provided in the application under sub-

1 section (d)(2)(O), is lower than the percentage
2 of students enrolled in traditional academic pro-
3 grams at the institution that complete their de-
4 gree or program of study;

5 “(B) consider the number and quality of
6 applications received;

7 “(C) consider the eligible entity’s—

8 “(i) demonstrated quality, as meas-
9 ured through outcome-based metrics of
10 student success;

11 “(ii) financial responsibility;

12 “(iii) administrative capability, includ-
13 ing the ability to successfully execute the
14 program as described;

15 “(iv) commitment and ability to effec-
16 tively finance a demonstration program as
17 proposed;

18 “(v) demonstrated administrative ca-
19 pability and expertise to evaluate learning
20 based on measures other than credit hours
21 or clock hours;

22 “(vi) commitment to allow random as-
23 signment and collection of school records
24 of eligible program applicants, in full com-
25 pliance with section 444 of the General

1 Education Provisions Act (commonly re-
2 ferred to as the ‘Family Educational
3 Rights and Privacy Act of 1974’), if nec-
4 essary, in order to allow for the evaluation
5 of program impacts described in subsection
6 (f)(2)(B); and

7 “(vii) ability to translate competencies
8 to traditional credit hours to help facilitate
9 the ability of students participating in the
10 demonstration project to transfer to an-
11 other institution of higher education if the
12 student so desires;

13 “(D) ability to offer a financial guarantee
14 to assume all Federal loans made under part D
15 to students who demonstrate that the education
16 received did not lead to improved employment
17 prospects;

18 “(E) consider the Department’s capacity to
19 oversee and monitor each eligible institution’s
20 participation; and

21 “(F) ensure the participation of a diverse
22 group of institutions of higher education (in-
23 cluding institutions within eligible entities de-
24 scribed in subparagraph (B) or (C) of sub-

1 section (b)(2)) with respect to size, mission, and
2 geographic distribution of the institutions.

3 “(3) NOTIFICATION.—Not later than 180 days
4 after the date of enactment of the Higher Education
5 Affordability Act, the Secretary shall make available
6 to the authorizing committees, and to the public
7 through the Department’s website, a list of the eligi-
8 ble entities selected to participate in the demonstra-
9 tion program under this section. Such list shall in-
10 clude, for each such eligible entity, the specific statu-
11 tory and regulatory requirements that the Secretary
12 is waiving for the program and a description of the
13 competency-based education courses to be offered.

14 “(f) EVALUATIONS AND REPORTS.—

15 “(1) ELIGIBLE ENTITY REPORT.—Each eligible
16 entity that participates in the demonstration pro-
17 gram under this section shall prepare and submit to
18 the Secretary an annual report that includes all of
19 the following:

20 “(A) For each student participating in the
21 competency-based education program offered by
22 the eligible entity—

23 “(i) the number of postsecondary
24 credit hours the student had earned prior
25 to enrollment in the program;

1 “(ii) the period of time between the
2 admission of the student in the program
3 and the first assessment of the student’s
4 learning;

5 “(iii) the number of credits or com-
6 petencies and progress towards completion
7 that the student acquired through the pro-
8 gram and the period of time during which
9 the student acquired such credits, com-
10 petencies, and made such progress;

11 “(iv) an identification of whether the
12 student is participating in the program
13 and only receiving competency-based edu-
14 cation or participating in the program
15 while also taking courses offered in credit
16 or clock hours;

17 “(v) the percentage of assessments of
18 student learning that the student passed
19 on the first attempt, during the period of
20 the student’s participation in the program;
21 and

22 “(vi) the percentage of assessments of
23 student learning that the student passed
24 on the second attempt, and the average pe-
25 riod of time between the student’s first and

1 second attempts, during the period of the
2 student's participation in the program.

3 “(B) The rates of retention in the program
4 for participating students, for each 6-month pe-
5 riod of the program.

6 “(C) Graduation rates for participating
7 students and the average period of time for de-
8 gree completion by a student participating in
9 the program, disaggregated based on student
10 status as a first-year, second-year, third-year,
11 or fourth-year student when the student en-
12 rolled in the program and status with respect to
13 participating in courses offered in credit or
14 clock hours while also participating in com-
15 petency-based education.

16 “(D) Issues related to awarding and dis-
17 bursing student financial assistance for com-
18 petency-based education.

19 “(E) The job placement rates of all stu-
20 dents who participated in the program, as
21 measured in the second fiscal year after the
22 completion of the program. The Secretary may
23 offer guidance for the purposes of making this
24 calculation.

1 “(F) An analysis of the mean debt to earn-
2 ings ratio, and the mean debt to discretionary
3 earnings ratio, of the students who participated
4 in the program, as measured in the second fis-
5 cal year after the completion of the program—

6 “(i) in the aggregate and
7 disaggregated for students who earned the
8 degree or credential and students who did
9 not earn the degree or credential; and

10 “(ii) calculated for each quintile of
11 students, based on the salary of the stu-
12 dents after participation in the program.

13 “(G) A compilation of quality reviews by
14 students who participated in the program.

15 “(H) Such other information as the Sec-
16 retary may require.

17 “(2) EVALUATION.—The Secretary shall—

18 “(A) in the aggregate, annually evaluate
19 the program offered by each eligible entity par-
20 ticipating in the demonstration program under
21 this section to review—

22 “(i) the extent to which the eligible
23 entity has met the goals set forth in its ap-
24 plication under subsection (d), including
25 the progress of the eligible entity based on

1 the measures of program quality assur-
2 ance;

3 “(ii) the number and types of stu-
4 dents participating in the competency-
5 based education programs offered, includ-
6 ing the progress of participating students
7 toward recognized degrees and the extent
8 to which participation, postsecondary edu-
9 cation retention, postsecondary education
10 completion, employment after graduation,
11 and debt repayment increased or decreased
12 for participating students as compared to
13 the general postsecondary education stu-
14 dent population;

15 “(iii) obstacles related to student fi-
16 nancial assistance for competency-based
17 education; and

18 “(iv) the extent to which statutory or
19 regulatory requirements not waived under
20 the demonstration program present dif-
21 ficulties for students or institutions of
22 higher education; and

23 “(B) acting through the Director of the In-
24 stitute of Education Sciences—

1 “(i) evaluate the implementation and
2 impact of the activities allowed under this
3 section; and

4 “(ii) identify promising practices re-
5 garding competency-based education and
6 disseminate research on these practices.

7 “(3) ANNUAL REPORT.—The Secretary shall
8 annually prepare and submit to the authorizing com-
9 mittees a report that includes the following:

10 “(A) The evaluations of the demonstration
11 programs required under paragraph (3).

12 “(B) The number and types of students re-
13 ceiving assistance under this title who partici-
14 pate in competency-based education programs
15 supported under this section.

16 “(C) The postsecondary education reten-
17 tion and completion rates of students partici-
18 pating in such programs.

19 “(D) The job placement rates of partici-
20 pating students, as measured 2 fiscal years
21 after the completion of such programs.

22 “(E) An analysis of the mean debt to earn-
23 ings ratio, and the mean debt to discretionary
24 earnings ratio of the students who participated

1 in the program, as measured in the second fis-
2 cal year after the completion of the program—

3 “(i) in the aggregate and
4 disaggregated for students who earned the
5 degree or credential and students who did
6 not the degree or credential; and

7 “(ii) calculated for each quintile of
8 students, based on the salary of the stu-
9 dents after participation in the program.

10 “(F) Any statutory changes the Secretary
11 would recommend that are designed to support
12 and enhance the expansion of competency-based
13 education.

14 “(G) Other such measures as determined
15 by the Secretary.

16 “(g) OVERSIGHT.—In conducting the demonstration
17 program under this section, the Secretary shall, on a con-
18 tinuing basis—

19 “(1) ensure that eligible entities participating in
20 the program comply with the requirements of this
21 title (other than the requirements that are waived
22 under subsection (c)(2));

23 “(2) provide technical assistance;

1 “(3) monitor fluctuations in the student popu-
2 lation enrolled in the participating eligible entities;
3 and

4 “(4) consult with appropriate accrediting agen-
5 cies or associations and appropriate State regulatory
6 authorities regarding the program.

7 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated to carry out this section
9 such sums as may be necessary.”.

10 **SEC. 491. PROGRAM PARTICIPATION AGREEMENTS.**

11 (a) SENSE OF THE SENATE REGARDING INCENTIVE
12 COMPENSATION.—It is the sense of the Senate that—

13 (1) incentive compensation is an inappropriate
14 mechanism in the delivery of higher education for in-
15 stitutions of higher education wishing to participate
16 in programs under title IV of the Higher Education
17 Act of 1965 (20 U.S.C. 1001 et seq.); and

18 (2) the ban on incentive compensation under
19 section 487(a)(20) of the Higher Education Act of
20 1965 (20 U.S.C. 1094(a)(20)), as amended by sub-
21 section (b), is intended to preclude its use by institu-
22 tions wishing to participate in such programs, at any
23 point in the recruitment, enrollment, education, or
24 employment placement of students.

1 (b) AMENDMENTS.—Section 487 (20 U.S.C. 1094) is
2 amended—

3 (1) in subsection (a)—

4 (A) in paragraph (19), by inserting “hous-
5 ing facilities,” after “libraries,”; and

6 (B) by striking paragraph (20) and insert-
7 ing the following:

8 “(20)(A)(i) The institution or any third party
9 acting on the institution’s behalf, including an insti-
10 tution affiliate or service provider to the institution,
11 will not provide any commission, bonus, or other in-
12 centive payment to any person or entity at any
13 phase of the academic process based directly or indi-
14 rectly on success in—

15 “(I) securing enrollments or securing or
16 awarding financial aid;

17 “(II) performance in educational
18 coursework;

19 “(III) graduation;

20 “(IV) job placement; or

21 “(V) any other academic facet of a stu-
22 dent’s enrollment in an institution of higher
23 education.

24 “(ii) The requirements of subparagraph (A)
25 shall not apply to the recruitment of foreign stu-

1 dents residing in foreign countries who are not eligi-
2 ble to receive Federal student assistance.

3 “(B) The institution affirmatively acknowledges
4 that the provision of incentive compensation to em-
5 ployees of institutions, institution affiliates, or serv-
6 ice providers retained by the institution at any point
7 in the recruitment, enrollment, education, or employ-
8 ment placement of students is a prohibited activity
9 under subparagraph (A)(i).

10 “(C) The institution will provide, upon hiring
11 an employee or contracting with a service provider,
12 and not less than once per calendar year, official no-
13 tice, on a form developed by the Secretary, to em-
14 ployees and service providers (and employees of serv-
15 ice providers) contracted by the institution of the
16 statutory and regulatory requirements pursuant to
17 this section.

18 “(D) The institution will not enter into any
19 contract with a third party acting on its behalf, in-
20 cluding institution affiliates or service providers,
21 that contains a revenue-sharing component premised
22 in full or in any part on any practice described in
23 subparagraph (A)(i).”;

24 (C) by striking paragraph (24) and insert-
25 ing the following:

1 “(24) The institution certifies that the institu-
2 tion—

3 “(A) has designated an appropriate staff
4 person, who may also be a coordinator for other
5 programs, as a single point of contact to assist
6 homeless children and youths (as such term is
7 defined in section 725 of the McKinney-Vento
8 Homeless Assistance Act (42 U.S.C. 11434a))
9 and foster care children and youth in accessing
10 and completing postsecondary education;

11 “(B) posts public notice about student fi-
12 nancial assistance and other assistance available
13 to homeless children and youths and foster care
14 children and youth, including their eligibility as
15 independent students under subparagraphs (B)
16 and (H) of sections 480(d)(1);

17 “(C) has developed a plan for how home-
18 less children and youths and foster care chil-
19 dren and youth can access housing resources
20 during and between academic terms, through
21 means that may include access to on-campus
22 housing during school breaks and a list of hous-
23 ing resources in the community that provide
24 short-term housing; and

1 “(D) has included in the institution’s ap-
2 plication for admission questions (to be an-
3 swered voluntarily) regarding the applicant’s
4 status as a homeless child or youth or foster
5 care child or youth, which the applicant can vol-
6 untarily choose to answer for the limited pur-
7 pose of being provided information about finan-
8 cial aid or any other available assistance.”;

9 (i) in paragraph (25)(A)(ii), by strik-
10 ing “subsection (e)” and inserting “sub-
11 section (d)”;

12 (ii) in paragraph (27), by striking
13 “subsection (h)” and inserting “subsection
14 (g)”;

15 (D) by striking paragraph (28) and insert-
16 ing the following:

17 “(28)(A) The institution shall—

18 “(i) upon the request of a private edu-
19 cational lender, acting in connection with an ap-
20 plication initiated by a borrower for a private
21 education loan in accordance with section
22 128(e)(3) of the Truth in Lending Act, pro-
23 vide—

24 “(I) certification to such private edu-
25 cational lender—

1 “(aa) that the student who initi-
2 ated the application for the private
3 education loan, or on whose behalf the
4 application was initiated, is enrolled
5 or is accepted for enrollment at the
6 institution;

7 “(bb) of such student’s cost of
8 attendance at the institution as deter-
9 mined under part F of this title; and

10 “(cc) of the difference between—

11 “(AA) the cost of attendance
12 at the institution; and

13 “(BB) the student’s esti-
14 mated financial assistance re-
15 ceived under this title, if the stu-
16 dent pursued such assistance,
17 and other assistance known to
18 the institution, as applicable; or

19 “(II) in the case of a private edu-
20 cation loan that the institution may not
21 certify because the private education loan
22 does not meet the requirements described
23 in subsection (D), provide notice to the pri-
24 vate educational lender of the institution’s

1 refusal to certify the private education
2 loan; and

3 “(ii) provide the certification described in
4 clause (i)(I), or notice of the refusal to provide
5 certification described in clause (i)(II), as the
6 case may be, or notify the creditor that the in-
7 stitution has received the request for certifi-
8 cation and will need additional time to comply
9 with the certification request—

10 “(I) within 15 business days of receipt
11 of such certification request; and

12 “(II) only after the institution has
13 completed the activities described in sub-
14 paragraph (B).

15 “(B) The institution shall, upon receipt of a
16 certification request described in subparagraph
17 (A)(i), and prior to providing the certification under
18 subparagraph (A)(i)(I) or providing notice of the re-
19 fusal to provide certification under subparagraph
20 (A)(i)(II)—

21 “(i) determine whether the student who
22 initiated the application for the private edu-
23 cation loan, or on whose behalf the application
24 was initiated, has applied for and exhausted the
25 Federal financial assistance available to such

1 student under this title and inform the student
2 accordingly; and

3 “(ii) provide the student whose loan appli-
4 cation has prompted the certification request by
5 a private education lender, as described in sub-
6 paragraph (A)(i), with the following information
7 and disclosures:

8 “(I) The availability of, and the stu-
9 dent’s potential eligibility for, Federal fi-
10 nancial assistance under this title, includ-
11 ing the explanation of the benefits provided
12 under Federal student loans developed by
13 the Secretary under section 483A(b).

14 “(II) The student’s ability to select a
15 private educational lender of the student’s
16 choice.

17 “(III) The impact of a proposed pri-
18 vate education loan on the student’s poten-
19 tial eligibility for other financial assistance,
20 including Federal financial assistance
21 under this title.

22 “(IV) The student’s right to accept or
23 reject a private education loan within the
24 30-day period following a private edu-
25 cational lender’s approval of a student’s

1 loan application and the right of a bor-
2 rower of a private education loan to cancel
3 the loan within a 3-day period, in accord-
4 ance with paragraphs (6) and (7) of sec-
5 tion 128(e) of the Truth in Lending Act.

6 “(C) For purposes of this paragraph, the term
7 ‘private educational lender’ has the meaning given
8 such term in section 140 of the Truth in Lending
9 Act (15 U.S.C. 1650).

10 “(D) The institution shall not certify a private
11 education loan under this paragraph unless the pri-
12 vate education loan includes terms that provide that
13 the liability to repay the loan shall be cancelled—

14 “(i) upon the death of the borrower;

15 “(ii) if the borrower becomes permanently
16 and totally disabled, as determined in accord-
17 ance with the regulations of the Secretary of
18 Education; and

19 “(iii) if the borrower is determined by the
20 Secretary of Veterans Affairs or the Secretary
21 of Defense to be unemployable due to a service-
22 connected disability.

23 “(E) In the case of a private education loan
24 that includes a cosigner, the institution shall not
25 provide certification to a private educational lender

1 under this paragraph unless the private educational
2 lender agrees to send a statement to the borrower’s
3 cosigner, annually notifying the cosigner of the
4 terms, conditions, and status of such private edu-
5 cation loan.”; and

6 (E) by adding at the end the following:

7 “(30)(A) The institution—

8 “(i) shall not include a predispute arbitra-
9 tion agreement in any contract with a student
10 or prospective student for enrollment at the in-
11 stitution; and

12 “(ii) shall agree that, in any case where a
13 contract for enrollment at the institution en-
14 tered into by a student before the date of enact-
15 ment of the Higher Education Affordability Act
16 included a predispute arbitration agreement,
17 such agreement shall be invalid and unenforce-
18 able by the institution.

19 “(B) In this paragraph, the term ‘predispute
20 arbitration agreement’ means any agreement to arbi-
21 trate a dispute that had not yet arisen at the time
22 of the making of the agreement.

23 “(31) The institution will provide the Secretary
24 with any information that the Secretary requests in

1 order to meet the default prevention requirements of
2 section 435(a)(7).

3 “(32)(A) If the institution has a student default
4 risk for a fiscal year, as calculated by the Secretary,
5 of 0.1 or greater, the institution will, for such
6 year—

7 “(i) provide an individual accepted for en-
8 rollment at the institution with a waiting pe-
9 riod, beginning on the date that the individual
10 receives notification of the acceptance and last-
11 ing for not less than 2 weeks, before the indi-
12 vidual is required to enroll in the institution,
13 pay tuition charges, or sign a master promis-
14 sory note for a loan under this title, in order to
15 give the individual time to consider, and com-
16 pare among postsecondary options, program
17 costs at the institution and employment pros-
18 pects upon completion of a program of study;

19 “(ii) ensure that the receipt of financial
20 aid, incentives, or other benefits is not made
21 contingent on an individual confirming enroll-
22 ment before the end of the individual’s waiting
23 period;

1 “(iii) inform the individual, in writing and
2 in a manner determined by the Secretary at the
3 time of the acceptance notification, of—

4 “(I) the individual’s right to the 2-
5 week waiting period under clause (i) begin-
6 ning on the date that the individual re-
7 ceives notification of the acceptance; and

8 “(II) the reason why the institution is
9 required to provide such waiting period;

10 “(iv) notify an individual accepted for en-
11 rollment at the institution of all financial aid
12 determinations by not less than 1 week before
13 the enrollment confirmation deadline, if all re-
14 quested application forms are received from the
15 individual on time; and

16 “(v) disclose to an individual accepted for
17 enrollment, in a manner determined by the Sec-
18 retary, that the individual may file a complaint
19 through the complaint tracking system estab-
20 lished under section 161 if the individual be-
21 lieves that the institution has violated any pro-
22 vision of this paragraph.

23 “(B) If an institution described in subpara-
24 graph (A) fails to meet the requirements of this

1 paragraph, the institution shall be subject to a civil
2 penalty in accordance with section 489A.

3 “(C) Notwithstanding subparagraph (A), the
4 Secretary may, after providing notice and an oppor-
5 tunity to comment, elect to replace the use of the
6 student default risk percentage threshold established
7 under subparagraph (A) with a loan repayment rate
8 threshold calculated in accordance with section
9 483D(b).

10 “(33) In the case of an institution that enrolls
11 during an academic year more than 100 students
12 who are veterans, the institution shall certify that
13 the institution has developed and implemented a
14 plan to ensure the success of veterans at that insti-
15 tution. To the extent practicable, the institution
16 shall make the plan, and associated policies, public
17 and accessible to students who are veterans. Such
18 plan shall include the following:

19 “(A) The designation of certain faculty or
20 staff at the institution who will serve as a point
21 of contact for veterans—

22 “(i) within campus offices, including
23 the admissions office; and

24 “(ii) during any orientation process
25 for newly enrolled students.

1 “(B) The establishment of a working
2 group that will be responsible for veterans
3 issues.

4 “(C) A description of disability services
5 that are available to meet the needs of disabled
6 students who are veterans.

7 “(D) A plan for how the institution will
8 identify students who are veterans through the
9 application process, or through other processes,
10 to provide better assistance in the receipt of
11 educational assistance under laws administered
12 by the Secretary of Veterans Affairs or the Sec-
13 retary of Defense.

14 “(E) A description of how the institution
15 will evaluate and maximize the number of cred-
16 its students can receive from military training
17 and service.

18 “(34) The institution, and the officers at the
19 institution, will not make any substantial misrepre-
20 sentation, as described in section 489A(a)(1)(A).

21 “(35) The institution will adopt policies regard-
22 ing academic leaves of absence, readmission, and
23 dismissal for psychiatric reasons that are com-
24 parable to such policies for physical health and other

1 medical reasons, including policies that include the
2 same guarantees of due process and appeal.”;

3 (2) in subsection (c)—

4 (A) in paragraph (1)—

5 (i) in subparagraph (A)(i), by striking
6 “available” and inserting “made publicly
7 available and provided”.

8 (ii) by striking subparagraphs (F) and
9 (G);

10 (iii) by redesignating subparagraphs
11 (H) and (I) as subparagraphs (F) and (G),
12 respectively; and

13 (iv) in subparagraph (F), as redesign-
14 nated by clause (iii), by striking “under
15 paragraph (3)(B)” and inserting “on the
16 institution of higher education under sec-
17 tion 489A”; and

18 (B) by striking paragraph (3); and

19 (C) by redesignating paragraphs (4)
20 through (7) as paragraphs (3) through (6), re-
21 spectively;

22 (3) by striking subsection (d);

23 (4) by redesignating subsections (e) through (j)
24 as subsections (d) through (i), respectively; and

1 “(iv) the admission requirements of
2 the institution;

3 “(v) the transferability of credits from
4 the institution;

5 “(vi) whether a program of the insti-
6 tution meets the necessary standards to
7 qualify students to sit for licensing exami-
8 nations, or obtain certification required as
9 a precondition for employment, in the
10 State in which the students reside;

11 “(vii) the passage rates of students at
12 the institution in obtaining certification re-
13 quirements;

14 “(viii) the passage rates of students
15 who sit for licensing examinations; or

16 “(ix) the employability of the grad-
17 uates of the institution.

18 “(B) Failure of an institution subject to
19 the requirements of section 487(a)(32) to com-
20 ply with such section.

21 “(C) A knowing and willful misuse of Fed-
22 eral student aid from any source.

23 “(D) A violation of section 487(a)(20).

1 “(E) A violation of the default manipula-
2 tion regulations promulgated by the Secretary
3 under section 435(m)(3).

4 “(F) Failure to comply with the program
5 review process described in section 498A, in-
6 cluding any disclosure requirement described in
7 paragraph (2)(C) or (5) of section 498A(b).

8 “(G) A violation of the program integrity
9 regulations promulgated by the Secretary under
10 this Act.

11 “(H) A violation of this Act that the Sec-
12 retary has determined, by regulation, to be a
13 serious violation for purposes of this section.

14 “(2) OFFICER OF AN INSTITUTION OF HIGHER
15 EDUCATION.—The term ‘officer of an institution of
16 higher education’ includes the president, chief execu-
17 tive officer, and chief financial officer of an institu-
18 tion of higher education or their equivalents.

19 “(b) SANCTIONS FOR SUBSTANTIAL MISREPRESENTA-
20 TIONS OR SERIOUS VIOLATIONS.—

21 “(1) CIVIL PENALTIES.—

22 “(A) IN GENERAL.—The Secretary may
23 impose a civil penalty upon an eligible institu-
24 tion upon making a determination, after reason-
25 able notice and opportunity for a hearing, that

1 an eligible institution has engaged in a substan-
2 tial misrepresentation or other serious violation.

3 “(B) AMOUNT OF CIVIL PENALTIES.—A
4 civil penalty imposed for a violation under sub-
5 paragraph (A) shall be not less than \$100,000
6 or—

7 “(i) in the case of a first violation, an
8 amount equal to the product of \$1,000,000
9 multiplied by the institution’s student de-
10 fault risk, whichever is larger;

11 “(ii) in the case of a second violation,
12 an amount equal to the product of
13 \$2,000,000 multiplied by the institution’s
14 student default risk, whichever is larger;
15 and

16 “(iii) in the case of a third or subse-
17 quent violation, an amount equal to the
18 product of \$3,000,000 multiplied by the in-
19 stitution’s student default risk, whichever
20 is larger.

21 “(C) TREATMENT OF MULTIPLE INSTITU-
22 TIONS.—For the purpose of determining the
23 number of violations for subparagraph (B), any
24 violation by a particular institution will accrue
25 against all identification codes used by the Of-

1 fice of Postsecondary Education to designate
2 campuses and institutions affiliated with the in-
3 stitution, and within the period of participation
4 for the institution, as defined in section
5 668.13(b) of title 34, Code of Federal Regula-
6 tions, or any successor regulation.

7 “(c) SANCTIONS FOR OTHER VIOLATIONS OF THIS
8 TITLE.—Upon determination, after reasonable notice and
9 opportunity for a hearing, that an eligible institution has
10 engaged in a violation of any other provision of this title,
11 including the failure to carry out any provision of this
12 title, that is not a significant misrepresentation or other
13 serious violation, the Secretary may impose a civil penalty
14 upon such institution of not more than \$100,000 (subject
15 to such adjustments for inflation as may be prescribed in
16 regulation) for each such violation.

17 “(d) CIVIL PENALTIES AND SANCTIONS FOR OFFI-
18 CERS OF INSTITUTIONS.—Upon determination, after rea-
19 sonable notice and an opportunity for a hearing on the
20 record, that an officer of an institution of higher education
21 that participates in a program under this title has know-
22 ingly and willfully, or with gross negligence, violated a pro-
23 vision of this title, the Secretary may sanction the officer.
24 Such sanctions may include the following:

1 “(1) Prohibiting the institution of higher edu-
2 cation that has employed the officer of an institution
3 of higher education and that participates in a pro-
4 gram under this title, or any other institution of
5 higher education that participates in a program
6 under this title, from employing the officer, except
7 that any such prohibition under this subsection shall
8 not be for a period of more than 5 years from the
9 date of the determination of the violation.

10 “(2) Assessing a civil penalty against an officer
11 of an institution of higher education who has know-
12 ingly and willfully, or with gross negligence, violated
13 a provision of this title, except that any such civil
14 penalty under this subsection shall not be greater
15 than the amount of the officer’s compensation for
16 each year for which the violations are determined to
17 have occurred. For purposes of this subparagraph,
18 an officer’s compensation shall include proceeds of
19 any sales of stock and any incentive-based com-
20 pensation (including stock options awarded as com-
21 pensation) based on information required to be re-
22 ported to the Secretary or any other Federal agency
23 during the period in which the violations are deter-
24 mined to have occurred.

1 “(e) LIMITATION, SUSPENSION, OR TERMINATION OF
2 ELIGIBILITY STATUS.—

3 “(1) IN GENERAL.—Upon determination, after
4 reasonable notice and opportunity for a hearing, that
5 an eligible institution has engaged in a violation of
6 any provision of this title (including the failure to
7 carry out any provision of this title or any regulation
8 prescribed under such provision) or a violation of
9 any applicable special arrangement, agreement, or
10 limitation, the Secretary may limit, suspend, or ter-
11minate the participation in any program under this
12title of an eligible institution, subject to the require-
13ments of paragraph (2).

14 “(2) SUSPENSION PROCEDURES.—No period of
15suspension under this section shall exceed 60 days
16unless the institution and the Secretary agree to an
17extension or unless limitation or termination pro-
18ceedings are initiated by the Secretary within that
19period of time.

20 “(f) EMERGENCY ACTION.—

21 “(1) IN GENERAL.—The Secretary may take an
22emergency action against an institution, under which
23the Secretary shall, effective on the date on which a
24notice and statement of the basis of the action is
25mailed to the institution (by registered mail, return

1 receipt requested), withhold funds from the institu-
2 tion or its students and withdraw the institution's
3 authority to obligate funds under any program
4 under this title, if the Secretary—

5 “(A) receives information, determined by
6 the Secretary to be reliable, that the institution
7 is violating any provision of this title, any regu-
8 lation prescribed under this title, or any appli-
9 cable special arrangement, agreement, or limita-
10 tion;

11 “(B) determines that immediate action is
12 necessary to prevent misuse of Federal funds;
13 and

14 “(C) determines that the likelihood of loss
15 outweighs the importance of the procedures pre-
16 scribed in subsection (e) for limitation, suspen-
17 sion, or termination.

18 “(2) **TIME LIMITATION.**—An emergency action
19 described in paragraph (1) shall not exceed 30 days
20 unless limitation, suspension, or termination pro-
21 ceedings are initiated by the Secretary against the
22 institution within that period of time.

23 “(3) **OPPORTUNITY TO SHOW CAUSE.**—The Sec-
24 retary shall provide an institution that is the subject
25 of an emergency action under this subsection an op-

1 portunity to show cause, if the institution so re-
2 quests, that the emergency action is unwarranted
3 and should be lifted.

4 “(g) LIFTING OF SANCTIONS.—Notwithstanding any
5 other provision of this title, an institution of higher edu-
6 cation that has been sanctioned by the Secretary under
7 this section or any other provision of this title may not
8 have such sanctions lifted until the Secretary has con-
9 ducted a subsequent program review under section 498A
10 and has found the institution to be in compliance with this
11 title.

12 “(h) SINGLE COURSE OF CONDUCT; COMPROMISE
13 AUTHORITY AND COLLECTION OF PENALTY.—

14 “(1) SAME COURSE OF CONDUCT.—For pur-
15 poses of this section, acts and omissions relating to
16 a single course of conduct shall be treated as a sin-
17 gle violation.

18 “(2) COMPROMISE AUTHORITY.—Any civil pen-
19 alty under this section may be compromised by the
20 Secretary. In determining the amount of such pen-
21 alty, or the amount agreed upon in compromise, the
22 Secretary shall consider—

23 “(A) the appropriateness of the penalty to
24 the size of the institution of higher education
25 subject to the determination; and

1 “(B) the gravity of the violation, failure, or
2 misrepresentation.

3 “(i) COLLECTION OF PENALTY.—The amount of any
4 penalty under this section may be deducted from any sums
5 owing by the United States to the institution charged.

6 “(j) DISPOSITION OF AMOUNTS RECOVERED.—

7 “(1) IN GENERAL.—Amounts collected under
8 this section shall be transferred to the Secretary,
9 who shall determine the distribution of collected
10 amounts, in accordance with paragraphs (2) and (3).

11 “(2) USE FOR PROGRAM INTEGRITY EFFORTS
12 AND PROGRAM REVIEWS.—

13 “(A) IN GENERAL.—For each fiscal year,
14 an amount equal to not more than 50 percent
15 of the amounts recovered or collected under this
16 section—

17 “(i) shall be available to the Secretary
18 to carry out program reviews under section
19 498A and other efforts by the Secretary
20 related to program integrity under part H;
21 and

22 “(ii) may be credited, if applicable, for
23 that purpose by the Secretary to any ap-
24 propriations and funds that are available

1 to the Secretary for obligation at the time
2 of collection.

3 “(B) SUPPLEMENT NOT SUPPLANT.—
4 Amounts made available under subparagraph
5 (A) shall be used to supplement and not sup-
6 plant any other amounts available to the Sec-
7 retary for the purpose described in such sub-
8 paragraph.

9 “(C) AVAILABILITY FOR FUNDS.—Any
10 amounts collected under this section that are
11 made available under paragraph (2) shall re-
12 main available until expended.

13 “(3) USE FOR STUDENT RELIEF FUND.—For
14 each fiscal year, an amount equal to not less than
15 50 percent of the amounts recovered or collected
16 under this section shall be deposited into the Stu-
17 dent Relief Fund established under subsection (k).

18 “(4) REPORT.—The Secretary shall regularly
19 publish, on the website of the Department, a de-
20 tailed description that includes—

21 “(A) the amount of funds that were dis-
22 tributed for the purposes described in para-
23 graph (2) and the amount used for the Student
24 Relief Fund under paragraph (3); and

1 “(B) how funds were distributed among
2 the purposes described in paragraph (2)(A)(i).

3 “(k) STUDENT RELIEF FUND.—

4 “(1) ESTABLISHMENT.—The Secretary shall es-
5 tablish a Student Relief Fund (referred to in this
6 subsection as the ‘Fund’) that shall be used, subject
7 to the availability of funds, to provide financial relief
8 to any student enrolled in an institution of higher
9 education that—

10 “(A) has failed to comply with an eligi-
11 bility requirement under section 101 or 102 or
12 an obligation incurred under the terms of the
13 program participation agreement under section
14 487; or

15 “(B) has been sanctioned under subsection
16 (b) or (c).

17 “(2) DETERMINATION OF RELIEF.—The Sec-
18 retary, in consultation with Director of the Bureau
19 of Consumer Financial Protection—

20 “(A) shall determine the manner of relief
21 to be provided under paragraph (1), which may
22 include tuition reimbursement or full or partial
23 loan forgiveness; and

1 “(B) may issue regulations regarding how
2 the amounts in the Fund will be distributed
3 among students eligible for the funds.

4 “(3) TREATMENT AND AVAILABILITY OF
5 FUNDS.—

6 “(A) FUNDS THAT ARE NOT GOVERNMENT
7 FUNDS.—Funds obtained by or transferred to
8 the Fund shall not be construed to be Govern-
9 ment funds or appropriated monies.

10 “(B) AMOUNTS NOT SUBJECT TO APPOR-
11 TIONMENT.—Notwithstanding any other provi-
12 sion of law, amounts in the Fund shall not be
13 subject to apportionment for purposes of chap-
14 ter 15 of title 31, United States Code, or under
15 any other authority.

16 “(C) NO FISCAL YEAR LIMITATION.—Sums
17 deposited in the Fund shall remain in the Fund
18 and be available for expenditure under this
19 chapter without fiscal year limitation.

20 “(4) INVESTMENTS.—

21 “(A) AMOUNTS IN FUND MAY BE IN-
22 VESTED.—The Secretary of Education may re-
23 quest the Secretary of the Treasury to invest
24 the portion of the Fund that is not, in the dis-

1 cretion of the Secretary of Education, required
2 to meet the current needs of the Fund.

3 “(B) ELIGIBLE INVESTMENTS.—Invest-
4 ments shall be made by the Secretary of the
5 Treasury in obligations of the United States or
6 obligations that are guaranteed as to principal
7 and interest by the United States, with matu-
8 rities suitable to the needs of the Fund as de-
9 termined by the Secretary on the record.

10 “(C) INTEREST AND PROCEEDS CRED-
11 ITED.—The interest on, and the proceeds from
12 the sale or redemption of, any obligations held
13 in the Fund shall be credited to the Fund.

14 “(5) REGULATIONS.—The Secretary shall pre-
15 scribe regulations to implement the requirements of
16 this section within 1 year after the date of enact-
17 ment of the Higher Education Affordability Act.

18 “(6) AUTHORIZATION OF APPROPRIATIONS.—In
19 addition to funds derived from financial penalties as-
20 sessed pursuant to subsection (j), there are author-
21 ized to be appropriated such sums as may be nec-
22 essary to carry out this subsection.

23 “(1) STATE ENFORCEMENT.—

24 “(1) IN GENERAL.—Any violation of subsection
25 (b), including the regulations promulgated under

1 such subsection, shall be a cause of action enforce-
2 able by the State, through the attorney general (or
3 the equivalent thereof) of the State, in any district
4 court of the United States in that State or in a
5 State court that is located in that State and that
6 has jurisdiction over the defendant. The State may
7 seek any relief provided under paragraph (4)(B) for
8 such violation, or any remedies otherwise provided
9 under law.

10 “(2) NOTICE REQUIRED.—

11 “(A) IN GENERAL.—Before initiating any
12 action in a court or other administrative or reg-
13 ulatory proceeding against any institution of
14 higher education as authorized by paragraph
15 (1) to enforce any provision of this subsection,
16 including any regulation promulgated by the
17 Secretary under this subsection, a State attor-
18 ney general shall timely provide a copy of the
19 complete complaint to be filed and written no-
20 tice describing such action or proceeding to the
21 Secretary, except as provided in subparagraph
22 (B).

23 “(B) EMERGENCY ACTION.—If prior notice
24 is not practicable, the State attorney general
25 shall provide a copy of the complete complaint

1 and the notice to the Secretary immediately
2 upon instituting the action or proceeding.

3 “(C) CONTENTS OF NOTICE.—The notifi-
4 cation required under this subparagraph shall,
5 at a minimum, describe—

6 “(i) the identity of the parties;

7 “(ii) the alleged facts underlying the
8 proceeding; and

9 “(iii) whether there may be a need to
10 coordinate the prosecution of the pro-
11 ceeding so as not to interfere with any ac-
12 tion, including any rulemaking, undertaken
13 by the Secretary or another Federal agen-
14 cy.

15 “(3) REGULATIONS.—The Secretary shall pre-
16 scribe regulations to implement the requirements of
17 this subsection and periodically provide guidance in
18 order to further coordinate actions with the State at-
19 torneys general.

20 “(4) PRESERVATION OF STATE AUTHORITY.—

21 “(A) STATE CLAIMS.—Nothing in this sub-
22 section shall be construed as altering, limiting,
23 or affecting the authority of a State attorney
24 general or any other regulatory or enforcement
25 agency or authority to bring an action or other

1 regulatory proceeding arising solely under the
2 law in effect in that State.

3 “(B) RELIEF.—

4 “(i) IN GENERAL.—Relief under this
5 subsection may include, without limita-
6 tion—

7 “(I) rescission or reformation of
8 contracts;

9 “(II) refund of moneys or return
10 of real property;

11 “(III) restitution;

12 “(IV) disgorgement or compensa-
13 tion for unjust enrichment;

14 “(V) payment of damages or
15 other monetary relief pursuant to the
16 requirements of paragraph (2);

17 “(VI) public notification regard-
18 ing the violation, including the costs
19 of notification; and

20 “(VII) limits on the activities or
21 functions of the person.

22 “(ii) EXCLUSION.—Relief under this
23 subsection shall not include the ability to
24 suspend or terminate the eligibility status

1 of an institution of higher education for
2 programs under this title.”.

3 **SEC. 493. INCOME-BASED REPAYMENT.**

4 (a) IN GENERAL.—Section 493C of the Higher Edu-
5 cation Act of 1965 (20 U.S.C. 1098e) is amended to read
6 as follows:

7 **“SEC. 493C. INCOME-BASED REPAYMENT.**

8 “(a) DEFINITIONS.—In this section:

9 “(1) ELIGIBLE LOAN.—The term ‘eligible loan’
10 means any outstanding loan of a borrower that is
11 made, insured, or guaranteed under part B or part
12 D, except that the term does not include—

13 “(A) any such loan that is in default;

14 “(B) any PLUS loan made, insured, or
15 guaranteed under section 428, or any Federal
16 Direct PLUS Loan, made to a parent borrower;
17 or

18 “(C) any consolidation loan made, insured,
19 or guaranteed under section 428C, or any Fed-
20 eral Direct Consolidation Loan, that repaid a
21 loan described in subparagraph (B).

22 “(2) PARTIAL FINANCIAL HARDSHIP.—The
23 term ‘partial financial hardship’, when used with re-
24 spect to a borrower, means that—

25 “(A) for such borrower—

1 “(i) the annual amount due on the
2 total amount of eligible loans made to a
3 borrower as calculated under the standard
4 repayment plan under section
5 428(b)(9)(A)(i) or 455(d)(1)(A), based on
6 a 10-year repayment period; exceeds

7 “(ii) 10 percent of the result obtained
8 by calculating, on an annual basis, the
9 amount by which—

10 “(I) the borrower’s, and the bor-
11 rower’s spouse’s (if applicable), ad-
12 justed gross income; exceeds

13 “(II) 150 percent of the poverty
14 line; or

15 “(B) the borrower is considered 150 days
16 or more days delinquent on one or more eligible
17 loans.

18 “(b) INCOME-BASED REPAYMENT PROGRAM AU-
19 THORIZED.—Notwithstanding any other provision of this
20 Act, the Secretary shall carry out a program under
21 which—

22 “(1) a borrower of any eligible loan may elect
23 to participate in the income-based repayment plan if
24 the borrower has a partial financial hardship as of
25 the time the borrower makes the election—

1 “(A) whether or not the borrower’s loan
2 has been submitted to a guaranty agency for
3 default aversion or had been in default pre-
4 viously; and

5 “(B) whether or not the borrower is, at the
6 time of the election, enrolled in another repay-
7 ment plan, including the income contingent re-
8 payment plan, income-sensitive repayment plan,
9 or another repayment plan based on income eli-
10 gibility (except that in the case of a borrower
11 who is enrolled in the income contingent repay-
12 ment plan and has a Federal Direct Consolida-
13 tion Loan that repaid a Federal Direct PLUS
14 Loan, that Federal Direct Consolidation Loan
15 shall not be an eligible loan for purposes of this
16 section);

17 “(2) after selection of the income-based repay-
18 ment plan, and for the remaining period of the bor-
19 rower’s loans unless the borrower elects a different
20 repayment method, the borrower’s aggregate month-
21 ly payment for all such loans shall not exceed the re-
22 sult described in subsection (a)(2)(A)(ii), as cal-
23 culated on an annual basis, divided by 12;

24 “(3) the holder of such a loan shall apply the
25 borrower’s monthly payment under this subsection

1 first toward interest due on the loan, next toward
2 any fees due on the loan, and then toward the prin-
3 cipal of the loan;

4 “(4) any interest due and not paid under para-
5 graph (3) shall—

6 “(A) on subsidized loans, be paid by the
7 Secretary for a period of not more than 3 years
8 after the date of the borrower’s election under
9 paragraph (1), except that such period shall not
10 include any period during which the borrower is
11 in deferment due to an economic hardship de-
12 scribed in section 435(o); and

13 “(B) on all other loans, and on subsidized
14 loans after a period of economic hardship de-
15 scribed in section 435(o), accrue but not be
16 capitalized;

17 “(5) any principal due and not paid under
18 paragraph (3) shall be deferred;

19 “(6) a borrower who elects to participate in an
20 income-based repayment plan under paragraph (1)
21 and whose eligibility for an income-based repayment
22 plan is verified may participate in the income-based
23 repayment plan during the period of the borrower’s
24 loans, even if the borrower no longer has a partial
25 financial hardship;

1 ment period, when the borrower first made
2 the election described in this subsection;

3 “(iv) has made payments of not less
4 than the payments required under a stand-
5 ard repayment plan under section
6 428(b)(9)(A)(i) or 455(d)(1)(A) with a re-
7 payment period of 10 years;

8 “(v) has made payments under an in-
9 come contingent repayment plan under sec-
10 tion 455(d)(1)(D), as in effect on the day
11 before the date that is 1 year after the
12 date of enactment of the Higher Education
13 Affordability Act; or

14 “(vi) has been in deferment due to an
15 economic hardship described in section
16 435(o);

17 “(9) a borrower who is repaying an eligible loan
18 pursuant to income-based repayment may elect, at
19 any time, to terminate repayment pursuant to in-
20 come-based repayment and repay such loan under
21 another repayment plan; and

22 “(10) the special allowance payment to a lender
23 calculated under section 438(b)(2)(I), when cal-
24 culated for a loan in repayment under this section,
25 shall be calculated on the principal balance of the

1 loan and on any accrued interest unpaid by the bor-
2 rower in accordance with this section.

3 “(c) MONTHLY LOAN PAYMENT DETERMINA-
4 TIONS.—

5 “(1) VERIFICATION PROCESS.—The Secretary
6 shall establish procedures for annually determining
7 the borrower’s monthly payment amount for income-
8 based repayment, including verification of a bor-
9 rower’s annual income and the annual amount due
10 on the total amount of eligible loans. In addition to
11 the procedures established in this section, the Sec-
12 retary shall consider, but is not limited to, the proce-
13 dures established in accordance with section
14 455(e)(1) or in connection with income-sensitive re-
15 payment schedules under section 428(b)(9)(A)(iii) or
16 428C(b)(1)(E), as in effect on the day before the
17 date that is 1 year after the date of enactment of
18 the Higher Education Affordability Act.

19 “(2) SPECIAL RULE FOR MARRIED BORROWERS
20 FILING SEPARATELY.—

21 “(A) IN GENERAL.—In the case of a mar-
22 ried borrower who files a separate Federal in-
23 come tax return, the Secretary shall calculate
24 the amount of the borrower’s income-based re-
25 payment under this section on the basis of a

1 borrower's student loan debt and 50 percent of
2 the combined household adjusted gross income
3 of the borrower and the borrower's spouse.

4 “(B) APPEAL.—Notwithstanding subpara-
5 graph (A), the Secretary, in coordination with
6 the head of any other Federal agency the Sec-
7 retary determines appropriate, shall establish a
8 process through which a borrower described in
9 subparagraph (A) may submit an appeal re-
10 questing that the amount of the borrower's in-
11 come-based repayment under this section be
12 based only on the borrower's adjusted gross in-
13 come. The Secretary shall grant such appeal if
14 the Secretary, in consultation with the head of
15 any other Federal agency the Secretary deter-
16 mines appropriate, determines that the bor-
17 rower does not benefit from the income of the
18 borrower's spouse.

19 “(d) AUTOMATIC ENROLLMENT FOR DELINQUENT
20 BORROWERS.—

21 “(1) IN GENERAL.—The Secretary shall estab-
22 lish procedures for automatically enrolling delin-
23 quent borrowers with a partial financial hardship de-
24 scribed in subsection (a)(2)(B) into the income-

1 based repayment plan. Such procedures shall include
2 the following requirements:

3 “(A) Each entity with a contract to service
4 loans under section 456, and each entity that is
5 a lender of loans made, insured, or guaranteed
6 under part B or any entity that provides stu-
7 dent loan servicing for such lender, shall—

8 “(i) identify each delinquent borrower
9 of a loan serviced or held by the entity on
10 the date that such borrower qualifies for a
11 partial financial hardship described in sub-
12 section (a)(2)(B); and

13 “(ii) retrieve for such borrower, using
14 the online income verification system es-
15 tablished under paragraph (4), the bor-
16 rower’s new monthly payment amount
17 under this section.

18 “(B) In any case where an entity described
19 in subparagraph (A) is unable to obtain infor-
20 mation regarding the borrower’s new monthly
21 payment amount under this section, the entity
22 shall notify the Secretary and the Secretary
23 shall provide the entity with a determination of
24 the new monthly payment amount for a bor-

1 matically enroll the borrower in the
2 income-based repayment program, un-
3 less the borrower requests otherwise;
4 and

5 “(III) if such borrower does not
6 make a payment equal to or greater
7 than the new monthly payment
8 amount determined under subpara-
9 graph (A)(ii) for the income-based re-
10 payment plan, the entity will not auto-
11 matically enroll the borrower in the
12 income-based repayment program.

13 “(ii) In the case of a borrower identi-
14 fied under subparagraph (A)(i) who was
15 not required to file a tax return under sec-
16 tion 6012(a)(1) of the Internal Revenue
17 Code of 1986 for the 2 consecutive pre-
18 ceding tax years—

19 “(I) the entity will deem the bor-
20 rower’s monthly payment amount for
21 income-based repayment to be \$0
22 until determined otherwise through
23 additional information; and

24 “(II) the entity will automatically
25 enroll the borrower in the income-

1 based repayment program if the bor-
2 rower provides consent for such en-
3 rollment, as determined through ei-
4 ther an online agreement or a signed
5 consent form.

6 “(iii) In the case of a borrower identi-
7 fied under paragraph (1)(A) who failed to
8 file a return under section 6012(a)(1) of
9 the Internal Revenue Code of 1986, for the
10 preceding tax year, the entity will carry
11 out the requirements described in para-
12 graph (3)(C), including automatically en-
13 rolling the borrower in the income-based
14 repayment program if the borrower pro-
15 vides consent and provides additional infor-
16 mation, as described in such paragraph.

17 “(D) The entity described in subparagraph
18 (A) shall provide each borrower identified with
19 a partial financial hardship under subparagraph
20 (A)(i), as part of the borrower’s next periodic
21 statement, a personalized statement to the bor-
22 rower that—

23 “(i) informs the borrower—

24 “(I) that the borrower will be
25 automatically enrolled into the in-

1 come-based repayment plan under this
2 section, in accordance with the proce-
3 dure described in subparagraph (C)
4 that is applicable to the borrower’s
5 case;

6 “(II) of the key terms and condi-
7 tions of such repayment plan; and

8 “(III) what the borrower’s new
9 monthly payment amount under the
10 income-based repayment plan will be
11 for the next year;

12 “(ii) notifies the borrower of the auto-
13 matic enrollment procedures described in
14 subparagraph (C);

15 “(iii) provides a clear list of dangers
16 associated with continued delinquency and
17 default on eligible loans;

18 “(iv) informs the borrower that the
19 borrower is eligible for a different monthly
20 payment amount under the standard 10-
21 year plan, and the estimated monthly pay-
22 ment amount under the standard 10-year
23 plan;

24 “(v) informs the borrower that paying
25 the minimum monthly payment amount

1 under the income-based repayment plan
2 under this section may lead to negative
3 amortization such that if a borrower's
4 monthly payment does not fully cover the
5 amount of interest owed, then the principal
6 amount owed may increase over time and
7 cause the borrower's loan balance to in-
8 crease; and

9 “(vi) includes any other information
10 determined to be relevant by the Secretary,
11 in consultation with the Director of the
12 Bureau of Consumer Financial Protection.

13 “(2) STANDARD NOTIFICATION FORMAT; CON-
14 SUMER TESTING.—The Secretary, in consultation
15 with the Director of the Bureau of Consumer Finan-
16 cial Protection, shall—

17 “(A) develop a standard format for the
18 personalized statement described in paragraph
19 (1)(D); and

20 “(B) submit for consumer testing under
21 section 483, such standard format and any con-
22 sent form or online tool required for consent of
23 borrowers with \$0 payment to participate in in-
24 come-based repayment under paragraph
25 (1)(C)(ii)(II) or (3)(B).

1 “(3) FAILURE TO FILE.—

2 “(A) MONTHLY PAYMENT AMOUNT TREAT-
3 ED AS \$0.—In the case of a borrower identified
4 under paragraph (1)(A) who is required to file
5 a return under section 6012(a)(1) of the Inter-
6 nal Revenue Code of 1986 and fails to file such
7 return, the Secretary of the Treasury shall
8 transmit to the Secretary of Education any
9 such tax information of the individual as may
10 be necessary to determine the appropriate
11 monthly payment amount. If such information
12 is unavailable or insufficient, then the monthly
13 payment amount shall be treated as \$0 until
14 determined otherwise through additional infor-
15 mation.

16 “(B) BORROWER CONTACT REQUIRE-
17 MENT.—A borrower whose monthly payment
18 amount is treated as \$0 due to unavailable or
19 insufficient information, as described in sub-
20 paragraph (A), shall be automatically enrolled
21 in the income-based repayment plan under this
22 section if the borrower—

23 “(i) provides consent for such enroll-
24 ment, as determined through either an on-

1 line agreement or a signed consent form;
2 and

3 “(ii) provides the information needed
4 to determine the appropriate monthly pay-
5 ment amount under the income-based re-
6 payment plan.

7 “(C) NOTIFICATION.—The entity described
8 in paragraph (1)(A) shall communicate to a
9 borrower described in this paragraph of the pol-
10 icy described in subparagraph (A) and the re-
11 quirements that the borrower must fulfill, as
12 described in subparagraph (B), in order to en-
13 roll in the income-based repayment plan under
14 this section if such borrower’s monthly payment
15 amount has been treated as \$0 due to unavail-
16 able or insufficient information, as determined
17 by the Secretary. Such policy and requirements
18 shall be communicated to the borrower in plain
19 and simple language in the next periodic state-
20 ment described under paragraph (1)(D).

21 “(4) CREATION OF ONLINE INCOME
22 VERIFICATION SYSTEM.—

23 “(A) IN GENERAL.—By not later than the
24 date that is 1 year after the date of enactment
25 of the Higher Education Affordability Act, the

1 Secretary, in consultation with the Secretary of
2 the Treasury, shall develop and establish a
3 streamlined online income verification system
4 website that allows each entity with a contract
5 to service loans under section 456, and each en-
6 tity that is an eligible lender of loans made, in-
7 sured, or guaranteed under part B or another
8 entity that provides student loan servicing for
9 such lender or loan holder, to access and re-
10 trieve the monthly payment amount for the in-
11 come-based repayment program for a borrower
12 identified under paragraph (1)(A). The website
13 shall provide no additional information relating
14 to a borrower's financial circumstances beyond
15 that needed to determine a monthly payment
16 amount.

17 “(B) SECURITY.—The Secretary shall en-
18 sure that the online income verification system
19 website established under subparagraph (A) is
20 secure and that information regarding a bor-
21 rower is accessible only to the lender of a loan
22 of such borrower or the entity that is servicing
23 a loan of such borrower. The Secretary shall en-
24 sure that no entity shall access the online in-

1 come verification system website for the pur-
2 poses of collections with respect to loans.

3 “(C) PROHIBITION OF INAPPROPRIATE
4 USE.—Any use of the online income verification
5 system that is not for the purpose described in
6 subparagraph (A) is prohibited and may be the
7 basis for a claim of a violation of a contract en-
8 tered into under section 456, or for an action
9 under subsection (g) or (h) of section 432, as
10 the case may be.

11 “(5) APPEALS PROCESS.—The Secretary shall
12 establish a clear and accessible process for appealing
13 the monthly payment amount determined under the
14 online income verification system website for a bor-
15 rower identified in paragraph (1)(A) in any case
16 where a borrower believes that the monthly payment
17 amount is based on tax information that is incorrect.
18 If a borrower wins such an appeal, then the Sec-
19 retary shall—

20 “(A) retroactively credit the overpaid
21 amount towards future payments; or

22 “(B) apply the overpaid amount towards
23 the principal balance of the borrower’s loans, if
24 requested to do so by the borrower.

1 “(e) CHANGES TO FAFSA.—By not later than 1 year
2 after the date of enactment of the Higher Education Af-
3 fordability Act, the Secretary shall make changes as need-
4 ed to the common master promissory note developed under
5 section 432(m)(1)(A) and the Free Application for Fed-
6 eral Student Aid described in section 483 to implement
7 the requirements of this section.”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) shall take effect on the date that is 1 year
10 after the date of enactment of this Act.

11 **SEC. 494. EXTENDING THE PROTECTIONS FOR STUDENT**
12 **LOANS FOR ACTIVE DUTY BORROWERS.**

13 Section 493D (20 U.S.C.1098f) is amended—

14 (1) in the section heading, by inserting “**AND**
15 **PROTECTIONS FOR ACTIVE DUTY BORROWERS**”
16 before the period at the end;

17 (2) by redesignating subsection (b) as sub-
18 section (c); and

19 (3) by inserting after subsection (a) the fol-
20 lowing:

21 “(b) USE OF INFORMATION.—

22 “(1) IN GENERAL.—The Secretary shall utilize
23 information the Secretary receives regarding the ac-
24 tive duty status of borrowers from the Secretary of
25 Defense for any purpose under this title to ensure

1 that the interest rate charged on any loan made
2 under part D of title IV for borrowers who are sub-
3 ject to section 207(a)(1) of the Servicemembers Civil
4 Relief Act (50 U.S.C. App. 527(a)(1)) does not ex-
5 ceed the maximum interest rate set forth in such
6 section.

7 “(2) SCRA INTEREST RATE LIMITATION NO-
8 TICE REQUIREMENTS.—The submittal by the Sec-
9 retary of Defense to the Secretary of Education of
10 information that informs the Secretary of Education
11 that a member of the Armed Forces with a student
12 loan under part D of title IV has been or is being
13 called to military service (as defined in section 101
14 of the Servicemembers Civil Relief Act (50 U.S.C.
15 App. 511)), including a member of a reserve unit
16 who is ordered to report for military service as pro-
17 vided for under section 106 of such Act (50 U.S.C.
18 App. 516), shall be considered, for purposes of sub-
19 jecting such student loan to the provisions of section
20 207 of the Servicemembers Civil Relief Act (50
21 U.S.C. App. 527), provision by the borrower to the
22 creditor of written notice and a copy of military or-
23 ders as described in subsection (b)(1) of such sec-
24 tion.

1 “(3) PROCEDURES.—Not later than 180 days
2 after the date of enactment of the Higher Education
3 Affordability Act, the Secretary, in consultation with
4 the Department of Defense, shall establish a proce-
5 dure to implement this subsection.”.

6 **SEC. 495. DISBURSEMENT OF CREDIT BALANCE.**

7 Part G of title IV (20 U.S.C. 1088 et seq.) is amend-
8 ed by adding at the end the following:

9 **“SEC. 493E. DISBURSEMENT OF CREDIT BALANCE.**

10 “(a) CREDIT BALANCE.—In this section, the term
11 ‘credit balance’ means the amount of program funds under
12 this title credited to a student’s ledger account at the insti-
13 tution of higher education that exceed the amount as-
14 sessed the student by the institution for allowable institu-
15 tional charges, as defined by the Secretary.

16 “(b) ESTABLISHMENT OF SYSTEM FOR DISBURSE-
17 MENT.—Not later than 3 years after the date of enact-
18 ment of the Higher Education Affordability Act, each in-
19 stitution of higher education that enrolls a student who
20 receives a grant or loan under this title shall establish a
21 system for the disbursement of credit balances in accord-
22 ance with subsection (c).

23 “(c) ELECTRONIC PAYMENT SYSTEM.—

24 “(1) IN GENERAL.—Each institution of higher
25 education described in subsection (b) shall establish

1 a system for disbursement of credit balances
2 through electronic payments to a deposit account or
3 a general use prepaid card with the protections af-
4 farded under the Electronic Fund Transfer Act (15
5 U.S.C. 1693 et seq.).

6 “(2) NO PREFERRED FINANCIAL INSTITUTION
7 OR DENIAL OR DELAY.—In carrying out the system
8 under paragraph (1), an institution of higher edu-
9 cation shall not—

10 “(A) require or encourage a student to se-
11 lect a particular financial institution to which
12 an electronic payment under this section shall
13 be made; or

14 “(B) deny or cause a delay in the disburse-
15 ment of credit balances based on the selection
16 by a student of a particular financial institu-
17 tion.

18 “(d) DISTRIBUTION OPTIONS.—

19 “(1) PILOT PROGRAM.—The Secretary of Edu-
20 cation, in consultation with the Secretary of the
21 Treasury and the Director of the Bureau of Con-
22 sumer Financial Protection, shall conduct a pilot
23 program on providing students with the option of re-
24 ceiving credit balances, through the electronic pay-
25 ment system of the institution of higher education in

1 accordance with subsection (c), by using the Treas-
2 ury Direct Express system established under section
3 3336 of title 31, United States Code, or through any
4 other low-cost alternative as determined by the Sec-
5 retary.

6 “(2) IMPLEMENTATION.—If the Secretary of
7 Education, after conducting the pilot program de-
8 scribed in paragraph (1), determines that allowing
9 students with credit balances to use any option de-
10 scribed in such paragraph is in the best interest of
11 students, the Secretary shall take such actions as
12 are necessary to provide any such option to students,
13 which may include entering into agreements with the
14 Secretary of Treasury or other entity to implement
15 this paragraph.”.

16 **SEC. 496. DISCLOSURE OF COHORT RATES BASED ON RE-**
17 **PAYMENT PLAN AND DEFERMENT STATUS.**

18 Part G of title IV (20 U.S.C. 1088 et seq.) is further
19 amended by adding at the end the following:

20 **“SEC. 493F. DISCLOSURE OF COHORT RATES BASED ON RE-**
21 **PAYMENT PLAN AND DEFERMENT STATUS.**

22 “(a) PREPARATION AND PUBLICATION OF ADDI-
23 TIONAL COHORT RATES.—

1 “(1) IN GENERAL.—Not less often than once
2 every fiscal year, the Secretary shall prepare and
3 publish a report that includes—

4 “(A) all of the cohort rates calculated
5 under subsections (a) and (c) for each eligible
6 institution participating in any program under
7 this title; and

8 “(B) the underlying numbers and data
9 used to calculate the cohort rates described in
10 paragraph (1).

11 “(2) TIMING AND METHOD OF PUBLICATION.—
12 The Secretary shall publish the report described in
13 paragraph (1)—

14 “(A) on, or as close as practicable to, the
15 date on which the cohort default rates under
16 section 435(m) are made available to the public;
17 and

18 “(B) in the same report, or in a nearby lo-
19 cation on the same website, as the report on co-
20 hort default rates required under section
21 435(m)(4).

22 “(b) CALCULATION OF COHORT RATES FOR STAF-
23 FORD AND UNSUBSIDIZED STAFFORD COHORT BOR-
24 ROWERS.—

1 “(1) IDENTIFICATION OF COHORT.—For each
2 fiscal year, the Secretary shall use, as the cohort for
3 purposes of calculating the rates described in para-
4 graph (3), the borrowers of the loans that are in-
5 cluded in the institution’s cohort for purposes of the
6 cohort default rate calculation under section 435(m),
7 except that a borrower of multiple loans in such co-
8 hort shall only be counted as a single borrower.

9 “(2) CALCULATION.—Not less often than once
10 every fiscal year, the Secretary shall calculate for
11 each eligible institution participating in any program
12 under this title, the following rates:

13 “(A) The percentages of borrowers within
14 each cohort in each type of deferment status
15 described—

16 “(i) sections 427(a)(2)(C) and
17 428(b)(1)(M); and

18 “(ii) sections 427(a)(2)(C)(vii) and
19 428(b)(1)(M)(vii) (as in effect prior to the
20 enactment of the Higher Education
21 Amendments of 1992).

22 “(B) The percentages of borrowers within
23 each cohort that, as of the date of the deter-
24 mination, have been delinquent on the loan in-
25 cluded in the cohort for—

1 “(i) at least 30 and not more than 59
2 days;

3 “(ii) at least 60 and not more than 89
4 days; and

5 “(iii) 90 days or more.

6 “(C) Of the borrowers in the cohort that
7 are in active repayment, the percentages of bor-
8 rowers in each of the following repayment
9 plans:

10 “(i) Standard repayment.

11 “(ii) Extended repayment, for each of
12 the following maximum repayment periods:

13 “(I) Not more than 10 years.

14 “(II) More than 10, but not more
15 than 12, years.

16 “(III) More than 12, but not
17 more than 15, years.

18 “(IV) More than 15, but not
19 more than 20, years.

20 “(V) More than 20, but not more
21 than 25, years.

22 “(VI) More than 25, but not less
23 than 30, years.

24 “(iii) An income contingent repayment
25 plan authorized under section 455(e).

1 “(iv) Income-based repayment under
2 section 493C.

3 “(v) Income-sensitive repayment
4 under section 428(b)(9)(A)(iii) or
5 428C(b)(1)(E).

6 “(D) Of the borrowers in each group de-
7 scribed in clauses (iii) through (iv) of subpara-
8 graph (D), the percentage whose outstanding
9 balance due on the loan at the end of the year
10 is greater than the total outstanding balance
11 due on such loan at the beginning of the year.

12 “(c) CALCULATION OF COHORT RATES FOR GRAD-
13 UATE PLUS BORROWERS.—

14 “(1) IN GENERAL.—Not less often than once
15 every fiscal year, the Secretary shall calculate a co-
16 hort rate for Graduate PLUS borrowers for each in-
17 stitution by—

18 “(A) identifying the cohort of 1 or more
19 borrowers of a loan received for attendance at
20 the institution that—

21 “(i) is made to a graduate student
22 under section 428B, Federal Direct PLUS
23 Loan, or a loan under section 428C or a
24 Federal Direct Consolidation Loan that is
25 used to repay such loan; and

1 “(ii) that entered repayment during
2 the second fiscal year preceding the fiscal
3 year for which the determination is being
4 made; and

5 “(B) using the cohort described in sub-
6 paragraph (A) to calculate the graduate PLUS
7 cohort rate under paragraph (2).

8 “(2) CALCULATION.—The graduate PLUS co-
9 hort rate under this subsection for an institution
10 shall be calculated by determining the ratio of—

11 “(A) the number of borrowers in the co-
12 hort described in paragraph (1)(A) for the in-
13 stitution that have defaulted on a loan included
14 in the cohort; to

15 “(B) the total number of borrowers in such
16 cohort.

17 “(d) CALCULATION OF COHORT RATES FOR PARENT
18 PLUS BORROWERS.—

19 “(1) IN GENERAL.—Not less often than once
20 every fiscal year, the Secretary shall calculate a co-
21 hort rate for parent PLUS borrowers for each insti-
22 tution by—

23 “(A) identifying the cohort of borrowers
24 for the fiscal year, in accordance with para-
25 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 **PART G—PROGRAM INTEGRITY**
2 **SEC. 497. PUBLIC DISCLOSURE OF ACCREDITATION DOCU-**
3 **MENTS; PROHIBITION ON PRE-DISPUTE ARBI-**
4 **TRATION 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) ACCREDITATION DOCUMENTS RELATING TO
17 ACADEMIC AND INSTITUTIONAL QUALITY.—The accredi-
18 tation documents relating to academic and institutional
19 quality that are subject to the requirements of subsection
20 (c)(10) and section 487(a)(21) shall be any report or anal-
21 ysis of the agency or association regarding whether an in-
22 stitution or program is in compliance with the standards
23 of the agency or association, including—

24 “(1) any self-study report prepared by the insti-
25 tution or program that includes the assessment of

1 educational quality and the institution's or pro-
2 gram's continuing efforts to improve educational
3 quality;

4 “(2) any report by the accrediting agency or as-
5 sociation on each on-site review conducted of the in-
6 stitution or program (including any written response
7 by the institution or program to such report);

8 “(3) any written report by the accrediting agen-
9 cy or association assessing the institution or pro-
10 gram's compliance with the accrediting standards
11 and the institution or program's performance with
12 respect to student achievement; and

13 “(4) the documents required under section
14 496(c)(7) relating to any adverse accrediting agency
15 or association action regarding the institution or
16 program, including any decision of final denial, with-
17 drawal, suspension, or termination of accreditation,
18 placement on probation, or other adverse action, and
19 all supporting documentation for such action.

20 “(p) SINGLE WEBPAGE TO ACCREDITATION DOCU-
21 MENTS.—The Secretary shall establish and maintain a
22 webpage on the website of the Department that provides
23 a single point of access to the accreditation documents re-
24 lating to the academic and institutional quality that insti-

1 tutions of higher education are required to make available
2 under section 487(a)(21).”.

3 **SEC. 498. IMPROVED TARGETING OF PROGRAM REVIEWS.**

4 Section 498(k)(1) (20 U.S.C. 1099c(k)(1)) is amend-
5 ed by striking “section 487(f)” and inserting “section
6 487(e)”.

7 **SEC. 498A. PROGRAM REVIEW AND DATA.**

8 Section 498A (20 U.S.C. 1099c–1) is amended to
9 read as follows:

10 **“SEC. 498A. PROGRAM REVIEW AND DATA.**

11 “(a) DEFINITIONS.—In this section:

12 “(1) EXECUTIVE COMPENSATION.—The term
13 ‘executive compensation’, when used with respect to
14 an institution of higher education, means the wages,
15 salary, fees, commissions, fringe benefits, deferred
16 compensation, retirement contributions, options, bo-
17 nuses, property, and any other form of remuneration
18 that the Secretary determines is appropriate, given
19 to the 5 percent of employees at the institution who
20 are the highest compensated.

21 “(2) RELEVANT FEDERAL AGENCY.—The term
22 ‘relevant Federal agency’ means—

23 “(A) the Department of Education;

24 “(B) the Department of Veterans Affairs;

25 “(C) the Department of Defense;

1 “(D) the Bureau of Consumer Financial
2 Protection;

3 “(E) the Federal Trade Commission; or

4 “(F) any other Federal agency that pro-
5 vides Federal student assistance or that the
6 Secretary determines appropriate.

7 “(3) RELEVANT STATE ENTITY OR AGENCY.—
8 The term ‘relevant State entity or agency’ means—

9 “(A) an appropriate State licensing or au-
10 thorizing agency;

11 “(B) the attorney general (or the equiva-
12 lent thereof) of the State; or

13 “(C) any other State entity or agency that
14 the Secretary determines appropriate.

15 “(b) PROGRAM REVIEWS FOR INSTITUTIONS PAR-
16 TICIPATING UNDER TITLE IV.—

17 “(1) IN GENERAL.—The Secretary—

18 “(A) is authorized to conduct program re-
19 views, including on-site visits, of each institu-
20 tion of higher education participating in a pro-
21 gram authorized under this title; and

22 “(B) shall conduct a program review under
23 this subsection of each institution of higher
24 education that poses a significant risk of failure

1 to comply with this title, as described in para-
2 graphs (2) and (3).

3 “(2) MANDATORY REVIEWS.—

4 “(A) IN GENERAL.—The Secretary shall,
5 on an annual basis, conduct program reviews of
6 each institution of higher education partici-
7 pating in a program authorized under this title
8 that meets 1 or more of the following criteria:

9 “(i) As of the date of the determina-
10 tion—

11 “(I) more than 15 percent of the
12 students enrolled at the institution
13 have received a Federal Direct Unsub-
14 sidized Stafford Loan during the pre-
15 vious year; and

16 “(II) the institution has a cohort
17 default rate, as defined in section
18 435(m), that is more than 20 percent.

19 “(ii) As of the date of the determina-
20 tion—

21 “(I) the institution has a cohort
22 default rate, as defined in section
23 435(m), that exceeds the national av-
24 erage, as determined by the Secretary
25 in accordance with such section; and

1 “(II) the institution has an ag-
2 gregate amount of defaulted loans, as
3 determined by the Secretary, that
4 places the institution in the highest 1
5 percent of institutions participating in
6 programs authorized under this title
7 in terms of the aggregate amount of
8 defaulted loans.

9 “(iii) In the case of proprietary insti-
10 tutions of higher education, the institution
11 received more than 80 percent of the insti-
12 tution’s revenues from Federal funds as
13 defined in section 102(b)(2)(B), during the
14 2 most recent years for which data is avail-
15 able.

16 “(iv) The institution is among the top
17 1 percent of institutions participating in
18 programs authorized under this title in
19 terms of numbers or rates of complaints
20 related to Federal student financial aid,
21 educational practices and services, or re-
22 cruiting and marketing practices, as re-
23 ported in the complaint tracking system
24 established under section 161.

1 “(v) As of the date of the determina-
2 tion, the institution is among the top 1
3 percent of institutions in terms of low
4 graduation rates, as determined by the
5 Secretary, of all institutions participating
6 in programs authorized under this title.

7 “(vi) The institution spends more
8 than 20 percent of the institution’s reve-
9 nues on recruiting and marketing activities
10 and executive compensation.

11 “(vii) In the fiscal year immediately
12 following the most recent cohort default
13 rate period—

14 “(I) the institution’s loan de-
15 faults increased by 50 percent or
16 more as compared to the preceding
17 period; and

18 “(II) more than 50 percent of
19 the students attending the institution
20 received loans under this title.

21 “(viii) The institution has been put on
22 probation by, or is subject to a show cause
23 order from, a nationally recognized accred-
24 iting agency or association that is recog-

1 nized by the Secretary pursuant to part H
2 of title IV;

3 “(ix) The institution, or an executive
4 of the institution, has publicly acknowl-
5 edged or disclosed that the institution—

6 “(I) is in violation or noncompli-
7 ance with any provision of law admin-
8 istered by a relevant Federal agency
9 or relevant State entity or agency; or

10 “(II) is being investigated re-
11 garding a potential violation of such
12 provision of law.

13 “(x) The institution—

14 “(I) is a proprietary institution
15 of higher education that has acquired
16 a nonprofit institution of higher edu-
17 cation at any point during the 1-year
18 period preceding the date of the deter-
19 mination; or

20 “(II) was a proprietary institu-
21 tion of higher education and has be-
22 come a nonprofit institution of higher
23 education at any time during the 1-
24 year period preceding the date of the
25 determination.

1 “(B) PUBLICATION OF INSTITUTIONS RE-
2 VIEWED.—The Secretary shall—

3 “(i) post, on a publicly available
4 website, the name of each institution of
5 higher education that is reviewed under
6 subparagraph (A);

7 “(ii) indicate, on such website, with
8 respect to each such institution, which of
9 the mandatory review criteria, as described
10 in subparagraph (A), such institution met;
11 and

12 “(iii) indicate on the College Navi-
13 gator website of the Department, or any
14 successor website, the name of each insti-
15 tution of higher education that is reviewed
16 under subparagraph (A).

17 “(C) INSTITUTIONAL DISCLOSURE OF RE-
18 VIEW.—Each institution of higher education
19 that is reviewed under subparagraph (A)
20 shall—

21 “(i) post on the home page of the in-
22 stitution’s website that the institution will
23 be subject to a mandatory program review
24 and why the institution is being reviewed
25 and shall maintain such posting and expla-

1 nation for 1 year or until the Secretary has
2 issued its final program review report
3 under subsection (c)(5)(C), whichever oc-
4 curs sooner;

5 “(ii) provide a clear, conspicuous dis-
6 closure of the information described in
7 clause (i) to students who inquire about
8 admission to the institution or submit an
9 application for admission to the institution
10 prior to the student signing an enrollment
11 agreement with the institution, for 1 year
12 or until the Secretary has issued the final
13 program review report under subsection
14 (c)(6)(C), whichever occurs sooner; and

15 “(iii) include the information de-
16 scribed in clause (i) on materials of accept-
17 ance or admission submitted to each stu-
18 dent before the student enrolls in the insti-
19 tution, for 1 year or until the Secretary
20 has issued the final program review report
21 under subsection (c)(6)(C), whichever oc-
22 curs sooner.

23 “(3) RISK-BASED REVIEWS.—

24 “(A) IN GENERAL.—The Secretary shall
25 use a risk-based approach to select, on an an-

1 nual basis not less than 2 percent of institu-
2 tions of higher education participating in a pro-
3 gram authorized under this title that are not
4 reviewed under paragraph (2), for a program
5 review. This approach shall prioritize program
6 reviews of institutions that—

7 “(i) have received large increases in
8 funding under this title during the 5-year
9 period preceding the date of the determina-
10 tion;

11 “(ii) have a large proportion of overall
12 revenue from Federal funds, as defined in
13 section 102(b)(2)(B);

14 “(iii) have a significant fluctuation in
15 Federal Direct Stafford Loan volume, Fed-
16 eral Pell Grant award volume, or any com-
17 bination thereof, in the year for which the
18 determination is made, compared to the
19 year prior to such year, that is not ac-
20 counted for by changes in the Federal Di-
21 rect Stafford Loan program, the Federal
22 Pell Grant program, or any combination
23 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 H—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 **“SEC. 499-6. AUTHORIZATION OF APPROPRIATIONS.**

4 “‘There are authorized to be appropriated to carry out
5 this part such sums as may be necessary for fiscal year
6 2015 and each of the four succeeding fiscal years.’”.

7 **TITLE V—DEVELOPING**
8 **INSTITUTIONS**

9 **SEC. 501. RULE OF CONSTRUCTION.**

10 Section 501 (20 U.S.C. 1101) is amended—

11 (1) in the section heading, by striking “**AND**
12 **PROGRAM AUTHORITY**” and inserting “**PRO-**
13 **GRAM AUTHORITY; RULE OF CONSTRUCTION**”;
14 and

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

16 “(d) **RULE OF CONSTRUCTION.**—Nothing in this Act
17 shall be construed to restrict an institution from using
18 funds provided under a section of this title for activities
19 and uses that were authorized under such section on the
20 day before the date of enactment of the Higher Education
21 Affordability Act.”.

22 **SEC. 502. AUTHORIZED ACTIVITIES UNDER PART A OF**
23 **TITLE V.**

24 Section 503 (20 U.S.C. 1101b) is amended—

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

3 “(b) **AUTHORIZED ACTIVITIES.**—Grants awarded
4 under this section shall be used for one or more of the
5 following activities:

6 “(1) The purchase, rental, or lease of edu-
7 cational resources.

8 “(2) The construction, maintenance, renovation,
9 or joint use and improvement of classrooms, librar-
10 ies, laboratories, or other instructional facilities, in-
11 cluding the integration of computer technology into
12 institutional facilities to create smart buildings.

13 “(3) Support of faculty exchanges, faculty de-
14 velopment, and faculty fellowships to assist members
15 of the faculty in attaining advanced degrees in their
16 field of instruction.

17 “(4) Student support services, including the de-
18 velopment and improvement of academic programs,
19 tutoring, counseling, school sanctioned travel, and fi-
20 nancial literacy for students and families.

21 “(5) Improving funds management, administra-
22 tive management, and the acquisition of equipment
23 for use in strengthening funds management.

1 “(6) Maintaining financial stability through es-
2 tablishing or developing a contributions development
3 office or endowment fund.

4 “(7) Other activities proposed in the application
5 submitted pursuant to section 521(b)(1) that—

6 “(A) contribute to carrying out the pur-
7 poses of the program assisted under this part;
8 and

9 “(B) are approved by the Secretary as part
10 of the review and acceptance of such applica-
11 tion.”; and

12 (2) in subsection (c)(2), by inserting “75 per-
13 cent of” after “equal to or greater than”.

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.—Before receiving funding under this title
19 for the fourth or fifth year of the grant, each Hispanic-
20 serving institution receiving a grant under this title shall
21 demonstrate to the Secretary that the institution is mak-
22 ing progress in implementing the activities described in
23 the institution’s application under section 521(b)(1) at a
24 rate that the Secretary determines will result in the full

1 implementation of those activities during the remainder of
2 the grant period.”.

3 **SEC. 504. AUTHORIZED ACTIVITIES UNDER PART B OF**
4 **TITLE V.**

5 Section 513 (20 U.S.C. 1102b) is amended to read
6 as follows:

7 **“SEC. 513. AUTHORIZED ACTIVITIES.**

8 “Grants awarded under this part shall be used for
9 one or more of the following activities:

10 “(1) The purchase, rental, or lease of edu-
11 cational resources.

12 “(2) The construction, maintenance, renovation,
13 or joint use and improvement of classrooms, librar-
14 ies, laboratories, or other instructional facilities, in-
15 cluding the integration of computer technology into
16 institutional facilities to create smart buildings.

17 “(3) Support of faculty exchanges, faculty de-
18 velopment, and faculty fellowships to assist members
19 of the faculty in attaining advanced degrees in their
20 field of instruction.

21 “(4) Support for low-income postbaccalaureate
22 students, including outreach, academic support serv-
23 ices, mentoring, scholarships, fellowships, and other
24 financial assistance to permit the enrollment of low-
25 income students in postbaccalaureate certificate pro-

1 grams and postbaccalaureate degree granting pro-
2 grams.

3 “(5) Collaboration with other institutions of
4 higher education to expand postbaccalaureate certifi-
5 cate and postbaccalaureate degree offerings.

6 “(6) Other activities proposed in the applica-
7 tions submitted pursuant to section 514(a) and sec-
8 tion 521(b)(1) that—

9 “(A) contribute to carrying out the pur-
10 poses of this part; and

11 “(B) are approved by the Secretary as part
12 of the review and acceptance of such applica-
13 tion.”.

14 **SEC. 505. DURATION OF GRANTS UNDER PART B OF TITLE**

15 **v.**

16 Section 514 (20 U.S.C. 1102c) is amended by adding
17 at the end the following:

18 “(d) REQUIREMENT FOR FOURTH AND FIFTH YEAR
19 OF FUNDING.—Before receiving funding under this part
20 for the fourth or fifth year of the grant, each Hispanic-
21 serving institution receiving a grant under this part shall
22 demonstrate to the Secretary that the institution is mak-
23 ing progress in implementing the activities described in
24 the institution’s applications under subsection (a) and sec-
25 tion 521(b)(1) at a rate that the Secretary determines will

1 result in the full implementation of those activities during
2 the remainder of the grant period.”.

3 **SEC. 506. WAIVER AUTHORITY; REPORTING REQUIREMENT;**
4 **TECHNICAL ASSISTANCE.**

5 Part C of title V (20 U.S.C. 1103 et seq.) is further
6 amended—

7 (1) by redesignating section 528 as section 529;

8 and

9 (2) by inserting after section 527 the following:

10 **“SEC. 528. TECHNICAL ASSISTANCE.**

11 “(a) **IN GENERAL.**—The Secretary shall provide tech-
12 nical assistance, as requested, to institutions that receive
13 grants under part A or B to assist such institutions in
14 the use or development of student data for the purposes
15 of supporting students’ progress and completion at such
16 institutions.

17 “(b) **REQUIREMENTS.**—In order to provide institu-
18 tions with the assistance necessary to carry out this sec-
19 tion, institutions who receive grants under part A shall
20 report to the Secretary on—

21 “(1) the initial placement of undergraduate stu-
22 dents upon entry into the institution, including a de-
23 scription of whether a student matriculates into a
24 major field of study or other program with a defined

1 set of courses leading to a certification, credential,
2 or other similar recognition;

3 “(2) student persistence data for the institu-
4 tion’s undergraduates, demonstrating how many stu-
5 dents are continuously enrolled in the institution,
6 which shall be measured in a manner proposed by
7 the institution and approved by the Secretary; and

8 “(3) data on the number of undergraduate stu-
9 dents making satisfactory academic progress, as de-
10 fined in regulations promulgated by the Department
11 at the time such data is reported.”.

12 **TITLE VI—INTERNATIONAL**
13 **EDUCATION PROGRAMS**

14 **SEC. 601. TECHNICAL AND CONFORMING AMENDMENT.**

15 Section 631(a)(2) is amended by striking “and” after
16 the semicolon.

17 **TITLE VII—GRADUATE AND**
18 **POSTSECONDARY IMPROVE-**
19 **MENT PROGRAMS**

20 **SEC. 701. CORRECTLY RECOGNIZING EDUCATIONAL**
21 **ACHIEVEMENTS TO EMPOWER GRADUATES**
22 **ACT.**

23 Title VII (20 U.S.C. 1133 et seq.) is amended by in-
24 serting after part B the following:

1 **“PART C—CORRECTLY RECOGNIZING EDU-**
2 **CATIONAL ACHIEVEMENTS TO EMPOWER**
3 **GRADUATES ACT**

4 **“SEC. 751. PURPOSE.**

5 “The purpose of this part is to award grants to
6 States to support efforts at institutions of higher edu-
7 cation, or within systems of higher education, to increase
8 postsecondary degree attainment by—

9 “(1) locating, and conferring degrees to, stu-
10 dents who have accumulated sufficient applicable
11 postsecondary credits and maintained satisfactory
12 academic progress to earn an associate’s degree but
13 did not receive one;

14 “(2) providing outreach to those students who
15 are within 12 credits of earning an associate’s de-
16 gree; and

17 “(3) establishing partnerships between 2-year
18 and 4-year institutions of higher education in States,
19 in order to strengthen the transition pathways into
20 4-year institutions of higher education for transfer
21 students.

22 **“SEC. 752. GRANTS TO INCREASE DEGREE ATTAINMENT.**

23 “(a) DEFINITION OF INSTITUTION OF HIGHER EDU-
24 CATION.—In this section, the term ‘institution of higher
25 education’ has the meaning given the term in section
26 101(a).

1 “(b) PROGRAM AUTHORIZED.—

2 “(1) IN GENERAL.—From amounts appro-
3 priated under subsection (j), the Secretary shall
4 award grants, on a competitive basis, to States to
5 enable the States to carry out the activities de-
6 scribed in subsections (e) and (f) in order to support
7 efforts at institutions of higher education, or within
8 systems of higher education, to increase degree at-
9 tainment.

10 “(2) PARTNERSHIPS ALLOWED.—A State may
11 apply for a grant under this section in partnership
12 with a nonprofit organization. In any such partner-
13 ship, the State higher education agency or other
14 State agency described in subsection (e)(1) shall
15 serve as the fiscal agent for purposes of the grant.

16 “(3) DURATION.—Grants awarded under this
17 section shall be for a period of 3 years.

18 “(c) SUBMISSION AND CONTENTS OF APPLICA-
19 TION.—

20 “(1) IN GENERAL.—The State, acting through
21 the State higher education agency or other State
22 agency determined appropriate by the Governor or
23 chief executive officer of the State, shall submit an
24 application to the Secretary at such time, in such

1 manner, and containing such information as the Sec-
2 retary may require.

3 “(2) CONTENTS.—An application submitted
4 under paragraph (1) shall include the following:

5 “(A) A description of the State’s capacity
6 to administer the grant under this section and
7 report annually to the Secretary on the
8 progress of the activities and services described
9 in subsection (e).

10 “(B) A description of how the State will
11 meet the purpose of the grant program under
12 this part through outreach and memoranda of
13 understanding with institutions of higher edu-
14 cation, including the State’s plan for using
15 grant funds to meet the requirements of sub-
16 sections (e) and (g) and, if the State elects to
17 use grant funds under such subsection to create
18 strong articulation agreements, subsection
19 (f)(2).

20 “(C) A description of how the State will
21 coordinate with appropriate stakeholders, in-
22 cluding institutions of higher education, data-
23 sharing agencies within the State, and other
24 States.

25 “(D) A description of—

1 “(i) the structure that the State has
2 in place to administer the activities and
3 services described in subsection (e), includ-
4 ing—

5 “(I) the capacity of the State’s
6 longitudinal data system to—

7 “(aa) be clean of record du-
8 plication and ensure alignment of
9 State and institutional credit
10 completion records;

11 “(bb) include transfer flags
12 and course and credit data to
13 allow the State to run initial de-
14 gree audits for institutions;

15 “(cc) include all postsec-
16 ondary educational institutions in
17 the State, including public, pri-
18 vate nonprofit, and private for-
19 profit institutions; and

20 “(dd) have in place mecha-
21 nisms to share data across insti-
22 tutions, systems, and States;

23 “(II) the capacity of the agency
24 governing the State’s longitudinal sys-

1 tem to respond to data requests accu-
2 rately and in a timely manner; and

3 “(III) the State’s plan to protect
4 student privacy with respect to data
5 in the State longitudinal data system
6 and comply with section 444 of the
7 General Education Provisions Act
8 (commonly referred to as the ‘Family
9 Educational Rights and Privacy Act
10 of 1974’); or

11 “(ii) the State’s plan to develop the
12 structure described in clause (i) as part of
13 the activities carried out under the grant.

14 “(d) AWARD BASIS AND PRIORITY.—The Secretary
15 shall award grants under this section to States based on
16 the quality of the applications submitted under subsection
17 (c). In awarding grants under this section, the Secretary
18 shall give priority to applications from States—

19 “(1) that do not have, as of the time of the ap-
20 plication, statewide policies or statewide initiatives in
21 place to retroactively award associate’s degrees to
22 students; or

23 “(2) that have a commitment to initiatives re-
24 garding the retroactive awarding of associate’s de-
25 grees that will continue after the period of the grant.

1 “(e) MANDATORY USE OF FUNDS.—

2 “(1) SUBGRANTS.—A State that receives a
3 grant under this section shall use not less than 80
4 percent of the grant funds provided to award sub-
5 grants, on a competitive basis, to institutions of
6 higher education or systems of higher education.
7 Each institution or system receiving a subgrant shall
8 carry out all of the following activities and services,
9 pursuant to the conditions under subsection (g):

10 “(A) Identify the group of current and
11 former students at the institution of higher
12 education or system of higher education that,
13 based on the data held by the institution, meet
14 both of the following requirements:

15 “(i) Each individual has earned not
16 less than 60 postsecondary credit hours (or
17 the minimum required by the State to earn
18 an associate’s degree) at the institution of
19 higher education or at an institution within
20 the system of higher education.

21 “(ii) Each individual has not had any
22 postsecondary degree, of any kind, issued
23 to the student by the institution of higher
24 education.

1 “(B) Identify a subset of the current and
2 former students described in subparagraph (A)
3 who have not already earned an associate’s or
4 baccalaureate degree elsewhere.

5 “(C) Perform a degree audit on each stu-
6 dent in the subset described in subparagraph
7 (B), and identify each such student as one of
8 the following:

9 “(i) Eligible to obtain an associate’s
10 degree.

11 “(ii) Eligible to obtain an associate’s
12 degree upon the completion of 12 or fewer
13 postsecondary credit hours (or the equiva-
14 lent).

15 “(iii) Not eligible under either clause
16 (i) or (ii).

17 “(D) Provide outreach to each student
18 identified in subparagraph (C)(i), and award
19 the earned associate’s degree to such student,
20 unless such student declines through a written
21 or oral declaration.

22 “(E) Provide outreach to each student
23 identified in subparagraph (C)(ii) that includes
24 information regarding next steps toward degree
25 attainment, including financial aid options.

1 “(2) APPLICATION PROCESS.—An institution of
2 higher education or a system of higher education de-
3 siring a subgrant under this subsection shall submit
4 an application to the State at such time, in such
5 manner, and containing such information as the
6 State may require. Such application shall include a
7 written commitment from the institution or system
8 of higher education that, upon receipt of a grant,
9 the institution or system of higher education will
10 carry out all of the activities described in paragraph
11 (1).

12 “(3) PRIORITY.—Each State awarding sub-
13 grants under this part shall give priority to applica-
14 tions from institutions of higher education or sys-
15 tems of higher education that—

16 “(A) use an opt-out, rather than an opt-in,
17 policy to award associate’s degrees, if such pol-
18 icy is permissible under applicable accreditation
19 or State standards;

20 “(B) waive nonacademic barriers to grad-
21 uation, such as swimming tests, library fines,
22 graduation fees, or parking tickets;

23 “(C) waive or amend residency and recency
24 requirements to prevent earned credits from ex-

1 piring, if such action is permissible under ac-
2 creditation or State standards;

3 “(D) commit to, following the conclusion of
4 the activities described in paragraph (1) and
5 continuing after the end of the grant period—

6 “(i) conducting degree audits for each
7 enrolled student once the student earns 45
8 credits; and

9 “(ii) provide information about grad-
10 uation deadlines to remind students of rel-
11 evant requirements at least 4 months be-
12 fore the students graduate and again 1
13 month before graduation.

14 “(f) **PERMISSIVE USE OF FUNDS.**—A State receiving
15 a grant under this section may use—

16 “(1) not more than 15 percent of the total
17 amount received under this section for administra-
18 tive purposes relating to the grant under this sec-
19 tion, including technology needed to carry out the
20 purposes of this part; and

21 “(2) not more than 5 percent of the total
22 amount received under this section to create strong
23 articulation agreements between 2-year and 4-year
24 institutions of higher education, in order to enhance

1 collaboration and strengthen the transition pathways
2 between such institutions for transfer students.

3 “(g) SPECIAL CONDITIONS AND PROHIBITIONS.—

4 “(1) AVAILABILITY TO STUDENTS.—A State,
5 institution of higher education, or system of higher
6 education receiving a grant or subgrant, as the case
7 may be, under this section shall not charge any stu-
8 dent an additional fee or charge to participate in the
9 activities or services supported under this section.

10 “(2) PROHIBITED USES.—A State, institution
11 of higher education, or system of higher education
12 receiving a grant or subgrant, as the case may be,
13 under this section shall not use any grant or
14 subgrant funds for tuition, fees, room and board, or
15 any other purpose outside the goals of the grant.

16 “(3) FERPA REQUIREMENTS.—Each State, in-
17 stitution of higher education, or system of higher
18 education receiving a grant or subgrant, as the case
19 may be, under this section that enters into a con-
20 tract or other agreement with any outside entity to
21 assist in carrying out the activities or services under
22 such grant or subgrant, shall ensure that the outside
23 entity complies with all requirements of section 444
24 of the General Education Provisions Act (commonly
25 referred to as the ‘Family Educational Rights and

1 Privacy Act of 1974') that would apply to the State,
2 institution, or system.

3 “(4) COORDINATION.—A State receiving a
4 grant under this section shall ensure the coordina-
5 tion of the activities and services carried out under
6 this section with any other activities carried out in
7 the State that are similar to the goals of this pro-
8 gram, and with any other entities that support the
9 existing activities in the State, with the goal of mini-
10 mizing duplication.

11 “(h) REPORT.—

12 “(1) IN GENERAL.—A State receiving a grant
13 under this section shall prepare and submit an an-
14 nual report to the Secretary on the activities and
15 services carried out under this section, and on the
16 implementation of such activities and services. The
17 report shall include, for each institution of higher
18 education or system of higher education receiving a
19 subgrant, the following information:

20 “(A) The number of students who were
21 first identified in the group described in sub-
22 section (e)(1)(A).

23 “(B) The number of students who were re-
24 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 credits.

12 “(F) The number of students identified
13 under subsection (e)(1)(C)(iii) as ineligible to
14 obtain an associate’s degree and ineligible to
15 obtain such a degree upon the completion of 12
16 or fewer credits.

17 “(G) The number of students awarded an
18 associate’s degree under subsection (e)(1)(D).

19 “(H) The number of students identified in
20 subsection (e)(1)(C)(ii) who are returning to an
21 institution of higher education after receiving
22 outreach described in subsection (e)(1)(E).

23 “(I) The average amount of credit hours
24 previously earned by students described in sub-

1 section (e)(1)(C)(i) when the associate’s degrees
2 are awarded.

3 “(J) The number of students who received
4 outreach described in subsection (e)(1)(D) and
5 who decline to receive the associate’s degree.

6 “(K) The number of students who could
7 not be located or reached as part of the process.

8 “(L) The reasons why students identified
9 in subsection (e)(1)(C)(ii) did not return to an
10 institution of higher education to receive a de-
11 gree.

12 “(M) Details of any policy changes imple-
13 mented as a result of implementing the activi-
14 ties and services and conducting the required
15 degree audits.

16 “(2) DISAGGREGATION.—The report shall in-
17 clude the information described in subparagraphs
18 (A) through (L) of paragraph (1) in the aggregate
19 and disaggregated by age, gender, race or ethnicity,
20 status as an individual with a disability, and socio-
21 economic status (including status as a Federal Pell
22 grant recipient).

23 “(i) ENFORCEMENT PROVISIONS.—

24 “(1) RECOVERY OR WITHHOLDING.—The Sec-
25 retary may, after notice and an opportunity for a

1 hearing in accordance with chapter 5 of title 5,
2 United States Code—

3 “(A) withhold funds provided under a
4 grant or subgrant under this section if a State
5 system of higher education or an institution of
6 higher education is failing to comply substan-
7 tially with the requirements of this section; or

8 “(B) take actions to recover funds pro-
9 vided under a grant or subgrant under this sec-
10 tion, if the State system of higher education or
11 an institution of higher education made an un-
12 allowable expense, or otherwise failed to dis-
13 charge its responsibility to properly account for
14 funds.

15 “(2) USE OF RECOVERED OR UNUSED
16 FUNDS.—Any funds recovered or withheld under
17 paragraph (1) shall—

18 “(A) be credited to the appropriations ac-
19 count from which amounts are available to
20 make grants or enter cooperative agreements
21 under this section; and

22 “(B) remain available until expended for
23 any purpose of that account authorized by law
24 that relates to the program under this section.

1 “(j) 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 subsequent fiscal years.”.

5 **SEC. 702. FIRST IN THE WORLD COMPETITIVE GRANT PRO-**
6 **GRAM.**

7 Title VII (20 U.S.C. 1133 et seq.) is further amended
8 by adding at the end the following:

9 **“PART F—FIRST IN THE WORLD COMPETITIVE**
10 **GRANT PROGRAM**

11 **“SEC. 783. PURPOSE.**

12 “The purpose of this part is—

13 “(1) to help institutions of higher education im-
14 plement innovative strategies and practices shown to
15 be effective in improving educational outcomes and
16 making postsecondary education more affordable for
17 students and families;

18 “(2) to raise the percentage of individuals in
19 the United States who have a degree from an insti-
20 tution of higher education or another postsecondary
21 credential by 2020; and

22 “(3) to develop an evidence base of effective
23 practices for ensuring that more students can ac-
24 cess, persist in, and complete postsecondary edu-
25 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 are likely to succeed in improving
21 student outcomes according to the performance
22 measures described in section 787. These standards
23 shall 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 from 2-year institutions of higher education
15 to 4-year institutions of higher education;

16 “(4) increase enrollment and completion rates
17 for degrees or certificates in the fields of science,
18 technology, engineering, and mathematics for stu-
19 dents from groups that are historically underrep-
20 resented in those fields, including minorities and
21 women, by implementing new and substantially dif-
22 ferent strategies;

23 “(5) design and implement new and innovative
24 approaches to reduce the time it takes for students

1 to complete a program of study and earn a postsec-
2 ondary degree or certificate; and

3 “(6) design and implement new and innovative
4 strategies to contain the cost of education for stu-
5 dents and families pursuing higher education.

6 **“SEC. 786. USES OF FUNDS.**

7 “Each eligible entity that receives funds under this
8 part shall use such funds to carry out 1 or more of the
9 following activities:

10 “(1) Designing innovative approaches to teach-
11 ing and learning that are designed to produce better
12 outcomes for postsecondary students.

13 “(2) Implementing promising practices that ac-
14 celerate the pace and success rate at which students
15 who need remedial coursework move into credit-bear-
16 ing coursework and toward a degree or certificate.

17 “(3) Establishing open postsecondary degree
18 pathways that—

19 “(A) are offered to students at low cost or
20 no cost;

21 “(B) are offered in fields that focus on the
22 education and skills employers are seeking; and

23 “(C) have the potential to deliver high
24 quality learning experiences and outcomes.

1 “(4) Redesigning courses and programs of
2 study that improve student learning at lower costs
3 than traditional courses.

4 “(5) Any other innovative program or strategy
5 approved by the Secretary.

6 **“SEC. 787. PERFORMANCE MEASURES.**

7 “(a) ESTABLISHMENT OF PERFORMANCE MEAS-
8 URES.—The Secretary shall establish performance meas-
9 ures for the programs and activities carried out under this
10 part. These measures, at a minimum, shall track the
11 grantee’s progress in improving postsecondary education
12 access, affordability, and completion—

13 “(1) for all students served by the grantee; and

14 “(2) for students served by the grantee,
15 disaggregated on the basis of race and ethnicity,
16 gender, and status as a recipient of a Federal Pell
17 Grant.

18 “(b) PERFORMANCE MEASURES INCLUDED.—The
19 performance measures described in subsection (a) shall in-
20 clude the following:

21 “(1) Postsecondary enrollment rates.

22 “(2) Persistence from semester to semester and
23 year to year.

24 “(3) On-time graduation rates.

1 “(4) Any other indicator determined by the Sec-
2 retary or grantee.

3 **“SEC. 788. REPORTING REQUIREMENT.**

4 “Each eligible entity that receives a grant under this
5 part shall submit to the Secretary, at such time and in
6 such manner as the Secretary may require, an annual re-
7 port that includes—

8 “(1) information about the eligible entity’s
9 progress as measured by the performance measures
10 established under section 787;

11 “(2) data relating to such performance meas-
12 ures;

13 “(3) the evaluation required in accordance with
14 section 785(a)(1)(F); and

15 “(4) any additional information that the Sec-
16 retary may require.

17 **“SEC. 789. EVALUATION.**

18 “The Secretary shall—

19 “(1) acting through the Director of the Insti-
20 tute of Education Sciences, evaluate the implementa-
21 tion and impact of activities supported under this
22 part; and

23 “(2) disseminate research on best practices re-
24 lating to those activities.

1 **“SEC. 790. SUPPLEMENT, NOT SUPPLANT.**

2 “Funds made available under this part shall be used
3 to supplement, and not supplant, other Federal, State,
4 and local funds that would otherwise be expended to carry
5 out activities under this section.

6 **“SEC. 791. AUTHORIZATION OF APPROPRIATIONS.**

7 “There are authorized to be appropriated to carry out
8 this part such sums as may be necessary for fiscal year
9 2015 and each of the 4 succeeding fiscal years.”.

10 **SEC. 703. DUAL ENROLLMENT AND EARLY COLLEGE HIGH**
11 **SCHOOL PROGRAMS.**

12 Title VII (20 U.S.C. 1134 et seq.), as amended by
13 section 702, is further amended by adding at the end the
14 following:

15 **“PART G—DUAL ENROLLMENT AND EARLY**
16 **COLLEGE HIGH SCHOOL PROGRAMS**

17 **“SEC. 793. DUAL ENROLLMENT PROGRAMS AND EARLY**
18 **COLLEGE HIGH SCHOOL PROGRAMS.**

19 “(a) **PURPOSE.**—The purpose of this section is to
20 help expand access to, and improve the quality of, dual
21 enrollment programs and early college high school pro-
22 grams.

23 “(b) **DEFINITIONS.**—In this section:

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

1 “(A) engages students in opportunities to
2 apply rigorous academic content aligned with
3 postsecondary-level expectations to real world
4 experience, through such means as work experi-
5 ence, work-based learning, problem-based learn-
6 ing, or service-learning; and

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

9 “(2) DUAL ENROLLMENT PROGRAM.—The term
10 ‘dual enrollment program’ means a program of study
11 provided by an institution of higher education
12 through which a student who has not graduated
13 from secondary school with a regular high school di-
14 ploma is able to earn secondary school credit and
15 transferable postsecondary credit that is accepted as
16 credit towards a postsecondary degree or certificate
17 at no cost to the participant or the participant’s
18 family. A dual enrollment program shall consist of
19 not less than 2 postsecondary credit-bearing courses
20 and support and academic services that help a stu-
21 dent persist and complete such courses.

22 “(3) EARLY COLLEGE HIGH SCHOOL PRO-
23 GRAM.—The term ‘early college high school pro-
24 gram’ means a formal partnership between at least
25 1 local educational agency and at least 1 institution

1 of higher education that allows students to simulta-
2 neously complete, as part of an organized course of
3 study, requirements towards earning a regular high
4 school diploma and earning not less than 12 trans-
5 ferable postsecondary credits that are accepted as
6 credit towards a postsecondary degree or certificate
7 at no cost to the participant or the participant's
8 family.

9 “(4) ELIGIBLE ENTITY.—The term ‘eligible en-
10 tity’ means a partnership that—

11 “(A) shall include—

12 “(i) a high-need local educational
13 agency or a high-need high school; and

14 “(ii) an institution of higher education
15 operating in the same State as the high-
16 need local educational agency; and

17 “(B) may include—

18 “(i) a consortium of entities described
19 in clauses (i) and (ii) of subparagraph (A);
20 and

21 “(ii) a nonprofit or community-based
22 organization with demonstrated expertise
23 in serving low-income students and tradi-
24 tionally underrepresented students.

1 “(5) FOSTER CARE YOUTH.—The term ‘foster
2 care youth’ means—

3 “(A) youth whose care and placement is
4 the responsibility of the State or Tribal agency
5 that administers a State plan under part B or
6 E of title IV of the Social Security Act (42
7 U.S.C. 621 et seq. and 670 et seq.), without re-
8 gard to whether foster care maintenance pay-
9 ments are made under section 472 of such Act
10 (42 U.S.C. 672) on behalf of the child; and

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

19 “(6) HIGH-NEED LOCAL EDUCATIONAL AGEN-
20 CY.—The term ‘high-need local educational agency’
21 means a local educational agency—

22 “(A) that serves not fewer than 10,000
23 children from families with incomes below the
24 poverty line;

1 “(B) for which not less than 20 percent of
2 the children served by the agency are from fam-
3 ilies with incomes below the poverty line; or

4 “(C) that is in the highest quartile of local
5 educational agencies in the State, based on stu-
6 dent poverty.

7 “(7) HIGH-NEED HIGH SCHOOL.—The term
8 ‘high-need high school’ means a secondary school
9 that serves students not less than 50 percent of
10 whom are either low-income students or traditionally
11 underrepresented students.

12 “(8) HIGH SCHOOL GRADUATION RATE.—The
13 term ‘high school graduation rate’ means the term
14 ‘four-year adjusted cohort graduation rate’ in section
15 200.19(b)(1)(i)(A) of title 34, Code of Federal Reg-
16 ulations, as such section was in effect on November
17 28, 2008, and the ‘extended-year adjusted cohort
18 graduation rate’ as defined in section
19 200.19(b)(1)(v)(A) of title 34, Code of Federal Reg-
20 ulations, as such section was in effect on November
21 28, 2008.

22 “(9) INSTITUTION OF HIGHER EDUCATION.—
23 The term ‘institution of higher education’ has the
24 meaning given the term in section 101.

1 “(10) **LOW-INCOME STUDENT.**—The term ‘low-
2 income student’ means a student who—

3 “(A) is eligible for a free or reduced priced
4 lunch under the Richard B. Russell National
5 School Lunch Act;

6 “(B) is eligible for, or is a member of a
7 family eligible for, means tested benefits or
8 public assistance at the Federal, State, or local
9 level; or

10 “(C) lives in a high-poverty area or attends
11 a secondary school that serves students in a
12 high-poverty area.

13 “(11) **PERSONALIZED GRADUATION AND COL-
14 LEGE PLAN.**—The term ‘personalized graduation
15 and college plan’ means a personalized document
16 that is developed in collaboration with a student, the
17 student’s family, and school personnel, is updated at
18 least annually, is informed by labor market informa-
19 tion, and does the following:

20 “(A) Sets postsecondary education and ca-
21 reer goals.

22 “(B) Develops a course-taking schedule to
23 meet graduation requirements.

24 “(C) As appropriate, outlines academic
25 and non-academic supports that are needed to

1 successfully achieve goals and graduate college
2 and career ready.

3 “(D) Allows the student and family to
4 track progress toward goals and graduation re-
5 quirements.

6 “(12) REGULAR HIGH SCHOOL DIPLOMA.—The
7 term ‘regular high school diploma’ means the stand-
8 ard secondary school diploma that is awarded to stu-
9 dents in the State and that is fully aligned with the
10 State’s academic content standards or a higher di-
11 ploma and does not include an alternative credential,
12 certificate of attendance, or any alternative award.

13 “(13) TRADITIONALLY UNDERREPRESENTED
14 STUDENT.—The term ‘traditionally underrep-
15 resented student’ means a student who—

16 “(A)(i) is a low-income student; and

17 “(ii)(I) is a first generation college stu-
18 dent, as defined in section 402A(h);

19 “(II) has a dependent;

20 “(III) is employed for not less than 25
21 hours a week; or

22 “(IV) left secondary school without a reg-
23 ular high school diploma or its equivalent;

24 “(B) is or has been a homeless child or
25 youth, as defined in section 725 of the McKin-

1 ney-Vento Homeless Assistance Act (42 U.S.C.
2 11434a);

3 “(C) is a foster care youth;

4 “(D) is an individual with a disability, as
5 defined in section 3 of the Americans with Dis-
6 abilities Act of 1990 (42 U.S.C. 12102);

7 “(E) is a child with a disability, as defined
8 in section 602 of the Individuals with Disabil-
9 ities Education Act (20 U.S.C. 1401); or

10 “(F) has been adjudicated in the juvenile
11 or criminal justice system.

12 “(c) PROGRAM AUTHORIZED.—

13 “(1) IN GENERAL.—The Secretary shall make
14 grants, from allotments determined under paragraph
15 (3), to States to enable the States to award sub-
16 grants to eligible entities to support dual enrollment
17 programs and early college high school programs.

18 “(2) RESERVATIONS.—

19 “(A) TECHNICAL ASSISTANCE.—The Sec-
20 retary shall reserve not more than 5 percent of
21 the total amount appropriated to carry out this
22 section for each fiscal year to provide technical
23 assistance to States and eligible entities award-
24 ed grants and subgrants under this section and

1 to evaluate the grant program established under
2 this section.

3 “(B) BIE AND OUTLYING AREAS.—The
4 Secretary shall reserve 1 percent of the total
5 amount appropriated to carry out this section
6 for each fiscal year for the Secretary of the In-
7 terior for programs under this section in
8 schools operated or funded by the Bureau of In-
9 dian Education and for outlying areas (as de-
10 fined under the Elementary and Secondary
11 Education Act of 1965).

12 “(C) LIMITATION.—Funds allotted for
13 Puerto Rico shall not exceed 0.5 percent of the
14 total amount available to States to carry out
15 this section.

16 “(3) DETERMINATION OF ALLOTMENT.—From
17 the total amount appropriated to carry out this sec-
18 tion for a fiscal year and not reserved under para-
19 graph (2) and except as provided in paragraph (4),
20 the Secretary shall allot to each State the sum of—

21 “(A) an amount that bears the same rela-
22 tionship to 65 percent of such total amount
23 minus the reserved amount as the number of
24 low- income students in grades 9 through 12 in
25 the State, as determined by the Secretary on

1 the basis of the most recent satisfactory data,
2 bears to the number of such students in all
3 States, as so determined; and

4 “(B) an amount that bears the same rela-
5 tionship to 35 percent of such total amount
6 minus the reserved amount as the number of
7 students in grades 9 through 12 in the State,
8 as determined by the Secretary on the basis of
9 the most recent satisfactory data, bears to the
10 number of such students in all States, as so de-
11 termined.

12 “(4) MINIMUM ALLOTMENT.—The allotment for
13 each State under paragraph (3) for a fiscal year
14 shall be an amount that is not less than 0.5 percent
15 of the total amount available to States for such fis-
16 cal year to carry out this section.

17 “(5) SUBGRANT DURATION.—A subgrant
18 awarded under this section shall be for a 5-year pe-
19 riod.

20 “(d) APPLICATIONS.—

21 “(1) IN GENERAL.—A State that desires to re-
22 ceive a grant under this section shall submit an ap-
23 plication to the Secretary at such time, in such man-
24 ner, and accompanied by such information as the
25 Secretary may require.

1 low-income students and traditionally
2 underrepresented students; and

3 “(iv) continuously improve the quality
4 of such programs.

5 “(C) Evidence of collaboration among the
6 State, the State educational agency, local edu-
7 cational agencies in the State, teachers, institu-
8 tions of higher education in the State, work-
9 force development partners, and other stake-
10 holders in developing and implementing the
11 plan under subparagraph (A).

12 “(D) How the State and eligible entities
13 receiving subgrants under this section will re-
14 cruit low-income students and traditionally
15 underrepresented students to participate in dual
16 enrollment programs and early college high
17 school programs funded under the grant.

18 “(E) An assurance that the State and eli-
19 gible entities receiving subgrants under this sec-
20 tion will track and report the performance
21 measures described in subsection (g).

22 “(F) Documentation of the record of the
23 State, or eligible entity, as applicable, in areas
24 to be measured by the performance measures
25 under subsection (g).

1 “(G) An assurance that the State has
2 taken and will take steps to eliminate statutory,
3 regulatory, procedural, or other barriers to fa-
4 cilitate the full implementation of the State’s
5 plan under subparagraph (A).

6 “(H) A description of how the State and
7 eligible entities receiving subgrants under this
8 section will sustain the activities proposed after
9 the grant period ends.

10 “(I) An assurance that the State will re-
11 quire each eligible entity, on behalf of a dual
12 enrollment program or early college high school
13 program that receives funds under a grant
14 awarded under this section, to enter into an ar-
15 ticipation agreement with other public institu-
16 tions of higher education that are located in the
17 State in which an institution of higher edu-
18 cation that is part of an eligible entity is lo-
19 cated. Such articulation agreements shall be de-
20 veloped in consultation with educators at insti-
21 tutions of higher education and secondary
22 schools. Such articulation agreement shall guar-
23 antee—

24 “(i) that students who earn postsec-
25 ondary credit as part of a dual enrollment

1 program or early college high school pro-
2 gram will be able to transfer those credits
3 to—

4 “(I) any public institution of
5 higher education in the State, and
6 that such credits will count toward
7 meeting specific degree or certificate
8 requirements; and

9 “(II) any private nonprofit insti-
10 tution of higher education that choos-
11 es to participate in an articulation
12 agreement;

13 “(ii) that common course numbering
14 is used to identify substantially similar
15 courses;

16 “(iii) that credits are recognized
17 throughout the system of higher education
18 in the State and count as credits earned
19 for both a regular high school diploma and
20 credit for a degree or certificate program
21 at a public institution of higher education
22 in the State and at any private nonprofit
23 institution of higher education that chooses
24 to participate; and

1 “(iv) that if a student earns an associ-
2 ate’s degree as part of a dual enrollment
3 program or early college program, that as-
4 sociate’s degree, awarded by the partici-
5 pating institution of higher education in
6 the State, shall be fully acceptable in
7 transfer and credited as the first 2 years
8 of a related baccalaureate program at a
9 public institution of higher education in
10 such State.

11 “(J) An assurance that the State will re-
12 quire all public institutions of higher education
13 in the State to establish credit transfer policies
14 and articulation agreements with each other so
15 that students can seamlessly transfer among
16 such institutions of higher education and pri-
17 vate nonprofit institutions of higher education if
18 such private nonprofit institutions of higher
19 education choose to participate.

20 “(K) A formal commitment from the insti-
21 tutions of higher education participating in the
22 program that students will not be required to
23 pay tuition and fees, room and board, or fees
24 for books and materials for any courses in dual

1 enrollment programs or early college high
2 school programs.

3 “(L) A plan to address the unique cir-
4 cumstances facing rural students and students
5 with transportation barriers who wish to par-
6 ticipate in dual enrollment programs and early
7 college high school programs, including difficul-
8 ties in providing such students with the oppor-
9 tunity to participate at campuses of institutions
10 of higher education.

11 “(M) An assurance that the State will de-
12 velop a plan to increase enrollment in, persist-
13 ence through, and completion of postsecondary
14 education among low-income students and tra-
15 ditionally underrepresented students throughout
16 the State through the use of dual enrollment
17 programs and early college high school pro-
18 grams.

19 “(N) An assurance that the State has en-
20 acted funding models that ensure that local
21 educational agencies and institutions of higher
22 education that participate in dual enrollment
23 programs and early college high school pro-
24 grams do not lose per-pupil or full-time equiva-
25 lent funding for participating students.

1 “(3) APPLICATIONS FOR SUBGRANTS.—An eli-
2 gible entity that desires to receive a subgrant under
3 this section shall submit to a State an application at
4 such time, in such manner, and accompanied by
5 such information as the State may require, includ-
6 ing, at a minimum—

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

10 “(i) increase access to dual enrollment
11 programs and early college high school
12 programs among low-income students and
13 traditionally underrepresented students;

14 “(ii) increase completion rates of dual
15 enrollment programs and early college high
16 school programs among low-income stu-
17 dents and traditionally underrepresented
18 students; and

19 “(iii) continuously improve the quality
20 of such programs;

21 “(B) a description of how the eligible enti-
22 ty will conduct an outreach strategy to ensure
23 that secondary school students, their families,
24 young people who have dropped out of school,
25 low-income students, traditionally underrep-

1 resented students, and community members are
2 aware of early college high school programs and
3 dual enrollment programs, which shall include
4 information on—

5 “(i) deadlines for enrolling in the
6 early college high school program or dual
7 enrollment program for the following
8 school year;

9 “(ii) the courses that will be available
10 to students;

11 “(iii) the secondary school and post-
12 secondary credit or credentials that can be
13 earned from available courses;

14 “(iv) as appropriate, the similarities
15 and differences between early college high
16 school programs and dual enrollment pro-
17 grams;

18 “(v) after the first year of implemen-
19 tation, achievement outcomes (such as
20 number of course credits earned) of stu-
21 dents participating in the early college high
22 school program or dual enrollment pro-
23 gram; and

24 “(vi) as soon as practicable as deter-
25 mined by the Secretary, outcomes on the

1 performance measures described under
2 subsection (g) of students participating in
3 the early college high school program or
4 dual enrollment program;

5 “(C) a description of the ongoing feedback
6 process between the participating institutions of
7 higher education and the participating local
8 educational agencies, including—

9 “(i) the provision of academic out-
10 come data, including the disaggregation of
11 such data by student subgroups described
12 in section 1111(b)(2)(C)(v)(II) of the Ele-
13 mentary and Secondary Education Act of
14 1965 (20 U.S.C. 6311(b)(2)(C)(v)(II)),
15 from the institution to the local edu-
16 cational agency, on the remediation needs
17 of incoming students; and

18 “(ii) a description of how that infor-
19 mation is used by the local educational
20 agency to strengthen instruction and re-
21 duce the need for postsecondary remedi-
22 ation;

23 “(D) an assurance that instructors teach-
24 ing postsecondary courses in dual enrollment
25 programs and early college high school pro-

1 grams meet the same standards for faculty es-
2 tablished at the participating institutions of
3 higher education;

4 “(E) a description of the academic and so-
5 cial support services that will be provided to
6 participating students, including academic
7 counseling and guidance on the financial aid
8 process;

9 “(F) an assurance that the eligible entity
10 will establish policies that—

11 “(i) maximize, to the extent prac-
12 ticable and taking into account the geog-
13 raphy of the region, the number of dual
14 enrollment program and early college high
15 school program students on the campuses
16 of institutions of higher education and in
17 classrooms with postsecondary students,
18 and dual enrollment program and early
19 college high school program courses taught
20 by professors of the institutions of higher
21 education; and

22 “(ii) in any case where providing
23 courses of the dual enrollment program or
24 early college high school program on a
25 campus of an institution of higher edu-

1 cation is not practicable, ensure that each
2 course of the dual enrollment program or
3 early college high school program that is
4 taught in secondary schools is—

5 “(I) developed in collaboration
6 with an institution of higher edu-
7 cation;

8 “(II) fully comparable with the
9 courses offered on the campus of the
10 institution of higher education;

11 “(III) augmented with campus
12 experiences when reasonably achiev-
13 able; and

14 “(IV) taught by a faculty mem-
15 ber from the partner institution of
16 higher education, where practicable,
17 or, if not practicable, by an instructor
18 who is selected, supervised, and evalu-
19 ated by the institution of higher edu-
20 cation; and

21 “(G) an assurance that the eligible entity
22 will provide access to a dual enrollment pro-
23 gram or early college high school program to all
24 students, including low-income students and

1 traditionally underrepresented students in the
2 area or school.

3 “(e) USES OF FUNDS.—

4 “(1) REQUIRED STATE USES OF FUNDS.—

5 “(A) IN GENERAL.—The State may re-
6 serve not more than 5 percent of the total
7 amount allotted to carry out this section for
8 each fiscal year to carry out the requirements
9 of clauses (ii) through (vi) of subparagraph (B).
10 The remaining amount shall be used to award
11 subgrants to eligible entities in the State.

12 “(B) STATE USES OF FUNDS.—A State
13 that receives a grant under this section shall
14 carry out the following:

15 “(i) Award subgrants to eligible enti-
16 ties to enable the entities to support dual
17 enrollment programs and early college high
18 school programs.

19 “(ii) Design and implement a state-
20 wide strategy for dual enrollment programs
21 and early college high school programs for
22 low-income students and traditionally
23 underrepresented students in higher edu-
24 cation to ensure such programs are offered
25 free of charge to students.

1 “(iii) Establish articulation agree-
2 ments and credit transfer policies.

3 “(iv) Develop common college success
4 courses for low-income students and tradi-
5 tionally underrepresented students enrolled
6 in dual enrollment programs and early col-
7 lege high school programs.

8 “(v) Collect data for program im-
9 provement and reporting of performance
10 measures as described in subsection (g).

11 “(vi) Provide technical assistance to
12 dual enrollment programs and early college
13 high school programs, which may include
14 providing such assistance through a non-
15 profit organization with expertise in such
16 programs.

17 “(2) **REQUIRED LOCAL USES OF FUNDS.**—An
18 eligible entity that receives a subgrant under this
19 section shall carry out the following:

20 “(A) Support dual enrollment programs
21 and early college high school programs in the
22 schools served by the high-need local edu-
23 cational agency.

24 “(B) Develop a personalized graduation
25 and college plan for each student participating

1 in a dual enrollment program or early college
2 high school program funded by the subgrant.

3 “(C) Enter into the articulation agreement
4 described in subsection (d)(2)(I).

5 “(D) Carry out outreach programs to ele-
6 mentary school students, secondary school stu-
7 dents, low-income students, traditionally under-
8 represented students, youth who have dropped
9 out of school, and their parents and families to
10 ensure awareness of dual enrollment programs
11 and early college high school programs and the
12 ability to earn college credit while in secondary
13 school and to reengage dropouts in school. Such
14 programs may be carried out in partnership
15 with a non-profit or community-based organiza-
16 tion.

17 “(E) Provide academic and social support
18 services to students, including counseling activi-
19 ties, tutoring, and postsecondary education
20 readiness activities such as assistance with the
21 Federal financial aid application process.

22 “(F) Collect data for program improve-
23 ment and reporting of performance measures as
24 described in subsection (g).

1 “(G) Implement applied learning opportu-
2 nities.

3 “(H) Develop coordinated activities be-
4 tween institutions of higher education and local
5 educational agencies, including academic cal-
6 endars, provision of student services, and cur-
7 riculum development.

8 “(I) Pay for tuition and fees, transpor-
9 tation, and fees for books and materials.

10 “(J) Provide students with information
11 about how the credits they earn through partici-
12 pating in dual enrollment programs and early
13 college high school programs will be transferred
14 to an institution of higher education.

15 “(3) PERMISSIVE USES OF FUNDS.—A State
16 that receives a grant under this section or an eligible
17 entity that receives a subgrant under this section
18 may provide—

19 “(A) professional development, including
20 joint professional development, for secondary
21 and postsecondary instructors of courses in a
22 dual enrollment program or early college high
23 school program; or

24 “(B) extended learning time opportunities
25 for students participating in dual enrollment

1 programs and early college high school pro-
2 grams.

3 “(4) PRIORITIES.—In awarding subgrants
4 under this subsection, a State—

5 “(A) shall—

6 “(i) give priority to eligible entities
7 that include a high-need local educational
8 agency that serves students not less than
9 60 percent of whom are low-income stu-
10 dents or traditionally underrepresented
11 students; or

12 “(ii) give priority to eligible entities
13 that include a high-need high school that
14 demonstrates sufficient support and aca-
15 demic services in place to help partici-
16 pating students persist and complete a
17 dual enrollment program or early college
18 high school program; and

19 “(B) may give a priority to eligible entities
20 that—

21 “(i) develop innovative strategies for
22 expanding access to dual enrollment pro-
23 grams and early college high school pro-
24 grams for low-income students and tradi-
25 tionally underrepresented students, and in-

1 creasing the number of those students that
2 complete such programs; and

3 “(ii) demonstrate how the entity will
4 sustain funding for dual enrollment pro-
5 grams or early college high school pro-
6 grams after the grant period ends.

7 “(f) MATCHING REQUIREMENTS.—

8 “(1) STATE MATCHING REQUIREMENT.—A
9 State receiving a grant under this section shall pro-
10 vide, from non-Federal sources, in cash or in-kind,
11 an amount equal to 50 percent of the grant funds
12 awarded under this section.

13 “(2) ELIGIBLE ENTITY MATCHING REQUIRE-
14 MENT.—A State receiving a grant under this section
15 shall require each eligible entity that receives a
16 subgrant under this section to provide, from non-
17 Federal sources, in cash or in-kind, an amount equal
18 to not less than 25 percent of the amount of
19 subgrant funds awarded to that eligible entity.

20 “(g) PERFORMANCE MEASURES.—

21 “(1) IN GENERAL.—The Secretary shall, prior
22 to awarding grants under this section, establish per-
23 formance measures for the programs and activities
24 carried out under grants and subgrants awarded
25 under this section. The Secretary shall ensure that

1 the performance measures are made available to po-
2 tential applicants prior to seeking applications for
3 grants under this section.

4 “(2) MONITORING PROGRESS.—The perform-
5 ance measures established under paragraph (1), at
6 a minimum, shall collect data on the progress of
7 grantees and subgrantees in improving the outcomes
8 described in paragraph (3) for all students partici-
9 pating in dual enrollment programs or early college
10 high school programs funded with a grant or
11 subgrant under this section. This data shall be
12 disaggregated according to the categories described
13 in section 1111(b)(2)(C)(v)(II) of the Elementary
14 and Secondary Education Act of 1965 (20 U.S.C.
15 6311(b)(2)(C)(v)(II)).

16 “(3) OUTCOMES.—The performance measures
17 shall measure the progress of grantees and sub-
18 grantees in achieving the following outcomes:

19 “(A) Increasing high school graduation
20 rates.

21 “(B) Increasing dropout recovery (re-
22 entry) rates.

23 “(C) Decreasing the percentage of students
24 with less than a 90 percent attendance rate.

1 “(D) Increasing the percentage of students
2 who have on-time credit accumulation at the
3 end of each grade.

4 “(E) Increasing annual, average attend-
5 ance rates.

6 “(F) Reducing the need for remediation in
7 postsecondary education.

8 “(G) Increasing enrollment rates at insti-
9 tutions of higher education.

10 “(H) Increasing postsecondary education
11 persistence and completion rates.

12 “(I) Increasing the rate at which students
13 complete postsecondary education.

14 “(J) Measured increases in enrollment in
15 dual enrollment programs and early college high
16 school programs.

17 “(K) Increasing the percentage of students
18 who successfully complete and earn a minimum
19 of 12 credits for rigorous postsecondary edu-
20 cation courses while attending a secondary
21 school.

22 “(L) Increasing the percentage of students
23 who earn postsecondary credit and successfully
24 have such credit accepted by an institution of
25 higher education toward a degree or certificate.

1 “(h) REPORTING.—

2 “(1) STATE REPORTS.—Each State that re-
3 ceives a grant under this section shall submit to the
4 Secretary, at such time and in such manner as the
5 Secretary may require, an annual report that in-
6 cludes—

7 “(A) information about the State’s
8 progress on the performance measures estab-
9 lished under subsection (g) and the data sup-
10 porting that progress; and

11 “(B) information submitted to the State
12 from the eligible entities, as described in para-
13 graph (2).

14 “(2) ELIGIBLE ENTITY REPORTS.—Each eligi-
15 ble entity that receives a subgrant under this section
16 shall submit to the State, at such time and in such
17 manner as the State may require, an annual report
18 that includes information about the entity’s progress
19 on the performance measures established under sub-
20 section (g) and the data supporting that progress, at
21 such time and in such manner as the State may re-
22 quire.

23 “(i) EVALUATION.—The Secretary shall—

24 “(1) acting through the Director of the Insti-
25 tute of Education Sciences, evaluate the implementa-

1 tion and impact of activities supported under this
2 section; and

3 “(2) disseminate research on best practices.

4 “(j) SUPPLEMENT, NOT SUPPLANT.—A State or eli-
5 gible entity shall use Federal funds received under this
6 section only to supplement the funds that would, in the
7 absence of such Federal funds, be made available from
8 non-Federal sources for activities described in this section,
9 and not to supplant such funds.

10 “(k) AUTHORIZATION.—There are authorized to be
11 appropriated to carry out this section such sums as may
12 be necessary for each of fiscal years 2015 through 2019.”.

13 **SEC. 704. MINORITY-SERVING INSTITUTIONS INNOVATION**
14 **FUND.**

15 Title VII (20 U.S.C. 1134 et seq.), as amended by
16 section 703, is further amended by adding at the end the
17 following:

18 **“PART H—MINORITY-SERVING INSTITUTIONS**
19 **INNOVATION FUND**

20 **“SEC. 795. PURPOSE.**

21 “‘It is the purpose of this part to assist minority-serv-
22 ing institutions in planning, developing, implementing,
23 validating, and replicating innovations that provide solu-
24 tions to persistent challenges in enabling economically and
25 educationally disadvantaged students to enroll in, persist

1 through, and graduate from minority-serving institutions,
2 including initiatives designed to—

3 “(1) improve student achievement at minority-
4 serving institutions;

5 “(2) increase successful recruitment at minor-
6 ity-serving institutions of—

7 “(A) students from low-income families of
8 all races;

9 “(B) adults; and

10 “(C) military-affiliated students;

11 “(3) increase the rate at which students en-
12 rolled in minority-serving institutions make adequate
13 or accelerated progress towards graduation and suc-
14 cessfully graduate from such institutions;

15 “(4) increase the number of students pursuing
16 and completing degrees in science, technology, engi-
17 neering, and mathematics at minority-serving insti-
18 tutions and pursuing graduate work in such fields;

19 “(5) enhance the quality of teacher preparation
20 programs offered by minority-serving institutions;

21 “(6) redesign course offerings and institutional
22 student aid programs to help students obtain mean-
23 ingful employment; and

24 “(7) expand the effective use of technology at
25 minority-serving institutions.

1 **“SEC. 795A. DEFINITIONS.**

2 “In this part the term ‘eligible entity’ means—

3 “(1) an institution that is eligible for the re-
4 ceipt of funds under the programs authorized under
5 title III or V of this Act; or

6 “(2) a consortium that includes an institution
7 described in paragraph (1) and—

8 “(A) one or more other institutions of
9 higher education;

10 “(B) one or more nonprofit organizations;

11 or

12 “(C) one or more local educational agen-
13 cies.

14 **“SEC. 795B. GRANTS AUTHORIZED.**

15 “(a) **IN GENERAL.**—From funds made available for
16 this part under section 795F, the Secretary shall award
17 competitive planning and implementation grants, as de-
18 scribed in subsections (b) and (c), to eligible entities to
19 enable such entities to plan for the implementation of, in
20 the case of a planning grant, and implement, in the case
21 of an implementation grant, innovations authorized under
22 this part and to support the implementation, validation,
23 scaling up, and replication of such innovations.

24 “(b) **PLANNING GRANTS.**—

25 “(1) **DURATION.**—A planning grant authorized
26 under this subsection shall be for a 1-year period.

1 “(2) GRANT AMOUNTS.—Each planning grant
2 authorized under this subsection shall be an amount
3 that is not more than \$100,000.

4 “(c) IMPLEMENTATION GRANTS.—

5 “(1) IN GENERAL.—From funds made available
6 for this part under section 795F, the Secretary shall
7 award implementation grants to eligible entities to
8 further develop, pilot, field-test, implement, docu-
9 ment, validate, and, as applicable, scale up and rep-
10 licate innovations that address the purpose of this
11 part.

12 “(2) DURATION.—An implementation grant au-
13 thorized under this subsection shall be for a 5-year
14 period. Grant funding after the first 3 years shall be
15 conditional upon the eligible entity achieving satis-
16 factory progress towards carrying out the edu-
17 cational innovations, activities, and projects de-
18 scribed in section 795E, as determined by the Sec-
19 retary.

20 “(3) GRANT AMOUNT.—Each implementation
21 grant authorized under this subsection shall be an
22 amount that is not more than \$10,000,000.

23 “(d) CONSORTIUM ENTITIES.—

24 “(1) FISCAL AGENT.—In the case of an eligible
25 entity that applies for a grant under this part as a

1 consortium, each member of the consortium com-
2 prising the eligible entity shall sign a written agree-
3 ment designating one member of the consortium to
4 serve as the fiscal agent of the eligible entity and act
5 on behalf of the eligible entity in performing the fi-
6 nancial duties of the eligible entity.

7 “(2) SUBGRANTS.—The fiscal agent for an eli-
8 gible entity (as described in paragraph (1)) may
9 award subgrants to another member of the consor-
10 tium that comprises that eligible entity.

11 “(e) FEDERAL SHARE.—

12 “(1) PLANNING GRANTS.—The Federal share of
13 the total cost of carrying out a project funded by a
14 planning grant authorized under subsection (b) shall
15 be 100 percent of such total cost.

16 “(2) IMPLEMENTATION GRANTS.—

17 “(A) IN GENERAL.—The Federal share of
18 the total cost of carrying out a project funded
19 by an implementation grant authorized under
20 subsection (c) shall be not more than 85 per-
21 cent of such total cost.

22 “(B) REMAINING COST.—An eligible entity
23 that receives an implementation grant under
24 subsection (c) shall provide, from non-Federal
25 sources, an amount equal to not less than 15

1 percent of the total cost of carrying out the
2 project funded by the grant. Such amount may
3 be provided by in cash or in-kind.

4 **“SEC. 795C. APPLICATIONS.**

5 “(a) IN GENERAL.—An eligible entity desiring a
6 grant under this part shall submit an application to the
7 Secretary at such time, in such manner, and containing
8 such information as the Secretary may reasonably require.

9 “(b) CONSORTIUM ENTITIES.—An application under
10 this section for a planning grant or an implementation
11 grant by an eligible entity applying for a grant under this
12 part as a consortium shall include the written agreement
13 described in section 795B(d).

14 “(c) PLANNING GRANTS.—The Secretary shall en-
15 sure that the application requirements under this section
16 for a planning grant authorized under section 795B(b) in-
17 clude, in addition to the requirement under subsection (b),
18 only the minimal requirements that are necessary to re-
19 view the proposed process of an eligible entity for the plan-
20 ning and development of one or more educational innova-
21 tions that address the purpose of this part as described
22 in section 795.

23 “(d) IMPLEMENTATION GRANTS.—An application
24 under this section for an implementation grant authorized

1 under section 795B(c) shall include, in addition to the re-
2 quirement under subsection (b), a description of—

3 “(1) each educational innovation that the eligi-
4 ble entity will implement using the funds made avail-
5 able by such grant, including a description of the
6 evidence supporting the effectiveness of each such
7 innovation;

8 “(2) how each educational innovation proposed
9 to be implemented under such grant will address the
10 purpose of this part, as described in section 795,
11 and how each such innovation will further the insti-
12 tutional or organizational mission of the eligible en-
13 tity and any institution or organization that is a
14 member of a consortium comprising the eligible enti-
15 ty;

16 “(3) the specific activities that the eligible enti-
17 ty will carry out with funds made available by such
18 grant, including, for a consortium application a de-
19 scription of the activities that each member of the
20 consortium will carry out and a description of the
21 capacity of each member of the consortium to carry
22 out such activities;

23 “(4) the performance measures that the eligible
24 entity will use to track the eligible entity’s progress
25 in implementing each proposed educational innova-

1 tion, including a description of how the entity will
2 implement such performance measures and use in-
3 formation on performance to make adjustments and
4 improvements to activities, as needed, over the
5 course of the grant period;

6 “(5) how the eligible entity will provide the
7 amount required under section 795B(e)(2)(B);

8 “(6) how the eligible entity will provide for an
9 independent evaluation of the implementation and
10 impact of the projects funded by such grant that in-
11 cludes—

12 “(A) an interim report evaluating the
13 progress made in the first 3 years of the grant;
14 and

15 “(B) a final report to be completed at the
16 end of the grant period; and

17 “(7) the plan of the eligible entity for con-
18 tinuing each proposed educational innovation after
19 the grant period has ended.

20 **“SEC. 795D. PRIORITY.**

21 “‘In awarding grants under this part, the Secretary
22 shall give priority—

23 “(1) first to applications from eligible entities
24 that include institutions—

1 “(A) that serve a high percentage of stu-
2 dents that are eligible to receive a Federal Pell
3 Grant; and

4 “(B) that have endowment funds the mar-
5 ket value of which, per full-time equivalent stu-
6 dent, is less than the average current market
7 value of the endowment funds, per full-time
8 equivalent student at other applicant institu-
9 tions;

10 “(2) next, to applications that seek to address
11 issues of major national need, including—

12 “(A) educational innovations designed to
13 increase the rate of postsecondary degree at-
14 tainment for populations within minority groups
15 that have low relative rates of postsecondary de-
16 gree attainment, including African-American
17 males who attain a postsecondary degree;

18 “(B) innovative partnerships between mi-
19 nority-serving institutions and local educational
20 agencies that are designed to increase the en-
21 rollment and successful completion of postsec-
22 ondary education for populations that have been
23 historically underrepresented in higher edu-
24 cation;

1 “(C) educational innovations that bring to-
2 gether the resources of minority-serving institu-
3 tions and partner institutions in support of eco-
4 nomic development, entrepreneurship, and the
5 commercialization of funded research and the
6 development of an innovation ecosystem on
7 postsecondary school campuses;

8 “(D) educational innovations that support
9 developing programs and initiatives to support
10 undergraduate and graduate programs in
11 science, technology, engineering, and mathe-
12 matics; and

13 “(E) educational innovations described in
14 paragraphs (3) and (6) of section 795E(b).

15 **“SEC. 795E. USE OF FUNDS.**

16 “(a) PLANNING GRANTS.—An eligible entity receiv-
17 ing a planning grant authorized under section 795B(b)
18 shall use funds made available by such grant to conduct
19 a comprehensive institutional planning process that in-
20 cludes—

21 “(1) an assessment of the needs of the minor-
22 ity-serving institution and, in the case of an eligible
23 entity applying as a consortium, the needs of each
24 member of the consortium;

1 “(2) research on educational innovations, con-
2 sistent with the purpose of this part as described in
3 section 795, to meet the needs described in para-
4 graph (1);

5 “(3) the selection of one or more educational in-
6 novations to be implemented;

7 “(4) an assessment of the capacity of the mi-
8 nority-serving institution and, in the case of an eligi-
9 ble entity applying as a consortium, the capacity of
10 each member of the consortium, to implement each
11 such educational innovation; and

12 “(5) activities to further develop such capacity.

13 “(b) IMPLEMENTATION GRANTS.—An eligible entity
14 receiving an implementation grant under section 795B(c)
15 shall use the funds made available by such grant to further
16 develop, pilot, field-test, implement, document, validate,
17 and, as applicable, scale up and replicate educational inno-
18 vations that address the purpose of this part, as described
19 in section 795, such as educational innovations designed
20 to—

21 “(1) improve student achievement, such as
22 through activities designed to increase the number
23 or percentage of students who successfully complete
24 developmental or remedial coursework (which may
25 be accomplished through the evidence-based redesign

1 of such coursework) and pursue and succeed in post-
2 secondary studies;

3 “(2) improve and expand institutional recruit-
4 ment, postsecondary school awareness, and postsec-
5 ondary school preparation efforts targeting students,
6 including high-achieving students, from low-income
7 families, such as through activities undertaken in
8 partnership with local educational agencies and non-
9 profit organizations (including the introduction of
10 dual enrollment programs and the implementation of
11 activities designed to enable more students to enter
12 postsecondary education without the need for reme-
13 diation);

14 “(3) increase the number or percentage of stu-
15 dents, particularly students who are members of his-
16 torically underrepresented populations, who enroll in
17 science, technology, engineering, and mathematics
18 courses, graduate with degrees in such fields, and
19 pursue advanced studies in such fields;

20 “(4) increase (such as through the provision of
21 comprehensive academic and nonacademic student
22 support services) the number or percentage of stu-
23 dents who make satisfactory or accelerated progress
24 toward graduation from postsecondary school and

1 the number or percentage of students who graduate
2 from postsecondary school on time;

3 “(5) implement evidence-based improvements to
4 courses, particularly high-enrollment courses, to im-
5 prove student outcomes and reduce education costs
6 for students, including costs of remedial courses;

7 “(6) enhance the quality of teacher preparation
8 programs at minority-serving institutions, to enable
9 teachers at such institutions to be highly effective in
10 the classroom and to enable such programs to meet
11 the demands for accountability in teacher education;

12 “(7) expand the effective use of technology in
13 higher education, such as through inter-institutional
14 collaboration on implementing competency-based
15 technology-enabled delivery models (including hybrid
16 models) or through the use of open educational re-
17 sources and digital content; and

18 “(8) provide a continuum of solutions by incor-
19 porating activities that address multiple objectives
20 described in paragraphs (1) through (7).

21 **“SEC. 795F. AUTHORIZATION OF APPROPRIATIONS.**

22 “There are authorized to be appropriated such sums
23 as may be necessary for fiscal years 2015 through 2020
24 to carry out the activities under this part.”.

1 **SEC. 705. STATE COMPETITIVE GRANT PROGRAM FOR RE-**
2 **FORMS TO IMPROVE HIGHER EDUCATION**
3 **PERSISTENCE AND COMPLETION.**

4 Title VII (20 U.S.C. 1133 et seq.) is further amended
5 by adding at the end the following:

6 **“PART I—STATE COMPETITIVE GRANT PROGRAM**
7 **FOR REFORMS TO IMPROVE HIGHER EDU-**
8 **CATION PERSISTENCE AND COMPLETION**

9 **“SEC. 796. PURPOSE.**

10 “The purpose of this part is to provide incentives for
11 States to implement comprehensive reforms and innova-
12 tive strategies that are designed to lead to—

13 “(1) significant improvements in postsecondary
14 outcomes for traditionally underrepresented stu-
15 dents, including improvements in postsecondary en-
16 rollment, persistence, and completion by 2020;

17 “(2) reductions in the need for remedial edu-
18 cation for postsecondary students;

19 “(3) increased alignment between elementary
20 and secondary education, postsecondary education,
21 and workforce systems; and

22 “(4) innovation in postsecondary education.

23 **“SEC. 796A. DEFINITIONS.**

24 “In this part:

25 “(1) **DUAL ENROLLMENT PROGRAM.**—The term
26 ‘dual enrollment program’ means a program of study

1 provided by an institution of higher education
2 through which a student who has not graduated
3 from secondary school with a regular high school di-
4 ploma is able to earn secondary school credit and
5 transferable postsecondary credit that is accepted as
6 credit toward a postsecondary degree or credential
7 at no cost to the participant or the participant's
8 family. A dual enrollment program shall consist of
9 not less than 2 postsecondary credit-bearing courses
10 and support and academic services that help a stu-
11 dent persist and complete such courses.

12 “(2) EARLY COLLEGE HIGH SCHOOL PRO-
13 GRAM.—The term ‘early college high school pro-
14 gram’ means a formal partnership between at least
15 1 local educational agency and at least 1 institution
16 of higher education that allows students to simulta-
17 neously complete, as part of an organized course of
18 study, requirements toward earning a regular high
19 school diploma and earning not less than 12 trans-
20 ferable postsecondary credits that are accepted as
21 credit toward a postsecondary degree or credential
22 at no cost to the participant or the participant's
23 family.

24 “(3) LOW INCOME STUDENT.—The term ‘low
25 income student’ means—

1 “(A) with respect to an elementary school
2 or secondary school student, a student who—

3 “(i) is eligible for a free or reduced
4 priced lunch under the Richard B. Russell
5 National School Lunch Act (42 U.S.C.
6 1751 et seq.);

7 “(ii) is eligible for or is a member of
8 a family eligible for means tested benefits
9 or public assistance at the Federal, State,
10 or local level; or

11 “(iii) lives in a high-poverty area or
12 attends a secondary school that serves stu-
13 dents in a high-poverty area; or

14 “(B) with respect to a postsecondary stu-
15 dent, a student who—

16 “(i) is eligible for a Federal Pell
17 Grant under section 401; or

18 “(ii) is eligible for means-tested bene-
19 fits or public assistance at the Federal,
20 State, or local level.

21 “(4) PERSIST.—The term ‘persist’ means to
22 continue enrollment in postsecondary education.

23 “(5) TRADITIONALLY UNDERREPRESENTED
24 STUDENT.—The term ‘traditionally underrep-
25 resented student’ means a student who—

1 “(A) is a low-income student and—
2 “(i) is a first generation college stu-
3 dent, as defined in section 402A(h);
4 “(ii) has a dependent;
5 “(iii) is employed for not less than 25
6 hours a week;
7 “(iv) has taken 2 or more develop-
8 mental education courses; or
9 “(v) left high school without a regular
10 high school diploma or its equivalent;
11 “(B) is or has been a homeless child or
12 youth, as defined in section 725 of the McKin-
13 ney-Vento Homeless Assistance Act (42 U.S.C.
14 11434a);
15 “(C) is a foster care youth;
16 “(D) is an individual with a disability, as
17 defined in section 3 of the Americans with Dis-
18 abilities Act (42 U.S.C. 12102);
19 “(E) is a child with a disability, as defined
20 in section 602 of the Individuals with Disabil-
21 ities Education Act; or
22 “(F) has been adjudicated in the juvenile
23 or criminal justice system.

1 **“SEC. 796B. STATE GRANT PROGRAM AUTHORIZED.**

2 “(a) RESERVATION OF FUNDS.—From amounts
3 made available to carry out this part for a fiscal year, the
4 Secretary may reserve not more than 2 percent to carry
5 out activities in accordance with this part related to tech-
6 nical assistance, evaluation, outreach, and dissemination.

7 “(b) PROGRAM AUTHORIZED.—

8 “(1) IN GENERAL.—From amounts made avail-
9 able to carry out this part and not reserved under
10 subsection (a), the Secretary shall award planning or
11 implementation grants under this part, in such a
12 manner as to achieve an equitable distribution of
13 grant funds throughout the United States, to States
14 to enable the States to plan or implement com-
15 prehensive reforms and innovative strategies to im-
16 prove postsecondary outcomes for all students, espe-
17 cially low-income and traditionally underrepresented
18 students.

19 “(2) PLANNING AND IMPLEMENTATION
20 GRANTS.—As described in paragraph (1), the Sec-
21 retary shall award grants to States for the purpose
22 described in section 796 by—

23 “(A) awarding planning grants, on a com-
24 petitive basis, to States to enable such States to
25 develop the comprehensive State plan described
26 in section 796D to increase postsecondary edu-

1 cation enrollment, persistence, and attainment
2 by 2020; and

3 “(B) awarding implementation grants, on
4 a competitive basis, to States to enable such
5 States to implement the comprehensive State
6 plan described in section 796D.

7 “(3) LIMITATIONS.—

8 “(A) LIMIT ON NUMBER OF GRANTS.—A
9 State may receive only 1 planning grant, and
10 only 1 implementation grant, under this section.

11 “(B) LIMIT ON NUMBER OF PLANNING
12 GRANTS.—The Secretary may elect to limit the
13 number and amount of planning grants award-
14 ed under this section during a grant period, if
15 the Secretary determines it would best promote
16 the purposes of this part.

17 “(4) DURATION.—

18 “(A) PLANNING GRANT.—Each planning
19 grant awarded under this part shall be for a pe-
20 riod of not more than 24 months.

21 “(B) IMPLEMENTATION GRANT.—Each im-
22 plementation grant awarded under this part
23 shall be for a period of not more than 5 years.

24 “(C) REQUIREMENTS FOR ADDITIONAL
25 FUNDING.—Before receiving funding for an im-

1 plementation grant for the third or any subse-
2 quent year of the grant, the State receiving the
3 grant shall demonstrate to the Secretary that
4 the State is—

5 “(i) making progress in implementing
6 the State plan described under section
7 796D at a rate that the Secretary deter-
8 mines will result in full implementation of
9 that plan during the remainder of the
10 grant period; and

11 “(ii) making progress, as measured by
12 the annual performance measures and tar-
13 gets described in section 796D(b)(2), at a
14 rate that the Secretary determines will re-
15 sult in reaching those targets and achiev-
16 ing the objectives of the grant, during the
17 remainder of the grant period.

18 **“SEC. 796C. APPLICATION PROCESS.**

19 “(a) **PLANNING GRANTS.**—Each State that desires to
20 receive a planning grant under this part shall submit an
21 application to the Secretary at such time, in such manner,
22 and containing such information as the Secretary may rea-
23 sonably require. At a minimum, each such application
24 shall include the following:

1 “(1) Documentation of the State’s record, in-
2 cluding demonstrating a need for the grant funds to
3 improve the State’s record, as applicable, in the
4 areas to be measured by the performance measures
5 under section 796D(b)(2).

6 “(2) A coherent strategy for using funds under
7 this part, and other Federal, State, and local funds,
8 to design a State plan as described in section 796D.

9 “(3) Evidence that there will be collaboration
10 among the State, the State educational agency, insti-
11 tutions of higher education located in the State,
12 postsecondary students, workforce partners, and
13 other stakeholders, in developing and implementing
14 such plan, including evidence of the State’s commit-
15 ment and capacity to implement such plan.

16 “(4) An assurance of the State’s commitment
17 to developing the State plan.

18 “(5) An assurance of the State’s commitment
19 to meeting, before the end of the planning grant pe-
20 riod, any requirements that the Secretary may es-
21 tablish.

22 “(b) IMPLEMENTATION GRANTS.—Each State that
23 desires to receive an implementation grant under this part
24 shall submit an application to the Secretary at such time,
25 in such manner, and containing such information as the

1 Secretary may reasonably require. At a minimum, each
2 such application shall include the following:

3 “(1) Documentation of the State’s record, in-
4 cluding demonstrating a need for the grant funds to
5 improve the State’s record, as applicable, in the
6 areas to be measured by the performance measures
7 under section 796D(b)(2).

8 “(2) A description of how the implementation
9 grant funds will be used to implement the com-
10 prehensive State plan described in section 796D,
11 which may be an existing (as of the date of applica-
12 tion) State plan that meets the requirements of such
13 section.

14 “(3) Evidence of conditions of innovation and
15 reform that the State has established and the
16 State’s plan for implementing additional conditions
17 for innovation and reform, including—

18 “(A) a description of how the State has
19 identified and eliminated ineffective practices in
20 the past, and a plan for doing so in the future;

21 “(B) a description of how the State has
22 identified and promoted effective practices in
23 the past, and a plan for doing so in the future;
24 and

1 “(C) steps the State has taken and will
2 take to eliminate statutory, regulatory, proce-
3 dural, or other barriers to facilitate the full im-
4 plementation of the State’s proposed plan under
5 section 796D.

6 “(4) The State’s annual performance measures
7 and targets, established in accordance with the re-
8 quirements of section 796D(b)(2).

9 “(5) A signed assurance from every public insti-
10 tution of higher education in the State that the in-
11 stitution will carry out any activities that the State
12 determines may be necessary to carry out the State
13 plan under section 796D.

14 “(6) An assurance from the State that the
15 State will provide equitable resources and technical
16 assistance to all public institutions of higher edu-
17 cation in the State to implement the reforms de-
18 scribed in this section.

19 “(c) CRITERIA FOR EVALUATING APPLICATIONS.—

20 “(1) IN GENERAL.—The Secretary shall award
21 grants under this part on a competitive basis to a
22 geographically diverse group of States, based on the
23 quality of the applications submitted by the States.

24 “(2) PUBLICATION OF EXPLANATION.—The
25 Secretary shall publish an explanation of how the

1 application review process will ensure an equitable,
2 transparent, and objective evaluation of applicants.

3 “(d) PRIORITY.—In awarding grants under this part,
4 the Secretary shall give priority to a State if—

5 “(1) the State has a significant percentage of
6 low-income students or traditionally underrep-
7 resented students residing within the State;

8 “(2) the State has a strong record of invest-
9 ment in postsecondary education; or

10 “(3) the State distributes State postsecondary
11 education aid on the basis of need.

12 **“SEC. 796D. COMPREHENSIVE STATE PLAN.**

13 “(a) ESTABLISHMENT OF PLAN.—Each State receiv-
14 ing a planning or implementation grant under this part
15 shall establish or implement, respectively, a comprehensive
16 State plan described in subsection (b) to increase student
17 access, persistence, and completion in postsecondary edu-
18 cation at—

19 “(1) public institutions of higher education
20 throughout the State; and

21 “(2) private nonprofit institutions of higher
22 education (as defined in section 101) that agree to
23 participate in and implement the State plan.

1 “(b) COMPREHENSIVE STATE PLAN.—The com-
2 prehensive State plan described in subsection (a) shall
3 contain the following:

4 “(1) A commitment to implement statewide re-
5 forms in the following areas:

6 “(A) Removing barriers to innovation in
7 postsecondary education by—

8 “(i) shortening the length of time to a
9 postsecondary degree;

10 “(ii) promoting efficiencies on cam-
11 puses that lead to lower net tuition prices
12 for students;

13 “(iii) promoting the use of technology
14 to increase personalized learning, advising,
15 and support services for students; and

16 “(iv) developing innovative education
17 delivery models, such as using technology
18 to enhance online and classroom learning,
19 in order to increase participation and re-
20 tention of students, particularly low-income
21 students and students who are in the first
22 generation in their family to attend an in-
23 stitution of higher education.

1 “(B) Improving the transition between ele-
2 mentary and secondary education and postsec-
3 ondary education and the workforce by—

4 “(i) reforming the process for identi-
5 fying students for developmental education,
6 offering developmental education examina-
7 tions while students are in secondary
8 school to identify knowledge and skills
9 gaps, and reducing the need for develop-
10 mental education by ensuring that develop-
11 mental education courses are reserved for
12 students who are substantially underpre-
13 pared and placing better-prepared students
14 in traditional courses;

15 “(ii) redesigning and standardizing
16 developmental education requirements and
17 assessments among institutions of higher
18 education;

19 “(iii) reforming the content, timing,
20 and delivery of developmental education to
21 help academically underprepared students
22 complete college through comprehensive
23 approaches;

24 “(iv) using technology, academic, and
25 student supports that engage students,

1 align developmental education to students'
2 academic and career goals, and accelerate
3 the students' progression through remedi-
4 ation and credit-bearing coursework;

5 “(v) increasing access to dual enroll-
6 ment and early college high schools for
7 low-income students; and

8 “(vi) establishing clear and trans-
9 parent policies regarding how completion
10 of dual enrollment and early college high
11 school programs will result in the transfer
12 of credits—

13 “(I) to public institutions of
14 higher education in the State; and

15 “(II) to private nonprofit institu-
16 tions of higher education that choose
17 to participate in such credit transfer
18 policies.

19 “(C) Increasing persistence in postsec-
20 ondary education by carrying out all of the fol-
21 lowing:

22 “(i) Developing early warning systems
23 to identify students at risk of dropping out
24 of postsecondary education.

1 “(ii) Providing highly effective and
2 comprehensive academic and student sup-
3 port services at institutions of higher edu-
4 cation.

5 “(iii) Requiring all public institutions
6 of higher education in the State to estab-
7 lish credit transfer policies and articulation
8 agreements, that have been developed in
9 consultation with educators in institutions
10 of higher education, with each other so
11 that students can seamlessly transfer
12 among all public institutions of higher edu-
13 cation in the State. Such articulation
14 agreements shall guarantee—

15 “(I) that students who earn post-
16 secondary credit at a public institu-
17 tion of higher education will be able to
18 transfer those credits to—

19 “(aa) any public institution
20 of higher education in the State,
21 and that such credits will count
22 toward meeting specific degree or
23 credential requirements; and

24 “(bb) any private nonprofit
25 institution of higher education

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1 that chooses to participate in an
2 articulation agreement;

3 “(II) that common course num-
4 bering is used to identify substantially
5 similar courses;

6 “(III) that credits are recognized
7 throughout the system of higher edu-
8 cation in the State and count as cred-
9 its earned for a degree or credential
10 program at a public institution of
11 higher education in the State and at
12 any private nonprofit institution of
13 higher education that chooses to par-
14 ticipate, consistent with clause (I)(bb);
15 and

16 “(IV) that if a student earns an
17 associate’s degree, that associate’s de-
18 gree, awarded by the participating in-
19 stitution of higher education in the
20 State, shall be fully acceptable in
21 transfer and credited as the first 2
22 years of a related baccalaureate pro-
23 gram at a public institution of higher
24 education in such State.

1 “(iv) Including private nonprofit insti-
2 tutions of higher education that choose to
3 participate in the credit transfer policies
4 and articulation agreements described in
5 clause (iii).

6 “(v) Providing students residing in
7 the State with free degree audits.

8 “(vi) Providing students with an as-
9 surance that if a student receives an asso-
10 ciate’s degree from a public institution of
11 higher education in the State, that associ-
12 ate’s degree will translate into upper level
13 status at a receiving public institution of
14 higher education.

15 “(D) Increasing transparency of informa-
16 tion to students and their families by—

17 “(i) providing financial literacy infor-
18 mation to students and families, including
19 information regarding the benefits of postsec-
20 secondary education, planning for postsec-
21 ondary education, postsecondary education
22 opportunities, and career planning;

23 “(ii) providing information on financ-
24 ing options for postsecondary education
25 and activities that promote financial lit-

1 eracy and debt management among stu-
2 dents and families, including assistance in
3 completion of the Free Application for
4 Federal Student Aid or other common fi-
5 nancial reporting form under section
6 483(a);

7 “(iii) reporting workforce outcomes
8 for postsecondary graduates;

9 “(iv) developing multi-year tuition and
10 fee schedules;

11 “(v) improving postsecondary data
12 systems and linking those systems to exist-
13 ing State data systems for elementary and
14 secondary education and the workforce;
15 and

16 “(vi) developing practices for the con-
17 tinuous assessment of student learning and
18 for public reporting of non-personally iden-
19 tifiable student learning outcomes.

20 “(E) Increasing and improving the use of
21 funding in higher education by—

22 “(i) awarding State financial aid to
23 students on the basis of need, rather than
24 merit;

1 “(ii) developing performance funding
2 systems that measure and award funding
3 to institutions of higher education based
4 upon improvement in postsecondary edu-
5 cation outcomes for students, including
6 successful transfer from a 2-year institu-
7 tion of higher education to a 4-year insti-
8 tution of higher education and degree at-
9 tainment; and

10 “(iii) rewarding institutions that dis-
11 tribute their institutional aid based on
12 need.

13 “(2) Annual performance measures and targets
14 for the programs and activities carried out under
15 this part, which shall include measures and targets
16 for goals established by the Secretary under section
17 796G as well as measures and targets developed by
18 the State and approved by the Secretary. The an-
19 nual performance measures and targets shall, at a
20 minimum, track the State’s progress in—

21 “(A) implementing the plan described in
22 this section;

23 “(B) increasing the percentage of low in-
24 come and traditionally underrepresented stu-

1 dents who enroll in, persist through, and grad-
2 uate from higher education, as measured by—
3 “(i) reducing the need for higher edu-
4 cation remediation;
5 “(ii) increasing higher education en-
6 rollment rates;
7 “(iii) increasing persistence and com-
8 pletion rates in higher education;
9 “(iv) increasing the rate at which stu-
10 dents complete a program at an institution
11 of higher education;
12 “(v) increasing enrollment in dual en-
13 rollment programs and early college high
14 school programs;
15 “(vi) increasing the percentage of stu-
16 dents who successfully complete and earn a
17 minimum of 12 credits for rigorous post-
18 secondary education courses while attend-
19 ing a secondary school; and
20 “(vii) increasing the percentage of
21 students who earn postsecondary credit
22 and successfully have such credit accepted
23 by an institution of higher education to-
24 ward a degree or credential; and

1 “(C) making progress on any other per-
2 formance measure identified by the Secretary.

3 “(3) Goals for increasing postsecondary creden-
4 tial attainment by 2020 for traditionally underrep-
5 resented students.

6 “(c) REVIEW AND APPROVAL.—Each State plan de-
7 veloped under this section shall be reviewed and approved
8 by the Secretary

9 **“SEC. 796E. USE OF FUNDS.**

10 “(a) IN GENERAL.—A State receiving an implemen-
11 tation grant under this part shall use the funds to carry
12 out any purpose included in the State’s comprehensive
13 State plan described in section 796D.

14 “(b) PROHIBITIONS.—Federal funds made available
15 under this part shall not be used—

16 “(1) to promote any lender’s loans;

17 “(2) to supplement or supplant Federal, State,
18 or institutional financial aid; or

19 “(3) compensate for a decrease in State appro-
20 priations for higher education.

21 “(c) SUFFICIENT PROGRESS.—If the Secretary deter-
22 mines, by the end of the third year of the grant, that a
23 State receiving an implementation grant under this part
24 is not making substantial progress on meeting the require-
25 ments of the comprehensive State plan under section

1 796D and meeting the performance measures and targets
2 described in section 796D(b)(2), the Secretary—

3 “(1) shall cancel the grant; and

4 “(2) may use any funds returned or made avail-
5 able due to a cancellation under paragraph (1) to—

6 “(A) increase other grant awards under
7 this part; or

8 “(B) award new grants to other eligible en-
9 tities under this part.

10 **“SEC. 796F. MATCHING AND OTHER FINANCIAL REQUIRE-**
11 **MENTS.**

12 “(a) **MATCHING REQUIREMENTS.—**

13 “(1) **IN GENERAL.—**A State receiving a grant
14 under this part shall provide matching funds toward
15 the costs of the grant in the amount applicable
16 under paragraph (2).

17 “(2) **AMOUNT OF MATCHING FUNDS.—**The
18 matching funds required under this paragraph shall
19 be an amount equal to—

20 “(A) in the case of a planning grant, 20
21 percent of the amount of the grant for each
22 year of the grant; and

23 “(B) in the case of an implementation
24 grant—

1 “(i) 20 percent of such costs for the
2 first year of the grant;

3 “(ii) 30 percent of such costs for the
4 second year of the grant;

5 “(iii) 40 percent of such costs for the
6 third year of the grant;

7 “(iv) 50 percent of such costs for the
8 fourth year the grant; and

9 “(v) 60 percent of such for the fifth
10 year of the grant.

11 “(3) IN CASH OR IN-KIND.—Matching funds
12 provided under this subsection shall be from non-
13 Federal sources and may be provided in cash or in-
14 kind.

15 “(b) SUPPLEMENT NOT SUPPLANT.—Federal fund-
16 ing provided under this part shall be used to supplement
17 and not supplant other Federal, State, or institutional re-
18 sources that would otherwise be expended to carry out the
19 activities described in this part.

20 “(c) MAINTENANCE OF EFFORT.—

21 “(1) IN GENERAL.—With respect to each fiscal
22 year for which a State receives a grant under this
23 part, the State will maintain State support for pub-
24 lic institutions of higher education (excluding sup-
25 port for capital projects, for research and develop-

1 ment, and for tuition and fees paid by students) at
2 least at the level of such support for the previous fis-
3 cal year.

4 “(2) FINANCIAL HARDSHIP WAIVER.—A State
5 may apply to the Secretary for a waiver of, and the
6 Secretary may waive, the requirements of paragraph
7 (1) if the State is experiencing a financial hardship
8 due to a natural disaster, unforeseen decline in the
9 financial resources of the State, or other exceptional
10 or uncontrollable circumstances.

11 **“SEC. 796G. PERFORMANCE MEASURES.**

12 “The Secretary shall establish performance measures
13 for the programs and activities carried out under grants
14 awarded under this part prior to awarding grants under
15 this part. The Secretary shall ensure that such measures
16 are made available to potential applicants prior to seeking
17 applications for grants under this section.

18 **“SEC. 796H. REPORTS; EVALUATIONS.**

19 “(a) REPORTS.—

20 “(1) IMPLEMENTATION GRANTS.—A State that
21 receives an implementation grant under this part
22 shall submit to the Secretary, at such time and in
23 such manner as the Secretary may require, an an-
24 nual report including, at a minimum—

1 “(A) data on the State’s progress in
2 achieving the targets for the annual perform-
3 ance measures established under section 796G;
4 and

5 “(B) a description of the challenges the
6 State has faced in carrying out the implementa-
7 tion grant under this part, and how the State
8 has addressed, or plans to address, such chal-
9 lenges.

10 “(2) PLANNING GRANTS.—A State that receives
11 a planning grant under this part shall submit to the
12 Secretary, at such time and in such manner as the
13 Secretary may require, a report that includes a copy
14 of the State plan developed under the grant.

15 “(b) EVALUATION.—The Secretary shall—

16 “(1) acting through the Director of the Insti-
17 tute of Education Sciences, evaluate the implementa-
18 tion and impact of activities supported under this
19 part; and

20 “(2) disseminate research on best practices.

21 **“SEC. 796I. 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 following 4 fiscal years.’”.

1 **TITLE VIII—ADDITIONAL**
2 **PROGRAMS**

3 **SEC. 801. REORGANIZATION.**

4 Title VIII (20 U.S.C. 1161 et seq.) is amended—

5 (1) by striking parts E, H, I, K, M, N, O, R,
6 U, V, X, and Y;

7 (2) by redesignating parts F, G, J, L, P, Q, S,
8 T, W, Z, and AA as parts E, F, G, H, I, J, K, L,
9 M, N, and O, respectively; and

10 (3) by redesignating sections 851, 861, 872,
11 873, 892, 895, 897, and 898 as sections 831, 836,
12 841, 846, 851, 856, 861, and 862, respectively.

13 **SEC. 802. COMMUNITY COLLEGE AND INDUSTRY PARTNER-**
14 **SHIPS PROGRAM.**

15 Part C of title VIII (20 U.S.C. 1161c) is amended
16 to read as follows:

17 **“PART C—COMMUNITY COLLEGE AND INDUSTRY**
18 **PARTNERSHIPS PROGRAM**

19 **“SEC. 803. DEFINITIONS.**

20 “In this part:

21 “(1) **COMMUNITY COLLEGE.**—The term ‘com-
22 munity college’ means a public institution of higher
23 education as defined in section 102 of the Higher
24 Education Act, where the highest degree offered is
25 predominantly the associate degree.

1 “(2) LOCAL BOARD.—The term ‘local board’
2 has the meaning given the term in section 101 of the
3 Workforce Investment Act of 1998 (29 U.S.C.
4 2801).

5 “(3) NONTRADITIONAL STUDENT.—The term
6 ‘nontraditional student’ means a student who is low-
7 income and—

8 “(A) who is an independent student, as de-
9 fined in section 480(d), or is an individual with
10 a disability as defined in section 3 of the Ameri-
11 cans with Disabilities Act of 1990 (42 U.S.C.
12 12102);

13 “(B) who attends an institution of higher
14 education—

15 “(i) on less than a full-time basis;

16 “(ii) via evening, weekend, modular,
17 or compressed courses; or

18 “(iii) via distance education methods;

19 and

20 “(C) who—

21 “(i) enrolled for the first time in an
22 institution of higher education 3 or more
23 years after completing secondary school; or

24 “(ii) is employed for not less than 25
25 hours per week.

1 “(4) RECOGNIZED POSTSECONDARY CREDEN-
2 TIAL.—The term ‘recognized postsecondary creden-
3 tial’ means a credential consisting of—

4 “(A) an industry-recognized certificate or
5 certification;

6 “(B) a certificate of completion of an ap-
7 prenticeship registered under the Act of August
8 16, 1937 (commonly known as the ‘National
9 Apprenticeship Act’; 50 Stat. 664, chapter 663;
10 29 U.S.C. 50 et seq.), referred to as a ‘reg-
11 istered apprenticeship’ for the purpose of this
12 part;

13 “(C) a license recognized by the State in-
14 volved or the Federal Government; or

15 “(D) an associate or baccalaureate degree.

16 “(5) SECRETARIES.—The term ‘Secretaries’
17 means the Secretary of Education and the Secretary
18 of Labor.

19 “(6) STATE BOARD.—The term ‘State board’
20 has the meaning given the term in section 101 of the
21 Workforce Investment Act of 1998 (29 U.S.C.
22 2801).

1 **“SEC. 803A. COMMUNITY COLLEGE AND INDUSTRY PART-**
2 **NERSHIPS PROGRAM.**

3 “(a) GRANTS AUTHORIZED.—From funds appro-
4 priated under section 803C, the Secretaries, in accordance
5 with the interagency agreement described in section 803B,
6 shall award competitive grants to eligible entities described
7 in subsection (b) for the purpose of developing, offering,
8 improving, or providing educational or career training pro-
9 grams.

10 “(b) ELIGIBLE ENTITY.—

11 “(1) PARTNERSHIPS WITH EMPLOYERS OR AN
12 EMPLOYER OR INDUSTRY PARTNERSHIP.—In order
13 to be eligible for a grant under this section, an enti-
14 ty shall—

15 “(A) be—

16 “(i) a community college that will use
17 funds provided under this section for ac-
18 tivities at the certificate and associate de-
19 gree levels;

20 “(ii) a 4-year public institution of
21 higher education that offers 2-year de-
22 grees, and that will use funds provided
23 under this section for activities at the cer-
24 tificate and associate degree levels;

25 “(iii) a Tribal College or University
26 (as defined in section 316(b));

1 “(ii) A community-based organization
2 with demonstrated expertise in serving
3 non-traditional students or providing edu-
4 cation and training to workers or discon-
5 nected youth.

6 “(iii) A joint labor-management part-
7 nership.

8 “(iv) A State board or local board.

9 “(v) Any other organization that the
10 Secretaries consider appropriate.

11 “(B) COLLABORATION WITH STATE AND
12 LOCAL BOARDS.—An eligible entity shall col-
13 laborate with the State board or local board, as
14 appropriate, in the area served by the eligible
15 entity.

16 “(c) APPLICATION.—An eligible entity seeking a
17 grant under this section shall submit an application to the
18 Secretaries at such time and containing such information
19 as the Secretaries determine is required, including a de-
20 tailed description of—

21 “(1) the specific educational or career training
22 program that the eligible entity proposes and how
23 the program meets the criteria established under
24 subsection (d), including the manner in which the

1 grant will be used to develop, offer, improve, or pro-
2 vide the educational or career training program;

3 “(2) the extent to which the program will meet
4 the educational or career training needs of workers
5 in the area served by the eligible entity;

6 “(3) the extent to which the program will meet
7 the skill needs of employers in the area for workers
8 in in-demand industry sectors and occupations;

9 “(4) the extent to which the proposed program
10 fits within any overall strategic plan regarding edu-
11 cation and training developed by the eligible entity;

12 “(5)(A) any previous experience of the eligible
13 entity in providing educational or career training
14 programs, including the use of research-based mod-
15 els to provide such programs; or

16 “(B) in the case of an eligible entity without
17 previous experience, a detailed description of how
18 the entity will carry out the activities required under
19 the grant, including the research-based model the
20 entity plans to use to provide such programs;

21 “(6) the recognized postsecondary credentials
22 that participants in the proposed educational or ca-
23 reer training program will obtain, and how the pro-
24 gram meets quality criteria for programs leading to
25 such credentials, as established by the Governor of

1 a State in which at least 1 of the entities described
2 in subsection (b)(1)(A) that comprise the eligible en-
3 tity is located;

4 “(7) how the eligible entity will sustain the edu-
5 cational or career training program after the end of
6 grant period;

7 “(8) how any educational or career training
8 program developed under this grant will be coordi-
9 nated with existing education and training pro-
10 grams, as of the date of the application, in the rel-
11 evant State and region that are supported by Fed-
12 eral, State or other funds; and

13 “(9) how the eligible entity will measure the
14 performance of, and evaluate, the educational or ca-
15 reer training program to be supported by this grant,
16 including the performance outcomes to be used by
17 the eligible entity and an assurance that such entity
18 will provide the information requested by the Secre-
19 taries for evaluations and reports under subsection
20 (f).

21 “(d) **CRITERIA FOR AWARD.**—

22 “(1) **IN GENERAL.**—Grants under this section
23 shall be awarded based on criteria established by the
24 Secretaries that include the following:

1 “(A) A determination of the merits of the
2 proposal, in each application, to develop, offer,
3 improve, or provide an educational or career
4 training program. In making such a determina-
5 tion, the Secretaries shall not automatically dis-
6 qualify an eligible entity because of the absence
7 of previous experience described in subsection
8 (c)(5)(A).

9 “(B) An assessment of the current and
10 projected employment opportunities available
11 (as of the date of the application) in the area
12 to individuals who complete an educational or
13 career training program that the eligible entity
14 proposes to develop, offer, improve, or provide.

15 “(C) An assessment of prior demand for
16 training programs by individuals eligible for
17 training and served by the eligible entity, as
18 well as availability and capacity of existing (as
19 of the date of the assessment) training pro-
20 grams to meet future demand for training pro-
21 grams.

22 “(2) **PRIORITY.**—In awarding grants under this
23 section, the Secretaries shall give priority to eligible
24 entities that—

1 “(A) are in a partnership with an employer
2 or an industry partnership that—

3 “(i) agrees to pay a portion of the
4 costs for participants of educational or ca-
5 reer training programs supported under
6 the grant; or

7 “(ii) agrees to hire individuals who
8 have attained a recognized postsecondary
9 credential resulting from the educational or
10 career training program supported under
11 the grant;

12 “(B) enter into a partnership with a labor
13 organization, labor-management training pro-
14 gram, or registered apprenticeship program, to
15 provide, through the educational or career
16 training program, technical expertise for occu-
17 pationally specific education necessary for a rec-
18 ognized postsecondary credential leading to a
19 skilled occupation in an in-demand industry sec-
20 tor;

21 “(C) demonstrate a partnership with a
22 State board or local board, as appropriate;

23 “(D) are focused on serving individuals
24 with barriers to employment, youth who are
25 out-of-school or not in the workforce, low-in-

1 come, nontraditional students, students who are
2 dislocated workers, students who are veterans,
3 or students who are long-term unemployed;

4 “(E) include community colleges serving
5 areas with high unemployment rates, including
6 rural areas and areas with high unemployment
7 rates for youth;

8 “(F) are eligible entities that include an
9 institution of higher education eligible for as-
10 sistance under title III or V; or

11 “(G) are in a partnership, with an em-
12 ployer or industry partnership, that increases
13 domestic production of goods, such as advanced
14 manufacturing or production of clean energy
15 technology.

16 “(e) USE OF FUNDS.—Grant funds awarded under
17 this section shall be used for one or more of the following:

18 “(1) The development, offering, improvement,
19 or provision of educational or career training pro-
20 grams that—

21 “(A) provide relevant job training for occu-
22 pations that will meet the needs of employers in
23 in-demand industry sectors; and

24 “(B) may include registered apprenticeship
25 programs, on-the-job training programs, and

1 programs that support employers in upgrading
2 the skills of their workforce.

3 “(2) The development and implementation of
4 policies and programs to expand opportunities for
5 students to earn a recognized postsecondary creden-
6 tial, including a degree, in in-demand industry sec-
7 tors or occupations, including by—

8 “(A) facilitating the transfer of academic
9 credits between institutions of higher education
10 in the State, including the transfer of academic
11 credits for courses in the same field of study;

12 “(B) expanding articulation agreements
13 and policies that guarantee transfers between
14 such institutions, including through common
15 course numbering and use of a general core
16 curriculum; and

17 “(C) developing or enhancing student sup-
18 port services programs.

19 “(3) The creation or enhancement of programs
20 that provide a sequence or integration of education
21 and occupational training that leads to a recognized
22 postsecondary credential, including a degree, includ-
23 ing programs that—

24 “(A) provide adult education and literacy
25 activities concurrently and contextually with oc-

1 cupational training, and support services for
2 participants, which may include such activities
3 and services provided along a career pathway;

4 “(B) facilitate means of transitioning par-
5 ticipants from non-credit occupational, adult
6 education, or developmental coursework to for-
7 credit coursework within and across institu-
8 tions;

9 “(C) build or enhance linkages, including
10 the development of dual enrollment programs
11 and early college high schools, between sec-
12 ondary education or adult education programs
13 (including programs established under the Carl
14 D. Perkins Career and Technical Education Act
15 of 2006 (20 U.S.C. 2301 et seq.) and the Adult
16 Education and Family Literacy Act (20 U.S.C.
17 9201 et seq.));

18 “(D) are innovative programs designed to
19 increase the provision of training for students,
20 including students who are members of the Na-
21 tional Guard or Reserves, to enter occupations
22 in in-demand industry sectors; or

23 “(E) support paid internships that will
24 allow students to simultaneously earn postsec-
25 ondary credit and gain relevant employment ex-

1 perience in an in-demand industry sector or oc-
2 cupation through work-based learning, which
3 shall include opportunities that transition indi-
4 viduals into employment.

5 “(4) The support of skills consortia in an in-de-
6 mand industry sector that will identify pressing
7 workforce needs and develop solutions such as—

8 “(A) standardizing industry certifications;

9 “(B) developing new training technologies;

10 and

11 “(C) collaborating with industry employers
12 to define and describe how specific skills lead to
13 particular jobs and career opportunities.

14 “(f) EVALUATIONS AND REPORTS.—

15 “(1) ANNUAL REPORTS TO SECRETARIES.—

16 “(A) IN GENERAL.—Each eligible entity
17 receiving a grant under this section shall sub-
18 mit to the Secretaries an annual report regard-
19 ing the activities carried out under the grant,
20 including the progress made by the educational
21 or career training program with respect to the
22 performance outcomes described in subsection
23 (c)(9) and any other information the Secre-
24 taries may require.

1 “(B) DISAGGREGATION.—The data pro-
2 vided to the Secretaries in accordance with this
3 subsection shall be disaggregated by, at a min-
4 imum, race, ethnicity, and eligibility to receive
5 a Federal Pell Grant, except that such
6 disaggregation shall not be required when the
7 number of participants in a category is insuffi-
8 cient to yield statistically reliable information or
9 when the results would reveal personally identi-
10 fiable information about an individual partici-
11 pant.

12 “(2) EVALUATIONS.—The Secretaries shall, di-
13 rectly or by contract, conduct an annual evaluation
14 of the grant program carried out under this section,
15 which will include a determination of the progress
16 made by each educational or career training pro-
17 gram supported by the grant with respect to the per-
18 formance outcomes described in subsection (c)(9),
19 using the reports provided by the eligible entities
20 under paragraph (1) and any other information that
21 the Secretaries request from the eligible entities for
22 purposes of the evaluation.

23 “(3) REPORTS TO CONGRESS.—The Secretaries
24 shall jointly develop and submit a biennial report to
25 the authorizing committees regarding the grants

1 awarded under this section and the outcomes of such
2 grants, including the progress made by each edu-
3 cational or career training program supported under
4 such grant with respect to the performance outcomes
5 described in subsection (c)(9) and the results of the
6 evaluations described in paragraph (2).

7 **“SEC. 803B. INTERAGENCY AGREEMENT.**

8 “(a) IN GENERAL.—The Secretary of Labor and the
9 Secretary of Education shall jointly develop policies for the
10 administration of this part in accordance with such terms
11 as the Secretaries shall set forth in an interagency agree-
12 ment. Such interagency agreement, at a minimum, shall
13 include a description of the respective roles and respon-
14 sibilities of the Secretaries in carrying out this part (both
15 jointly and separately), including—

16 “(1) how the funds available under this part
17 will be obligated and disbursed and compliance with
18 applicable laws (including regulations) will be en-
19 sured, as well as how the recipients of the grants
20 will be selected and monitored;

21 “(2) how evaluations and research will be con-
22 ducted on the effectiveness of grants awarded under
23 this part in addressing the education and employ-
24 ment needs of workers, and employers;

1 “(3) how technical assistance will be provided
2 to applicants and grant recipients;

3 “(4) how information will be disseminated, in-
4 cluding through electronic means, on best practices
5 and effective strategies and service delivery models
6 for activities carried out under this part; and

7 “(5) how policies and processes critical to the
8 successful achievement of the education, training,
9 and employment goals of this part will be estab-
10 lished.

11 “(b) **TRANSFER AUTHORITY.**—The Secretary of
12 Labor and the Secretary of Education shall have the au-
13 thority to transfer funds between the Department of
14 Labor and the Department of Education to carry out this
15 part in accordance with the agreement described in sub-
16 section (a).

17 **“SEC. 803C. AUTHORIZATION OF APPROPRIATIONS.**

18 “There are authorized to be appropriated such sums
19 as may be necessary to carry out this part for fiscal year
20 2015 and each of the 4 succeeding fiscal years.”.

21 **SEC. 803. TYLER CLEMENTI PROGRAM.**

22 Title VIII (20 U.S.C. 1161 et seq.) as amended by
23 sections 801 and 802 is further amended by adding at
24 the end the following:

1 **“PART P—TYLER CLEMENTI PROGRAM**

2 **“SEC. 864. TYLER CLEMENTI PROGRAM.**

3 “(a) **DEFINITIONS.**—In this section:

4 “(1) **ELIGIBLE ENTITY.**—The term ‘eligible en-
5 tity’ means—

6 “(A) an institution of higher education, in-
7 cluding an institution of higher education in a
8 collaborative partnership with a nonprofit orga-
9 nization; or

10 “(B) a consortium of institutions of higher
11 education located in the same State.

12 “(2) **HARASSMENT.**—The term ‘harassment’
13 has the meaning given the term in section
14 485(f)(6)(A) of the Higher Education Act of 1965
15 (20 U.S.C. 1092(f)(6)(A)).

16 “(b) **PROGRAM AUTHORIZED.**—The Secretary is au-
17 thorized to award grants, on a competitive basis, to eligible
18 entities to enable eligible entities to carry out the author-
19 ized activities described in subsection (d).

20 “(c) **AMOUNT OF GRANT AWARDS.**—The Secretary
21 shall ensure that each grant awarded under this section
22 is of sufficient amount to enable the grantee to meet the
23 purpose of this section.

24 “(d) **AUTHORIZED ACTIVITIES.**—An eligible entity
25 that receives a grant under this section shall use the funds
26 made available through the grant to address one or more

1 of the types of harassment listed in section
2 485(f)(6)(A)(vi)(II) by initiating, expanding, or improving
3 programs—

4 “(1) to prevent the harassment of students at
5 institutions of higher education;

6 “(2) at institutions of higher education that
7 provide counseling or redress services to students
8 who have suffered such harassment or students who
9 have been accused of subjecting other students to
10 such harassment; or

11 “(3) that educate or train students, faculty, or
12 staff of institutions of higher education about ways
13 to prevent harassment or ways to address such har-
14 assment if it occurs.

15 “(e) APPLICATION.—To be eligible to receive a grant
16 under this section, an eligible entity shall submit an appli-
17 cation to the Secretary at such time, in such manner, and
18 containing such information, as the Secretary may re-
19 quire.

20 “(f) DURATION; RENEWAL.—A grant under this sec-
21 tion shall be awarded for a period of not more than 3
22 years. The Secretary may renew a grant under this section
23 for one additional period of not more than 2 years.

24 “(g) AWARD CONSIDERATIONS.—In awarding a
25 grant under this section, the Secretary shall select eligible

1 entities that demonstrate the greatest need for a grant
2 and the greatest potential benefit from receipt of a grant.

3 “(h) REPORT AND EVALUATION.—

4 “(1) EVALUATION AND REPORT TO THE SEC-
5 RETARY.—Not later than 6 months after the end of
6 the eligible entity’s grant period, the eligible entity
7 shall—

8 “(A) evaluate the effectiveness of the ac-
9 tivities carried out with the use of funds award-
10 ed pursuant to this section in decreasing har-
11 assment and improving tolerance; and

12 “(B) prepare and submit to the Secretary
13 a report on the results of the evaluation con-
14 ducted by the entity.

15 “(2) EVALUATION AND REPORT TO CON-
16 GRESS.—Not later than 12 months after the date of
17 receipt of the first report submitted pursuant to
18 paragraph (1) and annually thereafter, the Secretary
19 shall provide to Congress a report that includes the
20 following:

21 “(A) The number and types of eligible en-
22 tities receiving assistance under this section.

23 “(B) The anti-harassment programs being
24 implemented with assistance under this section
25 and the costs of such programs.

1 “(C) Any other information determined by
2 the Secretary to be useful in evaluating the
3 overall effectiveness of the program established
4 under this section in decreasing incidents of
5 harassment at institutions of higher education.

6 “(3) BEST PRACTICES REPORT.—The Secretary
7 shall use the information provided under paragraph
8 (1) to publish a report of best practices for com-
9 bating harassment at institutions of higher edu-
10 cation. The report shall be made available to all in-
11 stitutions of higher education and other interested
12 parties.

13 “(i) AUTHORIZATION OF APPROPRIATIONS.—There
14 are authorized to be appropriated to carry out this section
15 such sums as may be necessary for fiscal year 2015 and
16 each of the 4 succeeding fiscal years.”.

17 **TITLE IX—HIGHER EDUCATION**
18 **OPPORTUNITIES AND SUP-**
19 **PORTS FOR STUDENTS WITH**
20 **DISABILITIES**

21 **SEC. 901. HIGHER EDUCATION OPPORTUNITIES AND SUP-**
22 **PORTS FOR STUDENTS WITH DISABILITIES.**

23 The Act (20 U.S.C. 1001 et seq.) is amended by add-
24 ing at the end the following:

1 **“TITLE IX—HIGHER EDUCATION**
2 **OPPORTUNITIES AND SUP-**
3 **PORTS FOR STUDENTS WITH**
4 **DISABILITIES**

5 **“PART A—NATIONAL ACTIVITIES**

6 **“SEC. 901. NATIONAL TECHNICAL ASSISTANCE CENTERS**
7 **FOR HIGHER EDUCATION ACCESS.**

8 “(a) PURPOSE.—It is the purpose of this section to
9 provide technical assistance and information—

10 “(1) about the rights and responsibilities of
11 postsecondary students with disabilities under the
12 Americans with Disabilities Act of 1990 (42 U.S.C.
13 12101 et seq.) and the Rehabilitation Act of 1973
14 (29 U.S.C. 701 et seq.); and

15 “(2) to support the recruitment, enrollment, re-
16 tention, graduation, and education of such students.

17 “(b) ADMINISTRATION.—The activities under this
18 section shall be jointly administered by the Office of Post-
19 secondary Education and the Office of Special Education
20 and Rehabilitative Services.

21 “(c) NATIONAL TECHNICAL ASSISTANCE CENTER
22 FOR COLLEGE STUDENTS WITH DISABILITIES AND
23 THEIR FAMILIES.—

24 “(1) IN GENERAL.—From amounts appro-
25 priated to carry out this section, the Secretary shall

1 award a grant to, or enter into a contract or cooper-
2 ative agreement with, an eligible entity to provide
3 for the establishment and support of a National
4 Technical Assistance Center for College Students
5 With Disabilities and Their Families (hereafter re-
6 ferred to as the ‘National Center for Students With
7 Disabilities’). The National Center for Students
8 With Disabilities shall carry out the duties set forth
9 in paragraph (3).

10 “(2) ELIGIBLE ENTITY.—In this subsection, the
11 term ‘eligible entity’ means an institution of higher
12 education, a nonprofit organization, or a partnership
13 of 2 or more such institutions or organizations, with
14 demonstrated expertise in—

15 “(A) the recruitment, enrollment, reten-
16 tion, graduation, and education of students with
17 disabilities, including students with autism
18 spectrum disorder and other developmental dis-
19 abilities, in postsecondary education;

20 “(B) the technical knowledge necessary for
21 the dissemination of information in accessible
22 formats; and

23 “(C) creating and disseminating convenient
24 and credible online resources.

1 “(3) DUTIES.—The National Center for Stu-
2 dents With Disabilities shall provide information and
3 technical assistance to postsecondary students with
4 disabilities and the families of postsecondary stu-
5 dents with disabilities to support students across the
6 broad spectrum of disabilities, including individuals
7 with autism spectrum disorder and other develop-
8 mental disabilities, which may include providing—

9 “(A) information to assist individuals with
10 disabilities who are prospective students of an
11 institution of higher education in planning for
12 postsecondary education while in secondary
13 school, and earlier;

14 “(B) information and technical assist-
15 ance—

16 “(i) including self-advocacy skills, to
17 individualized education program teams (as
18 defined in section 614(d)(1) of the Individ-
19 uals with Disabilities Education Act (20
20 U.S.C. 1414(d)(1)) for secondary school
21 students with disabilities; and

22 “(ii) to early outreach and student
23 services programs to support students
24 across a broad spectrum of disabilities with

1 the successful transition to postsecondary
2 education;

3 “(C) information on evidence-based sup-
4 ports, services, and accommodations that are
5 available in postsecondary settings, including
6 services such as vocational rehabilitation that
7 are provided by other agencies, and providing
8 information about how to qualify for those serv-
9 ices;

10 “(D) information on student mentoring
11 and networking opportunities for students with
12 disabilities;

13 “(E) information on effective recruitment
14 and transition programs at postsecondary edu-
15 cational institutions; and

16 “(F) information on support (including
17 tuition, as appropriate) for advanced training in
18 a science, technology, engineering, or mathe-
19 matics (including computer science) field, medi-
20 cine, law, or business.

21 “(d) NATIONAL TECHNICAL ASSISTANCE CENTER
22 FOR DISABILITY SUPPORT SERVICES AT INSTITUTIONS
23 OF HIGHER EDUCATION.—

24 “(1) IN GENERAL.—From amounts appro-
25 priated to carry out this section, the Secretary shall

1 award a grant to, or enter into a contract or cooper-
2 ative agreement with, an eligible entity to provide
3 for the establishment and support of a National
4 Technical Assistance Center for Disability Support
5 Services at Institutions of Higher Education (here-
6 after referred to as the ‘National Center for Institu-
7 tions of Higher Education’). The National Center
8 for Institutions of Higher Education shall carry out
9 the duties set forth in paragraph (3).

10 “(2) ELIGIBLE ENTITY.—In this subsection, the
11 term ‘eligible entity’ means an institution of higher
12 education, a nonprofit organization, or a partnership
13 of 2 or more such institutions or organizations, with
14 demonstrated expertise in—

15 “(A) the recruitment, enrollment, reten-
16 tion, graduation, and education of students with
17 disabilities in postsecondary education, includ-
18 ing students with autism spectrum disorder and
19 other developmental disabilities;

20 “(B) supporting faculty and understanding
21 best practices in working with students with
22 disabilities, including students with autism
23 spectrum disorder and other developmental dis-
24 abilities;

1 “(C) technical knowledge necessary for the
2 dissemination of information in accessible for-
3 mats; and

4 “(D) identifying instructional strategies
5 that are effective for students with disabilities,
6 including students with autism spectrum dis-
7 order and other developmental disabilities.

8 “(3) DUTIES.—The National Center for Insti-
9 tutions of Higher Education shall provide informa-
10 tion and technical assistance to faculty, staff, and
11 administrators of institutions of higher education to
12 improve the services provided to, the accommoda-
13 tions for, the retention rates of, and the completion
14 rates of, students with disabilities, including stu-
15 dents with autism spectrum disorder and other de-
16 velopmental disabilities, in higher education settings,
17 which may include—

18 “(A) collecting, developing, and dissemi-
19 nating quality indicators and best and prom-
20 ising practices and materials for accommo-
21 dating and supporting students with disabilities;

22 “(B) training and supporting students
23 with disabilities to enhance and support their
24 self-advocacy skills;

1 “(C) promoting awareness of, and the use
2 of, assistive technology and augmentative com-
3 munication in postsecondary education settings;

4 “(D) developing and providing training
5 modules for higher education faculty and staff
6 on exemplary practices for accommodating and
7 supporting postsecondary students with disabili-
8 ties across a range of academic fields, which
9 may include universal design for learning;

10 “(E) developing technology-based tutorials
11 for higher education faculty and staff, including
12 new faculty and graduate students, on evidence-
13 based best and promising practices related to
14 support and retention of students with disabili-
15 ties in postsecondary education;

16 “(F) developing and providing training and
17 technical assistance for faculty and staff of in-
18 stitutions of higher education on emerging evi-
19 dence-based best practices for the selection,
20 production, and timely delivery of high-quality
21 accessible instructional materials to meet the
22 needs of students with disabilities in postsec-
23 ondary settings;

24 “(G) developing and disseminating an evi-
25 dence-based operational model for institutions

1 of higher education to timely provide high-quality
2 accessible instructional materials to students
3 with disabilities; and

4 “(H) information on providing support (in-
5 cluding tuition, as appropriate) for advanced
6 training in a science, technology, engineering,
7 or mathematics (including computer science)
8 field, medicine, law, or business.

9 **“SEC. 902. NATIONAL DATA CENTER ON HIGHER EDU-
10 CATION AND DISABILITY.**

11 “(a) **PURPOSE.**—It is the purpose of this section to
12 collect, maintain, and disseminate data and information
13 about the experiences and outcomes of postsecondary edu-
14 cation students with disabilities.

15 “(b) **NATIONAL DATA CENTER.**—

16 “(1) **IN GENERAL.**—From amounts appro-
17 priated to carry out this section, the Secretary shall
18 award a grant to, or enter into a contract or cooper-
19 ative agreement with, an eligible entity to provide
20 for the establishment and support of a National
21 Data Center on Higher Education and Disability (in
22 this part referred to as the ‘National Data Center’).
23 The National Data Center shall carry out the duties
24 set forth in paragraph (4).

1 “(2) ADMINISTRATION.—The program under
2 this section shall be jointly administered by the Of-
3 fice of Postsecondary Education and the Office of
4 Special Education and Rehabilitative Services.

5 “(3) ELIGIBLE ENTITY.—In this section, the
6 term ‘eligible entity’ means an institution of higher
7 education, a nonprofit organization, or a partnership
8 of 2 or more such institutions or organizations, with
9 demonstrated expertise in—

10 “(A) supporting students with disabilities
11 in postsecondary education;

12 “(B) technical knowledge necessary for the
13 dissemination of information in accessible for-
14 mats; and

15 “(C) working with diverse types of institu-
16 tions of higher education, including community
17 colleges.

18 “(4) DUTIES.—The duties of the National Data
19 Center shall include the following:

20 “(A) INFORMATION COLLECTION AND DIS-
21 SEMINATION.—

22 “(i) DATABASE.—The National Data
23 Center shall be responsible for using the
24 data submitted in accordance with section
25 903—

605

1 “(I) to build, maintain, and up-
2 date a database of information about
3 disability support services provided by
4 institutions of higher education; or

5 “(II) to expand and update any
6 existing database containing such in-
7 formation.

8 “(ii) CONTENTS OF DATABASE.—The
9 database described in clause (i) shall con-
10 tain de-identified, individual student-level
11 data for every student who discloses the
12 student’s disability to, and seeks disability
13 accommodations from, the institution of
14 higher education that the student attends,
15 including—

16 “(I) the student’s disability cat-
17 egory described in section 903(a);

18 “(II) the supports and accom-
19 modations provided to the student;

20 “(III) enrollment information, in-
21 cluding the student’s program of
22 study, progress toward completion of
23 a certificate or degree, and program
24 completion status; and

1 ities who sought disability accom-
2 modations through the institution’s
3 disability support services office, in-
4 cluding information about the services
5 received by such students;

6 “**(III)** other information relevant
7 to students with disabilities, as deter-
8 mined by the Secretary; and

9 “**(IV)** the information described
10 in subparagraphs (A) through (D) of
11 paragraph (5).

12 “**(iv)** **WEBSITE**.—The National Data
13 Center shall make available to the general
14 public, through a website that is built to
15 high technical standards of accessibility
16 practicable for the broad spectrum of indi-
17 viduals with disabilities—

18 “**(I)** the data described in clause
19 (ii), aggregated at the institution
20 level;

21 “**(II)** the information described in
22 clause (iii); and

23 “**(III)** links to information about
24 student financial aid, including Fed-
25 eral and institutional student aid.

1 “(B) **DISABILITY SUPPORT SERVICES.**—
2 The National Data Center shall work with or-
3 ganizations and individuals that have proven ex-
4 pertise related to disability support services for
5 postsecondary students with disabilities to
6 evaluate, improve, and disseminate information
7 related to the delivery of high-quality disability
8 support services at institutions of higher edu-
9 cation.

10 “(5) **REVIEW AND REPORT.**—Not later than 3
11 years after the establishment of the National Data
12 Center, and every 2 years thereafter, the National
13 Center shall prepare and disseminate a report to the
14 Secretary and the authorizing committees of Con-
15 gress analyzing the condition of postsecondary serv-
16 ices and success for students with disabilities. Such
17 report shall include—

18 “(A) a review of the activities and the ef-
19 fectiveness of the programs authorized under
20 this part;

21 “(B) annual enrollment, retention, and
22 graduation rates of students with disabilities in
23 institutions of higher education that receive
24 funds under title IV, disaggregated by disability
25 according to the categories established under

1 section 903(a) (unless disaggregation results in
2 possible identification of a student);

3 “(C) recommendations for effective post-
4 secondary supports and services for students
5 with disabilities, and how such supports and
6 services may be widely implemented at institu-
7 tions of higher education;

8 “(D) recommendations on reducing bar-
9 riers to full participation for students with dis-
10 abilities in higher education; and

11 “(E) a description of disability support
12 services and strategies with a demonstrated
13 record of effectiveness in improving the success
14 of such students in postsecondary education.

15 “(6) STAFFING OF THE NATIONAL DATA CEN-
16 TER.—In hiring employees of the National Data
17 Center, the National Data Center shall consider the
18 expertise and experience of prospective employees in
19 creating and maintaining high quality national data-
20 bases focused on the experiences and outcomes of in-
21 dividuals with disabilities.

22 **“SEC. 903. REQUIREMENT FOR SUBMITTING DATA TO THE**
23 **NATIONAL DATA CENTER.**

24 “(a) DISABILITY CATEGORIES.—The National Data
25 Center, the National Center for Students With Disabil-

1 ities, and the National Center for Institutions of Higher
2 Education shall adopt the following categories to describe
3 data collected, analyzed, and disseminated about students
4 with disabilities:

5 “(1) Attention Deficit Hyperactivity Disorder
6 (ADHD).

7 “(2) Autism, including Asperger Syndrome.

8 “(3) Blind or visually impaired.

9 “(4) Brain Injury, including acquired brain in-
10 jury and traumatic brain injury.

11 “(5) Deaf or hard of hearing.

12 “(6) Deaf-blind.

13 “(7) Intellectual disability.

14 “(8) Learning disability.

15 “(9) Long-term health condition.

16 “(10) Physical or mobility disability.

17 “(11) Psychiatric disability.

18 “(12) Speech or language disability.

19 “(13) Other disability.

20 “(b) DATA TO BE SUBMITTED.—Each institution of
21 higher education that receives funds under title IV shall
22 collect and submit the following data to the National Data
23 Center established under section 903:

24 “(1) The institution’s disability documentation
25 requirements.

1 “(2) The support services available at the insti-
2 tution.

3 “(3) Links to information about institutional fi-
4 nancial aid.

5 “(4) The institution’s accommodations policies.

6 “(5) The institution’s accessible instructional
7 materials.

8 “(6) Individual-level, de-identified data describ-
9 ing services and accommodations provided to stu-
10 dents with disabilities, as well as the retention and
11 graduation rates of students with disabilities who
12 sought disability services and accommodations from
13 the institution of higher education.

14 “(7) The institution’s annual budget devoted to
15 providing disability supports, services, and accom-
16 modations.

17 “(8) Other information relevant to students
18 with disabilities, as required by the Secretary.

19 “(c) **DISAGGREGATION OF DATA.**—Institutions of
20 higher education submitting the data required under sub-
21 section (b) shall collect, organize, and submit such data
22 in a way that supports disaggregation by the disability cat-
23 egories specified in subsection (a).

24 “(d) **PUBLIC AVAILABILITY OF DATA.**—All data sub-
25 mitted to the National Data Center by institutions of

1 higher education in accordance with subsection (b) shall
2 be made available to the public not later than 1 year after
3 that data is submitted to the National Data Center.

4 **“PART B—TRANSITION PROGRAMS FOR**
5 **POSTSECONDARY STUDENTS WITH DISABILITIES**

6 **“Subpart 1—Transition Programs for Students With**
7 **Intellectual Disabilities**

8 **“SEC. 911. PURPOSE; DEFINITIONS.**

9 “(a) PURPOSE.—It is the purpose of this subpart to
10 support demonstration programs that promote the suc-
11 cessful transition of students with intellectual disabilities
12 into higher education and successful employment out-
13 comes for such students in the integrated, competitive
14 workforce.

15 “(b) DEFINITIONS.—In this subpart:

16 “(1) COMPREHENSIVE TRANSITION AND POST-
17 SECONDARY PROGRAM FOR STUDENTS WITH INTEL-
18 LECTUAL DISABILITIES.—The term ‘comprehensive
19 transition and postsecondary program for students
20 with intellectual disabilities’ means a degree, certifi-
21 cate, or non-degree program that—

22 “(A) is offered by an institution of higher
23 education;

24 “(B) is designed to support students with
25 intellectual disabilities who are seeking to con-

1 tinue academic, career and technical, or inde-
2 pendent living instruction at an institution of
3 higher education in order to prepare for com-
4 petitive integrated employment;

5 “(C) includes an advising and curriculum
6 structure;

7 “(D) requires students with intellectual
8 disabilities to participate in internships or
9 work-based training in competitive, integrated
10 workplace settings with nondisabled individuals;
11 and

12 “(E) requires students with intellectual
13 disabilities to participate, on not less than a
14 half-time basis, each academic term (as deter-
15 mined by the institution), with such participa-
16 tion focusing on academic components and oc-
17 curring through one or more of the following
18 activities:

19 “(i) Regular enrollment in credit-bear-
20 ing courses with nondisabled students of-
21 fered by the institution.

22 “(ii) Auditing or participating in
23 courses with nondisabled students offered
24 by the institution for which the student
25 does not receive regular academic credit.

1 “(iii) Enrollment in noncredit-bearing,
2 nondegree courses with nondisabled stu-
3 dents.

4 “(2) STUDENT WITH AN INTELLECTUAL DIS-
5 ABILITY.—The term ‘student with an intellectual
6 disability’ means a student—

7 “(A) with a cognitive impairment, charac-
8 terized by significant limitations in—

9 “(i) intellectual and cognitive func-
10 tioning; and

11 “(ii) adaptive behavior as expressed in
12 conceptual, social, and practical adaptive
13 skills; and

14 “(B) who is currently, or was formerly, eli-
15 gible for a free appropriate public education
16 under the Individuals with Disabilities Edu-
17 cation Act.

18 **“SEC. 912. MODEL COMPREHENSIVE TRANSITION AND**
19 **POSTSECONDARY PROGRAMS FOR STUDENTS**
20 **WITH INTELLECTUAL DISABILITIES.**

21 “(a) GRANTS AUTHORIZED.—

22 “(1) IN GENERAL.—From amounts appro-
23 priated to carry out this section, the Secretary shall
24 annually award grants, on a competitive basis, to in-
25 stitutions of higher education (or consortia of insti-

1 tutions of higher education), to enable the institu-
2 tions or consortia to create or expand high quality,
3 inclusive model comprehensive transition and post-
4 secondary programs for students with intellectual
5 disabilities. The Secretary shall award grants under
6 this section in a manner that ensures that new 5-
7 year grants are awarded each fiscal year.

8 “(2) ADMINISTRATION.—The program under
9 this section shall be administered by the Office of
10 Postsecondary Education, in collaboration with the
11 Office of Special Education and Rehabilitative Serv-
12 ices.

13 “(3) DURATION OF GRANTS.—A grant under
14 this section shall be awarded for a period of 5 years.
15 An institution of higher education (or a consortium)
16 is only eligible for one 5-year grant under this sec-
17 tion. A recipient institution or consortium shall sus-
18 tain the program carried out under this section after
19 the expiration of the grant period using funding
20 from another source.

21 “(b) APPLICATION.—An institution of higher edu-
22 cation (or a consortium) desiring a grant under this sec-
23 tion shall submit an application to the Secretary at such
24 time, in such manner, and containing such information as
25 the Secretary may require.

1 “(c) AWARD BASIS.—In awarding grants under this
2 section, the Secretary shall—

3 “(1) prohibit grantees from the 2010–2014
4 grant cycle under this section from competing for
5 the 2014–2018 grant cycle, in order to generate a
6 larger number of self-sustaining comprehensive tran-
7 sition and postsecondary programs for students with
8 intellectual disabilities programs across the United
9 States;

10 “(2) provide for an equitable geographic dis-
11 tribution of such grants;

12 “(3) to the greatest extent possible, provide for
13 an equitable distribution of such grants between 4-
14 year institutions of higher education and 2-year in-
15 stitutions of higher education, including community
16 colleges;

17 “(4) provide grant funds for model comprehen-
18 sive transition and postsecondary programs for stu-
19 dents with intellectual disabilities that will serve
20 areas that are underserved by programs of this type;
21 and

22 “(5) give preference to applicants that agree to
23 incorporate into the model comprehensive transition
24 and postsecondary program for students with intel-

1 lectual disabilities carried out under the grant one or
2 more of the following elements:

3 “(A) The formation of a partnership with
4 any relevant State or local agency serving stu-
5 dents with intellectual disabilities, such as a vo-
6 cational rehabilitation agency.

7 “(B) In the case of an institution of higher
8 education that provides institutionally owned or
9 operated housing for students attending the in-
10 stitution, the integration of students with intel-
11 lectual disabilities into the housing offered to
12 nondisabled students.

13 “(C) The involvement of students attend-
14 ing the institution of higher education who are
15 studying special education, general education,
16 vocational rehabilitation, assistive technology, or
17 related fields in the model program.

18 “(d) USE OF FUNDS.—An institution of higher edu-
19 cation (or a consortium) receiving a grant under this sec-
20 tion shall use the grant funds to establish a model com-
21 prehensive transition and postsecondary program for stu-
22 dents with intellectual disabilities that—

23 “(1) serves students with intellectual disabil-
24 ities;

1 “(2) provides individual supports and services
2 for the academic and social inclusion of students
3 with intellectual disabilities in academic courses, ex-
4 tracurricular activities, and other aspects of the in-
5 stitution of higher education’s regular postsecondary
6 program;

7 “(3) with respect to the students with intellec-
8 tual disabilities participating in the model program,
9 provides a focus on—

10 “(A) academic enrichment;

11 “(B) integrated socialization with non-
12 disabled students;

13 “(C) independent living skills, including
14 self-advocacy skills; and

15 “(D) integrated work experiences and ca-
16 reer skills that lead to competitive integrated
17 employment;

18 “(4) provides integrated person-centered plan-
19 ning in the development of the course of study for
20 each student with an intellectual disability partici-
21 pating in the model program;

22 “(5) participates with the comprehensive transi-
23 tion and postsecondary programs for students with
24 intellectual disabilities coordinating center estab-
25 lished under section 913 (referred to in this part as

1 the ‘coordinating center’) in the evaluation of the
2 model program, including by regularly submitting
3 data on the experiences and outcomes of individual
4 students participating in the program;

5 “(6) partners with one or more local edu-
6 cational agencies to support students with intellec-
7 tual disabilities participating in the model program
8 who are still eligible for special education and re-
9 lated services under the Individuals with Disabilities
10 Education Act, including the use of funds available
11 under part B of such Act to support the participa-
12 tion of such students in the model program;

13 “(7) plans for the sustainability of the model
14 program after the end of the grant period;

15 “(8) creates and offers a meaningful credential
16 for students with intellectual disabilities upon the
17 completion of the model program; and

18 “(9) provides for the collection and trans-
19 mission of data in accordance with subsection (e).

20 “(e) DATA COLLECTION AND TRANSITION.—

21 “(1) IN GENERAL.—An institution or consor-
22 tium receiving a grant under this section shall col-
23 lect, and transmit to the coordinating center on an
24 annual basis and for each student who is enrolled in
25 the model program, student-level information related

1 to the experiences and outcomes of students who
2 participate in the comprehensive transition and post-
3 secondary program for students with intellectual dis-
4 abilities.

5 “(2) LONGITUDINAL DATA.—Each grantee shall
6 also implement a mechanism by which the institu-
7 tion or consortium will collect longitudinal outcome
8 data from former students who participated in the
9 model program and transmit that data to the coordi-
10 nating center. This longitudinal data shall be col-
11 lected for every student 5 years after the student
12 graduates from, or otherwise exits, the model pro-
13 gram.

14 “(3) DATA TO BE COLLECTED.—The student-
15 level information and data to be collected under this
16 subsection shall include—

17 “(A) the number and type of postsec-
18 ondary education courses taken and completed
19 by the student;

20 “(B) academic outcomes;

21 “(C) competitive, integrated employment
22 outcomes;

23 “(D) independent living outcomes; and

24 “(E) social outcomes.

1 “(f) **MATCHING REQUIREMENT.**—An institution of
2 higher education (or consortium) that receives a grant
3 under this section shall provide matching funds toward the
4 costs of the model comprehensive transition and postsec-
5 ondary program for students with intellectual disabilities
6 carried out under the grant. Such matching funds may
7 be provided in cash or in-kind, and shall be in an amount
8 of not less than 25 percent of the amount of such costs.

9 “(g) **REPORT.**—Not later than 5 years after the date
10 of the first grant awarded under this section, the Sec-
11 retary shall prepare and disseminate a report to the au-
12 thorizing committees and to the public that—

13 “(1) reviews the activities of the model com-
14 prehensive transition and postsecondary programs
15 for students with intellectual disabilities funded
16 under this section; and

17 “(2) provides guidance and recommendations
18 on how effective model programs can be replicated.

19 “(h) **RULE OF CONSTRUCTION.**—Nothing in this sub-
20 part shall be construed to reduce or expand—

21 “(1) the obligation of a State or local edu-
22 cational agency to provide a free appropriate public
23 education, as defined in section 602 of the Individ-
24 uals with Disabilities Education Act; or

1 “(2) eligibility requirements under any Federal,
2 State, or local disability law, including the Ameri-
3 cans with Disabilities Act of 1990 (42 U.S.C. 12101
4 et seq.), the Rehabilitation Act of 1973 (29 U.S.C.
5 701 et seq.), or the Developmental Disabilities As-
6 sistance and Bill of Rights Act of 2000 (42 U.S.C.
7 15001 et seq.).

8 “(i) AUTHORIZATION OF APPROPRIATIONS AND RES-
9 ERVATION.—

10 “(1) AUTHORIZATION OF APPROPRIATIONS.—

11 There are authorized to be appropriated to carry out
12 this subpart such sums as may be necessary for fis-
13 cal year 2015 and each of the 4 succeeding fiscal
14 years.

15 “(2) RESERVATION OF FUNDS.—For any fiscal
16 year for which appropriations are made for this sub-
17 part, the Secretary shall reserve funds to enter into
18 a cooperative agreement to establish the coordi-
19 nating center under section 913(b), in an amount
20 that is not less than \$1,000,000. Not less than 40
21 percent of this sum shall be used for the administra-
22 tion of continued collection of data from comprehen-
23 sive transition and postsecondary programs for stu-
24 dents with intellectual disabilities grantees, and the

1 dissemination efforts of such grantees, from earlier
2 grant cycles.

3 **“SEC. 913. COORDINATING CENTER FOR THE MODEL COM-**
4 **PREHENSIVE TRANSITION AND POSTSEC-**
5 **ONDARY PROGRAMS FOR STUDENTS WITH IN-**
6 **TELLECTUAL DISABILITIES.**

7 “(a) DEFINITION OF ELIGIBLE ENTITY.—In this
8 subsection, the term ‘eligible entity’ means an entity, or
9 a partnership of entities, that has demonstrated expertise
10 in—

11 “(1) higher education;

12 “(2) the education of students with intellectual
13 disabilities;

14 “(3) the development of comprehensive transi-
15 tion and postsecondary programs for students with
16 intellectual disabilities; and

17 “(4) evaluation and technical assistance.

18 “(b) IN GENERAL.—From amounts appropriated
19 under section 912(2), the Secretary shall enter into a co-
20 operative agreement with an eligible entity (determined on
21 a competitive basis) for the purpose of establishing a co-
22 ordinating center for institutions of higher education that
23 offer inclusive comprehensive transition and postsecondary
24 programs for students with intellectual disabilities (re-
25 ferred to in this section as ‘comprehensive programs’). The

1 coordinating center shall carry out the activities described
2 in subsection (e) and shall provide—

3 “(1) recommendations related to the develop-
4 ment of standards for comprehensive programs;

5 “(2) technical assistance for such programs;
6 and

7 “(3) evaluations for such programs, including
8 systematic collection of data on the experiences and
9 outcomes of individuals with intellectual disabilities.

10 “(c) ADMINISTRATION.—The program under this sec-
11 tion shall be administered by the Office of Postsecondary
12 Education, in collaboration with the Office of Special Edu-
13 cation and Rehabilitative Services.

14 “(d) DURATION.—The Secretary shall enter into a
15 cooperative agreement, as described in subsection (b) for
16 a period of 5 years.

17 “(e) COORDINATING CENTER ACTIVITIES.—The co-
18 ordinating center established under subsection (b) shall
19 carry out the following activities:

20 “(1) Evaluating participant progress by cre-
21 ating and maintaining a database of student-level in-
22 formation and data related to the experiences and
23 outcomes of youth who participate in each com-
24 prehensive program for that receives a grant under
25 this subpart. The student-level information and data

1 that the coordinating center will collect and maintain
2 in the database shall include the information de-
3 scribed in section 912(e)(3).

4 “(2) Creating and maintaining a mechanism for
5 continuing to collect outcome information from stu-
6 dents who participated in comprehensive programs
7 that were developed in previous grant award cycles.

8 “(3) Creating and maintaining a mechanism for
9 collaborating with highly integrated, inclusive com-
10 prehensive program from earlier grant cycles, with
11 the purpose of disseminating and publicizing best
12 practices for implementing such programs.

13 “(4) Serving as the technical assistance entity
14 for all comprehensive transition and postsecondary
15 programs for students with intellectual disabilities,
16 including by providing technical assistance regarding
17 the development, evaluation, and continuous im-
18 provement of such programs.

19 “(5) Developing an evaluation protocol for com-
20 prehensive programs that includes qualitative and
21 quantitative methodologies for measuring student
22 outcomes and program strengths in the areas of—

23 “(A) academic enrichment;

24 “(B) socialization;

25 “(C) independent living; and

1 “(D) the achievement of competitive, inte-
2 grated employment.

3 “(6) Assisting recipients of a grant under this
4 subpart in efforts to award a meaningful credential
5 to students with intellectual disabilities upon the
6 completion of such programs, which credential shall
7 take into consideration unique State factors.

8 “(7) Developing recommendations for the nec-
9 essary components of such programs, such as—

10 “(A) the development of academic, voca-
11 tional, social, and independent living skills;

12 “(B) program administration and evalua-
13 tion;

14 “(C) student eligibility; and

15 “(D) issues regarding the equivalency of a
16 student’s participation in such programs to se-
17 mester, trimester, quarter, credit, or clock
18 hours at an institution of higher education, as
19 the case may be.

20 “(8) Analyzing possible funding streams for
21 comprehensive programs and providing recommenda-
22 tions regarding those funding streams.

23 “(9) Developing model memoranda of agree-
24 ment for use between or among institutions of high-

1 er education and State and local agencies providing
2 funding for such programs.

3 “(10) Developing mechanisms for regular com-
4 munication, outreach, and dissemination of informa-
5 tion about comprehensive programs receiving a grant
6 under this subpart between or among such programs
7 and to families and prospective students that may
8 wish to participate in such programs.

9 “(11) Hosting a meeting of all grant recipients
10 not less often than once each year.

11 “(12) Convening a workgroup to develop and
12 recommend model criteria, standards, and compo-
13 nents of such programs, that are appropriate for the
14 development of accreditation standards. The
15 workgroup shall include—

16 “(A) an expert in higher education;

17 “(B) an expert in special education;

18 “(C) a disability organization that rep-
19 represents students with intellectual disabilities;

20 “(D) a representative from the National
21 Advisory Committee on Institutional Quality
22 and Integrity; and

23 “(E) a representative of a regional or na-
24 tional accreditation agency or association.

1 “(B) designed to support students who are
2 deaf-blind and who are seeking to continue aca-
3 demic, career and technical, and independent
4 living instruction at an institution of higher
5 education in order to prepare for competitive
6 integrated employment;

7 “(C) includes an advising and curriculum
8 structure;

9 “(D) requires students who are deaf-blind
10 to participate in internships or work-based
11 training in competitive, integrated workplace
12 settings with nondisabled individuals; and

13 “(E) requires students who are deaf-blind
14 to participate in the program on not less than
15 a half-time basis, as determined by the institu-
16 tion, with such participation focusing on aca-
17 demic components and occurring through one
18 or more of the following activities:

19 “(i) Regular enrollment in credit-bear-
20 ing courses with nondisabled students of-
21 fered by the institution.

22 “(ii) Auditing or participating in
23 courses with nondisabled students offered
24 by the institution for which the student
25 does not receive regular academic credit.

1 “(iii) Enrollment in noncredit-bearing,
2 nondegree courses with nondisabled stu-
3 dents.

4 “(2) INSTITUTION OF HIGHER EDUCATION.—
5 The term ‘institution of higher education’ has the
6 meaning given the term in section 101(a).

7 “(3) STUDENT WHO IS DEAF-BLIND.—The term
8 ‘student who is deaf-blind’ means a student—

9 “(A)(i) who has a central visual acuity of
10 20/200 or less in the better eye with corrective
11 lenses, or a field defect such that the peripheral
12 diameter of visual field subtends an angular
13 distance no greater than 20 degrees, or a pro-
14 gressive visual loss having a prognosis leading
15 to one or both these conditions;

16 “(ii) who has a chronic hearing impair-
17 ment so severe that most speech cannot be un-
18 derstood with optimum amplification, or a pro-
19 gressive hearing loss having a prognosis leading
20 to this condition; and

21 “(iii) for whom the combination of impair-
22 ments described in clauses (i) and (ii) cause ex-
23 treme difficulty in attaining independence in
24 daily life activities, achieving psychosocial ad-
25 justment, or obtaining a vocation; or

1 “(B) who despite the inability to be meas-
2 ured accurately for hearing and vision loss due
3 to cognitive or behavioral constraints, can be
4 determined through functional and performance
5 assessments to have severe hearing and visual
6 disabilities that cause extreme difficulty in at-
7 taining independence in daily life activities,
8 achieving psychosocial adjustment, or obtaining
9 a vocation.

10 **“SEC. 922. MODEL COMPREHENSIVE TRANSITION AND**
11 **POSTSECONDARY PROGRAMS FOR STUDENTS**
12 **WHO ARE DEAF-BLIND.**

13 “(a) GRANTS AUTHORIZED.—

14 “(1) IN GENERAL.—From amounts appro-
15 priated under section 951 and not reserved under
16 section 923(c), the Secretary shall annually award
17 grants, on a competitive basis, to institutions of
18 higher education, or consortia of institutions of high-
19 er education, to enable the institutions or consortia
20 to create or expand high quality, inclusive model
21 comprehensive transition and postsecondary pro-
22 grams for students who are deaf-blind. The Sec-
23 retary shall award grants under this section in a
24 manner that ensures that new 5-year grants are
25 awarded each fiscal year.

1 “(2) ADMINISTRATION.—The program under
2 this section shall be administered by the Office of
3 Postsecondary Education, in collaboration with the
4 Office of Special Education and Rehabilitative Serv-
5 ices.

6 “(3) DURATION OF GRANTS.—A grant under
7 this section shall be awarded for a period of 5 years.
8 An institution of higher education (or a consortium
9 of such institutions) is eligible for only one 5-year
10 grant under this program.

11 “(b) APPLICATION.—An institution of higher edu-
12 cation (or a consortium of such institutions) desiring a
13 grant under this section shall submit an application to the
14 Secretary at such time, in such manner, and containing
15 such information as the Secretary may require. Such in-
16 formation shall include a demonstration of how the insti-
17 tution or consortium intends to sustain the program after
18 the end of the grant period, including an identification of
19 other sources of funds for the program.

20 “(c) AWARD BASIS.—In awarding grants under this
21 section, the Secretary shall—

22 “(1) provide for an equitable geographic dis-
23 tribution of such grants;

24 “(2) provide for an equitable distribution of
25 such grants between 4-year degree-granting and 2-

1 year degree-granting institutions of higher edu-
2 cation;

3 “(3) provide grant funds for model comprehen-
4 sive transition and postsecondary programs for stu-
5 dents who are deaf-blind that will serve areas that
6 are underserved by programs of this type; and

7 “(4) give preference to applications that agree
8 to incorporate, into the model comprehensive transi-
9 tion and postsecondary program for students who
10 are deaf-blind carried out under the grant, one or
11 more of the following elements:

12 “(A) The formation of a partnership with
13 any relevant agency serving students who are
14 deaf-blind, such as a vocational rehabilitation
15 agency.

16 “(B) In the case of an institution of higher
17 education that provides institutionally owned or
18 operated housing for students attending the in-
19 stitution, the integration of students who are
20 deaf-blind into the housing offered to non-
21 disabled students.

22 “(C) The involvement of students attend-
23 ing the institution of higher education who are
24 studying special education, general education,

1 vocational rehabilitation, assistive technology, or
2 related fields in the model program.

3 “(d) USE OF FUNDS.—An institution of higher edu-
4 cation (or consortium of such institutions) receiving a
5 grant under this section shall use the grant funds to estab-
6 lish a model comprehensive transition and postsecondary
7 program for students who are deaf-blind that—

8 “(1) provides individual supports and services
9 for the academic and social inclusion of students
10 who are deaf-blind in academic courses, extra-
11 curricular activities, and other aspects of the institu-
12 tion of higher education’s regular postsecondary pro-
13 gram;

14 “(2) with respect to the students who are deaf-
15 blind and who are participating in the model pro-
16 gram, provides a focus on—

17 “(A) academic enrichment;

18 “(B) integrated socialization with non-
19 disabled students;

20 “(C) independent living skills, including
21 self-advocacy skills; and

22 “(D) integrated work experiences and ca-
23 reer skills that lead to competitive integrated
24 employment;

1 “(3) provides integrated individual-centered
2 planning in the development of the course of study
3 for each student who is deaf-blind participating in
4 the model program;

5 “(4) participates with the coordinating center
6 established under section 923 in the evaluation of
7 the model program, including regular submission of
8 data on the experiences and outcomes of individual
9 students participating in the program;

10 “(5) partners with one or more local edu-
11 cational agencies to support students who are deaf-
12 blind participating in the model program who are
13 still eligible for special education and related services
14 under the Individuals with Disabilities Education
15 Act, including the use of funds available under part
16 B of such Act to support the participation of such
17 students in the model program;

18 “(6) plans for the sustainability of the model
19 program after the end of the grant period;

20 “(7) creates and offers a meaningful credential
21 for students who are deaf-blind upon the completion
22 of the model program; and

23 “(8) provides for the collection and trans-
24 mission of data in accordance with subsection (e).

25 “(e) DATA COLLECTION.—

1 “(1) IN GENERAL.—An institution of higher
2 education (or consortium of such institutions) receiv-
3 ing a grant under this section shall collect and
4 transmit to the coordinating center established
5 under section 923, on an annual basis, student in-
6 formation related to the experiences and outcomes of
7 each student who participates in the comprehensive
8 transition and postsecondary program for students
9 who are deaf-blind.

10 “(2) LONGITUDINAL DATA.—In addition to the
11 requirements of paragraph (1), each institution of
12 higher education (or consortium of such institutions)
13 shall implement a mechanism by which the institu-
14 tion or consortium will collect longitudinal outcomes
15 data from former students who participate in the
16 comprehensive transition and postsecondary program
17 supported under this section, and transmit that data
18 to the coordinating center established under section
19 923. Such longitudinal data shall be collected for
20 every student for the 5 years after the student grad-
21 uates from, or otherwise exits, the program.

22 “(3) DATA TO BE COLLECTED.—The student
23 information to be collected and transmitted under
24 this subsection shall include—

1 “(A) the number and type of postsec-
2 ondary education courses taken and completed
3 by the student;

4 “(B) academic outcomes;

5 “(C) competitive, integrated employment
6 outcomes;

7 “(D) independent living outcomes; and

8 “(E) social outcomes.

9 “(f) MATCHING REQUIREMENT.—An institution of
10 higher education (or consortium of such institutions) that
11 receives a grant under this section shall provide matching
12 funds toward the cost of the model comprehensive transi-
13 tion and postsecondary program for students who are
14 deaf-blind carried out under the grant. Such matching
15 funds may be provided in cash or in-kind, and shall be
16 in an amount of not less than 25 percent of the amount
17 of such costs.

18 “(g) REPORT.—Not later than 5 years after the date
19 of the first grant awarded under this section, the Sec-
20 retary shall prepare and disseminate a report to the au-
21 thorizing committees and to the public that—

22 “(1) reviews the activities of the model com-
23 prehensive transition and postsecondary programs
24 for students who are deaf-blind that receive funds
25 under this section; and

1 “(2) provides guidance and recommendations
2 on how effective model programs can be replicated.

3 “(h) **RULE OF CONSTRUCTION.**—Nothing in this sec-
4 tion shall be construed to reduce or expand—

5 “(1) the obligation of a State or local edu-
6 cational agency to provide a free appropriate public
7 education, as defined in section 602 of the Individ-
8 uals with Disabilities Education Act; or

9 “(2) eligibility requirements under any Federal,
10 State, or local disability law, including the Ameri-
11 cans with Disabilities Act of 1990 (42 U.S.C. 12101
12 et seq.), the Rehabilitation Act of 1973 (29 U.S.C.
13 701 et seq.), or the Developmental Disabilities As-
14 sistance and Bill of Rights Act of 2000 (42 U.S.C.
15 15001 et seq.).

16 **“SEC. 923. COORDINATING CENTER FOR THE MODEL COM-**
17 **PREHENSIVE TRANSITION AND POSTSEC-**
18 **ONDARY PROGRAMS FOR STUDENTS WHO**
19 **ARE DEAF-BLIND.**

20 “(a) **DEFINITION OF ELIGIBLE ENTITY.**—In this sec-
21 tion, the term ‘eligible entity’ means an entity, or a part-
22 nership of entities, that has demonstrated expertise in—

23 “(1) higher education;

24 “(2) the education of students who are deaf-
25 blind;

1 “(3) the development of comprehensive transi-
2 tion and postsecondary programs for students who
3 are deaf-blind; and

4 “(4) evaluation and technical assistance.

5 “(b) IN GENERAL.—From amounts appropriated to
6 carry out this section that are reserved under subsection
7 (c), the Secretary shall enter into a cooperative agreement,
8 on a competitive basis, with an eligible entity for the pur-
9 pose of establishing a coordinating center for institutions
10 of higher education that offer inclusive comprehensive
11 transition and postsecondary programs for students who
12 are deaf-blind (referred to in this section as ‘comprehen-
13 sive’). The coordinating center shall carry out the activi-
14 ties described in subsection (f) and shall provide—

15 “(1) recommendations related to the develop-
16 ment of standards for such programs;

17 “(2) technical assistance for such programs;
18 and

19 “(3) evaluations for such programs, including
20 systematic collection of data on the experiences and
21 outcomes of individuals who are deaf-blind.

22 “(c) RESERVATION OF FUNDS.—For any fiscal year
23 for which appropriations are made for this subpart in an
24 amount greater than \$10,000,000, the Secretary shall re-
25 serve 4 percent of such funds to carry out this section.

1 For any fiscal year for which appropriations are made for
2 this subpart in an amount that is equal to or less than
3 \$10,000,000, the Secretary shall reserve not less than
4 \$400,000 to carry out this section. Not less than 40 per-
5 cent of the amount reserved under this subsection shall
6 be used for the administration of continued collection of
7 data and dissemination of best practices, as described in
8 paragraphs (2) and (3) of subsection (f).

9 “(d) ADMINISTRATION.—The program under this
10 section shall be administered by the Office of Postsec-
11 ondary Education, in collaboration with the Office of Spe-
12 cial Education and Rehabilitative Services.

13 “(e) DURATION.—A cooperative agreement under
14 this subsection shall be for a period of 5 years.

15 “(f) REQUIREMENTS OF COOPERATIVE AGREE-
16 MENT.—The coordinating center established under sub-
17 section (b) shall carry out the following activities:

18 “(1) Evaluating student progress by creating
19 and maintaining a database of student-level informa-
20 tion related to the experiences and outcomes of
21 youth students who participate in each comprehen-
22 sive transition and postsecondary program for stu-
23 dents who are deaf-blind. The student-level informa-
24 tion and data that the coordinating center will col-

1 lect and maintain in the database shall include the
2 information described in section 922(e)(3).

3 “(2) Creating and maintaining a mechanism for
4 continuing to collect outcomes information from stu-
5 dents participating in comprehensive programs that
6 were developed in previous cycles of the program.

7 “(3) Creating and maintaining a mechanism for
8 collaborating with highly integrated comprehensive
9 programs with the purpose of disseminating and
10 publicizing best practices for implementing com-
11 prehensive transition and postsecondary programs
12 for students who are deaf-blind.

13 “(4) Serving as the technical assistance entity
14 for all comprehensive transition and postsecondary
15 programs for students who are deaf-blind, including
16 by providing technical assistance regarding the de-
17 velopment, evaluation, and continuous improvement
18 of such comprehensive programs.

19 “(5) Developing an evaluation protocol for such
20 programs that includes qualitative and quantitative
21 methodologies for measuring student outcomes and
22 program strengths in the areas of—

23 “(A) academic enrichment;

24 “(B) socialization;

25 “(C) independent living, and

1 “(D) the attainment of competitive or sup-
2 ported employment by students who participate
3 in the program.

4 “(6) Assisting recipients of grants under this
5 subpart in efforts to award a meaningful credential
6 to students who are deaf-blind upon the completion
7 of a comprehensive program, which credential shall
8 take into consideration unique State factors.

9 “(7) Developing recommendations for the nec-
10 essary components of such programs, such as—

11 “(A) development of academic, career and
12 technical, social, and independent living skills;

13 “(B) program administration and evalua-
14 tion;

15 “(C) student eligibility; and

16 “(D) issues regarding the equivalency of a
17 student’s participation in such programs to se-
18 mester, trimester, quarter, credit, or clock
19 hours at an institution of higher education, as
20 the case may be.

21 “(8) Analyzing possible funding streams for
22 such programs and providing recommendations re-
23 garding the funding streams.

24 “(9) Developing model memoranda of agree-
25 ment for use between or among institutions of high-

1 er education and State and local agencies providing
2 funding for such programs.

3 “(10) Developing mechanisms for regular com-
4 munication, outreach, and dissemination of informa-
5 tion about comprehensive transition and postsec-
6 ondary programs for students who are deaf-blind
7 that receive funds under section 922 between or
8 among such programs and to families and prospec-
9 tive students.

10 “(11) Hosting a meeting of all recipients of
11 grants under section 922 not less often than once
12 each year.

13 “(12) Convening a workgroup to develop and
14 recommend model criteria, standards, and compo-
15 nents of such programs that are appropriate for the
16 development of accreditation standards. The
17 workgroup shall include—

18 “(A) an expert in higher education;

19 “(B) an expert in special education;

20 “(C) a disability organization that rep-
21 resents students who are deaf-blind;

22 “(D) a representative from the National
23 Advisory Committee on Institutional Quality
24 and Integrity; and

1 “(E) a representative of a regional or na-
2 tional accreditation agency or association.

3 “(g) REPORT.—Not later than 2 years after the date
4 of enactment of the Higher Education Affordability Act,
5 the coordinating center shall report to the Secretary, the
6 authorizing committees, and the National Advisory Com-
7 mittee on Institutional Quality and Integrity on the rec-
8 ommendations of the workgroup described in subsection
9 (f)(12).

10 **“PART C—PROVIDING ACCESSIBLE INSTRUCC-**
11 **TIONAL MATERIALS TO STUDENTS WITH DIS-**
12 **ABILITIES ON COLLEGE CAMPUSES**

13 **“SEC. 931. GUIDELINES FOR ACCESSIBLE INSTRUCTIONAL**
14 **MATERIALS.**

15 “(a) PURPOSE.—The purpose of this section is to au-
16 thorize the Architectural and Transportation Barriers
17 Compliance Board (hereinafter referred to as the ‘Access
18 Board’) to establish guidelines for accessible instructional
19 materials that will be used in postsecondary education set-
20 tings.

21 “(b) IN GENERAL.—Not later than 18 months after
22 the date of enactment of Higher Education Affordability
23 Act, the Access Board (established pursuant to section
24 502 of the Rehabilitation Act of 1973 (29 U.S.C. 792))
25 shall establish guidelines for the accessibility of all instruc-

1 tional materials for students who are attending institu-
2 tions of higher education that receive funds under title IV,
3 including electronic instructional materials and related in-
4 formation technologies. Such guidelines shall—

5 “(1) include performance criteria to ensure that
6 such materials and technologies are accessible to
7 students with disabilities, as defined in section 3 of
8 the Americans with Disabilities Act of 1990 (42
9 U.S.C. 12102); and

10 “(2) if applicable, be consistent with the stand-
11 ards for technical and functional performance cri-
12 teria issued pursuant to section 508(a)(2)(A)(ii) of
13 the Rehabilitation Act of 1973 (29 U.S.C.
14 794d(a)(2)(A)(ii)).

15 “(c) HARMONIZATION WITH NATIONAL AND INTER-
16 NATIONAL STANDARDS.—The Access Board shall, to the
17 extent practicable, ensure that the guidelines established
18 under subsection (b) are consistent with national and
19 international accessibility standards for electronic instruc-
20 tional materials and related information technologies.

21 “(d) REVIEW AND AMENDMENT.—Not later than 3
22 years after the effective date of the guidelines described
23 in subsection (b), and every 3 years thereafter, the Access
24 Board shall review and, as appropriate, amend such guide-

1 lines to reflect technological advances or changes in in-
2 structional materials and related information technologies.

3 “(e) **SAFE HARBOR PROTECTIONS.**—An institution
4 of higher education that uses instructional materials that
5 comply with the accessibility guidelines described in sub-
6 section (b) shall be deemed to be in compliance with the
7 non-discrimination provisions in section 504 of the Reha-
8 bilitation Act of 1973 (29 U.S.C. 794) and titles II and
9 III of the Americans with Disabilities Act of 1990 (42
10 U.S.C. 12131 et seq., 42 U.S.C. 12181 et seq.) with re-
11 spect to the use of such materials.

12 “(f) **NONCOMPLIANT INSTRUCTIONAL MATERIALS.**—
13 Nothing in this section shall be construed to require an
14 institution of higher education to use instructional mate-
15 rials that conform to the accessibility guidelines described
16 in subsection (b). If an institution of higher education
17 chooses not to provide materials that conform to the acces-
18 sibility guidelines described in subsection (b), such institu-
19 tion of higher education shall provide an assurance to the
20 Secretary that the institution of higher education will pro-
21 vide instructional materials in a manner that is equally
22 effective, integrated, and timely, and provides for a sub-
23 stantially equivalent ease of use, as compared to the man-
24 ner in which such materials or technologies are provided
25 to non-disabled students.

1 **“SEC. 932. DEMONSTRATION PROGRAM FOR IMPROVED**
2 **POSTSECONDARY INSTRUCTIONAL MATE-**
3 **RIALS IN SPECIALIZED FORMATS.**

4 “(a) PURPOSE.—It is the purpose of this section to
5 support model demonstration programs for the purpose
6 of—

7 “(1) encouraging the development of systems to
8 improve the quality of postsecondary instructional
9 materials in specialized formats;

10 “(2) encouraging the timely delivery of such
11 materials to postsecondary students with print dis-
12 abilities; and

13 “(3) improving efficiency and reducing duplica-
14 tive efforts across multiple institutions of higher
15 education relating to the development and delivery of
16 such materials.

17 “(b) DEFINITION OF ELIGIBLE PARTNERSHIP.—In
18 this section, the term ‘eligible partnership’ means a part-
19 nership that—

20 “(1) shall include—

21 “(A) an institution of higher education
22 with demonstrated expertise in meeting the
23 needs of students with print disabilities, includ-
24 ing the retention of such students in, and such
25 students’ completion of, postsecondary edu-
26 cation; and

1 “(B) a public or private entity, other than
2 an institution of higher education, with—

3 “(i) demonstrated expertise in devel-
4 oping accessible instructional materials in
5 specialized formats for postsecondary stu-
6 dents with print disabilities; and

7 “(ii) the technical development exper-
8 tise necessary for the efficient dissemina-
9 tion of such materials, including proce-
10 dures to protect against copyright infringe-
11 ment with respect to the creation, use, and
12 distribution of instructional materials in
13 specialized formats; and

14 “(2) may include representatives of the pub-
15 lishing industry.

16 “(c) PROGRAM AUTHORIZED.—From amounts appro-
17 priated to carry out this section, the Secretary shall award
18 grants or contracts, on a competitive basis, to not less
19 than one eligible partnership to enable the eligible partner-
20 ship to carry out the activities described in subsection (f)
21 and, as applicable, subsection (g).

22 “(d) APPLICATION.—An eligible partnership that de-
23 sires a grant or contract under this section shall submit
24 an application at such time, in such manner, and in such
25 format as the Secretary may prescribe. The application

1 shall include information on how the eligible partnership
2 will implement activities under subsection (f) and, as ap-
3 plicable, subsection (g).

4 “(e) **PRIORITY.**—In awarding grants or contracts
5 under this section, the Secretary shall give priority to any
6 applications that include a plan for the development and
7 implementation of the procedures and approaches de-
8 scribed in paragraphs (2) and (3) of subsection (g).

9 “(f) **REQUIRED ACTIVITIES.**—An eligible partnership
10 that receives a grant or contract under this section shall
11 use the grant or contract funds to carry out the following:

12 “(1) Supporting the development and imple-
13 mentation of the following:

14 “(A) Processes and systems to help iden-
15 tify, and verify the eligibility of, postsecondary
16 students with print disabilities in need of in-
17 structional materials in specialized formats.

18 “(B) Procedures and systems to facilitate
19 and simplify the methods through which eligible
20 students described in subparagraph (A) may re-
21 quest accessible instructional materials in spe-
22 cialized formats, which may include a single
23 point-of-entry system.

24 “(C) Procedures and systems to coordinate
25 among institutions of higher education, pub-

1 lishers of instructional materials, and entities
2 that produce materials in specialized formats,
3 to efficiently facilitate—

4 “(i) requests for such materials;

5 “(ii) the responses to such requests;

6 and

7 “(iii) the delivery of such materials.

8 “(D) Delivery systems that will ensure the
9 timely provision of instructional materials in
10 specialized formats to eligible students, which
11 may include electronic file distribution.

12 “(E) Systems to reduce duplicative conver-
13 sions and improve sharing of the same instruc-
14 tional materials in specialized formats for mul-
15 tiple eligible students at multiple institutions of
16 higher education.

17 “(F) Procedures to protect against copy-
18 right infringement with respect to the develop-
19 ment, use, and distribution of instructional ma-
20 terials in specialized formats while maintaining
21 accessibility for eligible students, which may in-
22 clude digital technologies such as watermarking,
23 fingerprinting, and other emerging approaches.

24 “(G) Awareness, outreach, and training ac-
25 tivities for faculty, staff, and students related to

1 the acquisition and dissemination of instruc-
2 tional materials in specialized formats and in-
3 structional materials utilizing universal design.

4 “(2) Providing recommendations on how effec-
5 tive procedures and systems described in paragraph
6 (1) may be disseminated and implemented on a na-
7 tional basis.

8 “(g) AUTHORIZED APPROACHES.—An eligible part-
9 nership that receives a grant or contract under this section
10 may use the grant or contract funds to support the devel-
11 opment and implementation of the following:

12 “(1) Approaches for the provision of instruc-
13 tional materials in specialized formats limited to in-
14 structional materials used in smaller categories of
15 postsecondary courses, such as introductory, first-
16 year courses, and second-year courses.

17 “(2) Approaches supporting a unified search for
18 instructional materials in specialized formats across
19 multiple databases or lists of available materials.

20 “(3) Market-based approaches for making in-
21 structional materials in specialized formats directly
22 available to eligible students at prices comparable to
23 standard instructional materials.

24 “(h) REPORT.—Not later than 3 years after the date
25 that the first grant or contract is awarded under this sec-

1 tion, the Secretary shall submit to the authorizing commit-
2 tees a report that includes—

3 “(1) the number of grants and contracts and
4 the amount of funds distributed under this section;

5 “(2) a summary of the purposes for which the
6 grants and contracts were provided and an evalua-
7 tion of the progress made under such grants and
8 contracts;

9 “(3) a summary of the activities implemented
10 under subsection (f) and, as applicable, subsection
11 (g), including data on the number of postsecondary
12 students with print disabilities served and the num-
13 ber of instructional material requests executed and
14 delivered in specialized formats; and

15 “(4) an evaluation of the effectiveness of pro-
16 grams funded under this section.

17 “(i) **REQUIREMENT FOR PRODUCERS OF INSTRUC-**
18 **TIONAL MATERIALS.**—Producers of instructional mate-
19 rials for the postsecondary education market that are in-
20 volved in or affecting interstate commerce, produce such
21 materials for institutions of higher education that receive
22 Federal funds, and incorporate synchronized audio and
23 visual formats (including DVDs, CDs, video, web video,
24 and similar formats) shall provide closed captions or sub-
25 titles.

1 **“PART D—COMMISSION ON SERVING AND SUP-**
2 **PORTING STUDENTS WITH PSYCHIATRIC DIS-**
3 **ABILITIES IN INSTITUTIONS OF HIGHER**
4 **EDUCATION**

5 **“SEC. 941. COMMISSION ON SERVING AND SUPPORTING**
6 **STUDENTS WITH PSYCHIATRIC DISABILITIES**
7 **IN INSTITUTIONS OF HIGHER EDUCATION.**

8 “(a) ESTABLISHMENT OF ADVISORY COMMISSION ON
9 SERVING AND SUPPORTING STUDENTS WITH PSY-
10 CHIATRIC DISABILITIES ON COLLEGE CAMPUSES.—

11 “(1) IN GENERAL.—The Secretary shall estab-
12 lish a commission to be known as the Advisory Com-
13 mission on Serving and Supporting Students with
14 Psychiatric Disabilities in Institutions of Higher
15 Education (referred to in this section as the ‘Com-
16 mission’).

17 “(2) MEMBERSHIP.—

18 “(A) TOTAL NUMBER OF MEMBERS.—The
19 Commission shall include not more than 15
20 members, who shall be appointed by the Sec-
21 retary in accordance with in subparagraphs (B)
22 and (C).

23 “(B) MEMBERS OF THE COMMISSION.—
24 The Commission members shall include one
25 representative from each of the following cat-
26 egories:

1 “(i) The Office of Postsecondary Edu-
2 cation of the Department.

3 “(ii) The Office of Special Education
4 and Rehabilitative Services of the Depart-
5 ment.

6 “(iii) The Office for Civil Rights of
7 the Department.

8 “(iv) The National Council on Dis-
9 ability.

10 “(v) The Association on Higher Edu-
11 cation and Disability, or a similar organi-
12 zation, as determined by the Secretary.

13 “(vi) The Protection and Advocacy for
14 Individuals with Mental Illness program of
15 the National Disability Rights Network, or
16 a similar program, as determined by the
17 Secretary.

18 “(vii) A national organization rep-
19 resenting postsecondary education students
20 with psychiatric disabilities.

21 “(C) **ADDITIONAL MEMBERS OF THE COM-**
22 **MISSION.**—The Commission members shall in-
23 clude 4 representatives from each of the fol-
24 lowing categories:

1 “(i) Staff from institutions of higher
2 education with demonstrated experience in
3 successfully supporting the retention and
4 graduation of students with psychiatric
5 disabilities. With respect to the 4 members
6 appointed under this clause—

7 “(I) 1 member shall be a staff
8 member of a 2-year degree-granting
9 institution and 1 member shall be a
10 staff member from a 4-year degree-
11 granting institution; and

12 “(II) the 4 members selected
13 shall represent institutions of differing
14 sizes.

15 “(ii) Individuals with psychiatric dis-
16 abilities, including not less than 2 cur-
17 rently enrolled postsecondary education
18 students.

19 “(D) **TIMING.**—The Secretary shall estab-
20 lish the Commission and appoint the members
21 of the Commission not later than 120 days
22 after the date of enactment of the Higher Edu-
23 cation Affordability Act.

24 “(3) **CHAIRPERSON AND VICE CHAIRPERSON.**—
25 The Commission shall select a chairperson and vice

1 chairperson from among the members of the Com-
2 mission.

3 “(4) MEETINGS.—

4 “(A) IN GENERAL.—The Commission shall
5 meet at the call of the Chairperson.

6 “(B) FIRST MEETING.—Not later than 60
7 days after the appointment of the members of
8 the Commission under paragraph (2), the Com-
9 mission shall hold the Commission’s first meet-
10 ing.

11 “(5) QUORUM.—A majority of the members of
12 the Commission shall constitute a quorum, but a
13 lesser number of members may hold hearings.

14 “(b) DUTIES OF THE COMMISSION.—

15 “(1) STUDY.—

16 “(A) IN GENERAL.—The Commission shall
17 conduct a comprehensive study to—

18 “(i) assess the barriers and systemic
19 issues that may affect, and support- and
20 service-delivery solutions that may im-
21 prove, the rates of retention and gradua-
22 tion for postsecondary students with psy-
23 chiatric disabilities; and

24 “(ii) make recommendations related
25 to the development of a comprehensive ap-

1 proach to improve the opportunities for
2 postsecondary students with psychiatric
3 disabilities to receive services and supports
4 that optimize their rates of retention and
5 graduation.

6 “(B) EXISTING INFORMATION.—To the ex-
7 tent practicable, in carrying out the study
8 under this paragraph, the Commission shall
9 identify and use existing research, recommenda-
10 tions, and information, as of the time of the
11 study.

12 “(C) RECOMMENDATIONS.—Based on the
13 findings of the study under subparagraph (A),
14 the Commission shall develop recommenda-
15 tions—

16 “(i) to inform Federal regulations and
17 legislation regarding the recruitment, re-
18 tention, and support of students with psy-
19 chiatric disabilities at institutions of higher
20 education; and

21 “(ii) to identify best practices for
22 serving and supporting students with psy-
23 chiatric disabilities in postsecondary set-
24 tings, and maintaining the privacy protec-
25 tions provided under the regulations pro-

1 mulgated under section 264(c) of the
2 Health Insurance Portability and Account-
3 ability Act of 1996 (Public Law 104-191;
4 110 Stat. 2033) and section 444 of the
5 General Education Provisions Act (com-
6 monly referred to as the ‘Family Edu-
7 cational Rights and Privacy Act of 1974’).

8 “(2) REPORT.—Not later than 1 year after the
9 first meeting of the Commission, the Commission
10 shall submit a report to the Secretary and the au-
11 thorizing committees describing the findings and
12 recommendations of the study conducted under
13 paragraph (1).

14 “(3) DISSEMINATION OF INFORMATION.—In
15 carrying out the study under paragraph (1), the
16 Commission shall disseminate a final report
17 through—

18 “(A) the National Technical Assistance
19 Centers established under sections 901 and
20 902; and

21 “(B) other means, as determined by the
22 Commission.

23 “(c) TERMINATION OF THE COMMISSION.—The Com-
24 mission shall terminate on the date that is 90 days after
25 the date on which the Commission submits the report

1 under subsection (b)(2) to the Secretary and the author-
2 izing committees.

3 **“PART E—AUTHORIZATION OF APPROPRIATIONS**

4 **“SEC. 951. AUTHORIZATION OF APPROPRIATIONS.**

5 “There are authorized to carry out this title such
6 sums as may be necessary for fiscal year 2015 and each
7 of the 4 succeeding fiscal years.”.

8 **TITLE X—AMENDMENTS TO**
9 **OTHER LAWS**

10 **PART A—TRUTH IN LENDING ACT**

11 **Subpart 1—Definitions**

12 **SEC. 1010. DEFINITIONS.**

13 In this part—

14 (1) the terms “alternative repayment arrange-
15 ment”, “billing group”, “postsecondary education
16 loan”, and “student loan servicer” have the mean-
17 ings given those terms in section 188 of the Truth
18 in Lending Act, as added by section 1016;

19 (2) the term “appropriate committees of Con-
20 gress” means—

21 (A) the Committee on Banking, Housing,
22 and Urban Affairs of the Senate;

23 (B) the Committee on Health, Education,
24 Labor, and Pensions of the Senate;

1 (C) the Committee on Financial Services of
2 the House of Representatives; and

3 (D) the Committee on Education and
4 Workforce of the House of Representatives;

5 (3) the term “Bureau” means the Bureau of
6 Consumer Financial Protection; and

7 (4) the term “private education loan” has the
8 meaning given that term in section 140(a) of the
9 Truth in Lending Act (15 U.S.C. 1650(a)).

10 **Subpart 2—Amendments to Truth in Lending Act**

11 **SEC. 1011. EXEMPTED TRANSACTIONS.**

12 Section 104 of the Truth in Lending Act (15 U.S.C.
13 1603) is amended—

14 (1) in the matter preceding paragraph (1), by
15 striking “This title” and inserting “(a) IN GEN-
16 ERAL.—This title”; and

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

18 “(b) **RULE OF CONSTRUCTION.**—Nothing in sub-
19 section (a) shall prevent or be construed to prevent the
20 provisions of chapter 6 from applying to any postsec-
21 ondary education lender, loan holder, or student loan
22 servicer (as those terms are defined in section 188).”.

23 **SEC. 1012. MANDATORY CERTIFICATION.**

24 (a) **AMENDMENTS.**—Section 128(e) of the Truth in
25 Lending Act (15 U.S.C. 1638(e)) is amended—

1 (1) by striking paragraph (3) and inserting the
2 following:

3 “(3) INSTITUTIONAL CERTIFICATION RE-
4 QUIRED.—

5 “(A) IN GENERAL.—Except as provided in
6 subparagraph (B), before a creditor may issue
7 any funds with respect to an extension of credit
8 described in this subsection, the creditor shall
9 obtain from the relevant institution of higher
10 education at which such loan is to be used for
11 a student, such institution’s certification of—

12 “(i) the enrollment status of the stu-
13 dent;

14 “(ii) the student’s cost of attendance
15 at the institution as determined by the in-
16 stitution under part F of title IV of the
17 Higher Education Act of 1965 (20 U.S.C.
18 1087kk et seq.); and

19 “(iii) the difference between—

20 “(I) such cost of attendance; and

21 “(II) the student’s estimated fi-
22 nancial assistance, including financial
23 assistance received under title IV of
24 the Higher Education Act of 1965 (20
25 U.S.C. 1070 et seq.) if the student

1 pursued such assistance, and other fi-
2 nancial assistance known to the insti-
3 tution, as applicable.

4 “(B) LIMITATION ON EXTENSION OF
5 CREDIT.—A creditor shall not issue funds with
6 respect to an extension of credit described in
7 this subsection in an amount that is greater
8 than the amount described in subparagraph
9 (A)(iii).

10 “(C) EXCEPTION.—Notwithstanding sub-
11 paragraph (A), a creditor may issue funds with
12 respect to an extension of credit described in
13 this subsection without obtaining from the rel-
14 evant institution of higher education such insti-
15 tution’s certification if such institution fails to
16 provide within 15 business days of the credi-
17 tor’s request for such certification—

18 “(i) the requested certification;

19 “(ii) a notification of a refusal to cer-
20 tify pursuant to section
21 487(a)(28)(A)(i)(II) of the Higher Edu-
22 cation Act of 1965 (20 U.S.C.
23 1094(a)(28)(A)(i)(II)); or

24 “(iii) notification that the institution
25 has received the request for certification

1 and will need additional time to comply
2 with the certification request.

3 “(D) LOANS DISBURSED WITHOUT CER-
4 TIFICATION.—If a creditor issues funds without
5 obtaining a certification, as described in sub-
6 paragraph (C), such creditor shall report the
7 issuance of such funds in a manner determined
8 by the Director of the Bureau.”;

9 (2) by redesignating paragraphs (9), (10), and
10 (11) as paragraphs (10), (11), and (12), respec-
11 tively;

12 (3) by inserting after paragraph (8) the fol-
13 lowing:

14 “(9) PROVISION OF INFORMATION.—

15 “(A) PROVISION OF INFORMATION TO STU-
16 DENTS.—

17 “(i) LOAN STATEMENT.—A creditor
18 that issues any funds with respect to an
19 extension of credit described in this sub-
20 section shall send loan statements, where
21 such loan is to be used for a student, to
22 borrowers of such funds not less than once
23 every 3 months during the time that such
24 student is enrolled at an institution of
25 higher education.

1 “(ii) CONTENTS OF LOAN STATE-
2 MENT.—Each statement described in
3 clause (i) shall—

4 “(I) report the borrower’s total
5 remaining principal balance, including
6 accrued but unpaid interest and cap-
7 italized interest;

8 “(II) report any increases in the
9 principal balance since the last state-
10 ment; and

11 “(III) list the current interest
12 rate for each loan.

13 “(B) NOTIFICATION OF LOANS DISBURSED
14 WITHOUT CERTIFICATION.—On or before the
15 date a creditor issues any funds with respect to
16 an extension of credit described in this sub-
17 section, the creditor shall notify the relevant in-
18 stitution of higher education, in writing, of the
19 amount of the extension of credit and the stu-
20 dent on whose behalf credit is extended. The
21 form of such written notification shall be sub-
22 ject to the regulations of the Bureau of Con-
23 sumer Financial Protection.

24 “(C) ANNUAL REPORT.—

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1 the Higher Education Act of 1965 (20
2 U.S.C. 1070 et seq.) who then after
3 the institutional certification process
4 under section 487(a)(28)(A) of the
5 Higher Education Act of 1965 (20
6 U.S.C. 1094(a)(28)(A)) is complete,
7 reduce the amount of their private
8 education loan.

9 “(IV) The number of borrowers
10 who request a private education loan
11 who have not exhausted their financial
12 assistance available under title IV of
13 the Higher Education Act of 1965 (20
14 U.S.C. 1070 et seq.) who then after
15 the institutional certification process
16 under section 487(a)(28)(A) of the
17 Higher Education Act of 1965 (20
18 U.S.C. 1094(a)(28)(A)) is complete,
19 do not take out a private education
20 loan.

21 “(V) Any other information the
22 Bureau of Consumer Financial Pro-
23 tection, in consultation with the Sec-
24 retary of Education, requires.”;

25 (4) by adding at the end the following:

1 “(13) PRIVATE EDUCATION LOAN INFORMATION
2 IN THE NATIONAL STUDENT LOAN DATA SYSTEM.—

3 “(A) INFORMATION FROM LENDER.—Each
4 private educational lender shall submit to the
5 Director of the Bureau and the Secretary of
6 Education for inclusion in the National Student
7 Loan Data System established under section
8 485B of the Higher Education Act of 1965 (20
9 U.S.C. 1092b) such information as may be de-
10 termined necessary by the Director and the
11 Secretary under subparagraph (B).

12 “(B) PROMULGATION OF REGULATION.—
13 Not later than 1 year after the date of enact-
14 ment of the Higher Education Affordability
15 Act, the Director, in coordination with the Sec-
16 retary of Education, shall promulgate a regula-
17 tion regarding the private education loan infor-
18 mation required to be submitted under subpara-
19 graph (A), including what private education
20 loan information shall be required to be sub-
21 mitted and the method and format for submis-
22 sion.

23 “(14) ADDITIONAL ELECTRONIC DISCLO-
24 SURES.—

25 “(A) AVAILABILITY OF AGREEMENTS.—

1 Internet site of the private educational
2 lender pursuant to subparagraph (A).

3 “(ii) RECORD REPOSITORY.—The Bu-
4 reau shall establish and maintain on the
5 publicly available Internet site of the Bu-
6 reau a central repository of the private
7 education loan agreements received by the
8 Bureau pursuant to clause (i), which shall
9 be easily accessible and retrievable by the
10 public.

11 “(iii) PROTECTION OF INDIVIDUAL
12 BORROWER INFORMATION.—The Bureau
13 may not post individual borrower informa-
14 tion on the Internet site described in
15 clause (ii).

16 “(C) EXCEPTION.—This paragraph does
17 not apply to individually negotiated changes to
18 contractual terms, including individually modi-
19 fied workouts or renegotiations of amounts
20 owed by a borrower under a private educational
21 loan.

22 “(D) REGULATIONS.—The Bureau may, in
23 consultation with the other Federal banking
24 agencies (as that term is defined in section 603
25 of the Truth in Lending Act (15 U.S.C.

1 1681a)), issue regulations to implement this
2 paragraph, including regulations—

3 “(i) specifying the format in which a
4 private educational lender shall publish pri-
5 vate education loan agreements on the
6 Internet site of the private educational
7 lender; and

8 “(ii) establishing exceptions to sub-
9 paragraphs (A) and (B)(i) in any case in
10 which the administrative burden outweighs
11 the benefit of increased transparency, in-
12 cluding when a postsecondary education
13 loan product has a de minimis number of
14 consumer account holders.

15 “(15) PREDISPUTE AGREEMENTS AND WAIV-
16 ERS.—

17 “(A) IN GENERAL.—A borrower may not
18 waive any right or remedy relating to a private
19 education loan that is available to the borrower
20 against a private educational lender, postsec-
21 ondary education lender, loan holder, or student
22 loan servicer (as such terms are defined in sec-
23 tion 188) before the dispute as to which the
24 right or remedy relates arises. Any such waiver
25 agreed to before, on, or after the date of enact-

1 ment of the Higher Education Affordability Act
2 shall not be enforceable and shall have no force
3 or effect.

4 “(B) PREDISPUTE ARBITRATION AGREE-
5 MENTS.—An agreement entered before, on, or
6 after the date of enactment of the Higher Edu-
7 cation Affordability Act to arbitrate a dispute
8 relating to a private education loan that had
9 not arisen at the time the agreement was en-
10 tered shall not be enforceable and shall have no
11 force or effect.”.

12 (b) REGULATIONS.—Not later than 1 year after the
13 date of enactment of this Act, the Director of the Bureau
14 of Consumer Financial Protection shall issue final regula-
15 tions implementing paragraphs (3) and (9) of section
16 128(e) of the Truth in Lending Act (15 U.S.C. 1638(e)),
17 as amended by subsection (a). Such regulations shall be-
18 come effective not later than 6 months after their date
19 of issuance.

20 (c) REPORT ON MANDATORY CERTIFICATION.—Not
21 later than 2 years after the issuance of the regulations
22 required under subsection (b), and at any other time de-
23 termined appropriate by the Director of the Bureau of
24 Consumer Financial Protection and the Secretary of Edu-
25 cation jointly, the Director and the Secretary shall jointly

1 submit to Congress a report on the compliance of institu-
2 tions of higher education and private educational lenders
3 with section 128(e)(3) of the Truth in Lending Act (15
4 U.S.C. 1638(e)), as amended by subsection (a), and sec-
5 tion 487(a)(28) of the Higher Education Act of 1965 (20
6 U.S.C. 1094(a)(28)), as amended by section 491(b). Such
7 report shall be based on the annual reports submitted
8 under section 128(e)(9) of the Truth in Lending Act, as
9 amended by subsection (a), and shall include information
10 about the degree to which specific institutions utilize cer-
11 tifications in effectively encouraging the exhaustion of
12 Federal student loan eligibility and lowering student pri-
13 vate education loan debt.

14 **SEC. 1013. CIVIL LIABILITY.**

15 Section 130 of the Truth in Lending Act (15 U.S.C.
16 1640) is amended—

17 (1) in subsection (a)—

18 (A) in the matter preceding paragraph (1),
19 by inserting “and any postsecondary education
20 lender, loan holder, or student loan servicer (as
21 such terms are defined in section 188) who fails
22 to comply with any requirement imposed under
23 chapter 6 with respect to any person” before
24 “is liable to such person”;

25 (B) in paragraph (2)—

1 (i) in subparagraph (A)—

2 (I) by striking “; or (iv)” and in-
3 serting “, or (iv)”;

4 (II) by inserting “, or (v) in the
5 case of a postsecondary education
6 lender, loan holder, or student loan
7 servicer (as such terms are defined in
8 section 188) who fails to comply with
9 any requirement imposed under chap-
10 ter 6, not less than \$400 or greater
11 than \$4,000” before the semicolon;
12 and

13 (ii) in subparagraph (B), by inserting
14 “, postsecondary education lender, loan
15 holder, or student loan servicer” after
16 “creditor” each place it appears; and

17 (C) in the matter following paragraph
18 (4)—

19 (i) in the first sentence—

20 (I) by inserting “, postsecondary
21 education lender, loan holder, or stu-
22 dent loan servicer” after “creditor”
23 each place it appears; and

24 (II) by striking “creditor’s fail-
25 ure” and inserting “failure by the

1 creditor, postsecondary education
2 lender, loan holder, or student loan
3 servicer”;

4 (ii) in the fourth sentence, by insert-
5 ing “other than the disclosures required
6 under section 128(e)(12),” after “referred
7 to in section 128,”; and

8 (iii) in the fifth sentence, by inserting
9 “, postsecondary education lender, loan
10 holder, or student loan servicer” after
11 “creditor”;

12 (2) in subsection (c), by striking “creditor or
13 assignee” each place it appears and inserting “cred-
14 itor, assignee, postsecondary education lender, loan
15 holder, or student loan servicer”;

16 (3) in subsection (e), as amended by sections
17 1416(b) and 1422 of the Dodd-Frank Wall Street
18 Reform and Consumer Protection Act (Public Law
19 111–203)—

20 (A) in the second sentence, by inserting
21 “or chapter 6” after “section 129, 129B, or
22 129C”; and

23 (B) in the fourth sentence, by inserting
24 “or chapter 6” after “or 129H”; and

25 (4) in subsection (h)—

1 (A) by striking “creditor or assignee” and
2 inserting “creditor, assignee, postsecondary
3 education lender, loan holder, or student loan
4 servicer”; and

5 (B) by striking “creditor’s or assignee’s li-
6 ability” and inserting “liability of the creditor,
7 assignee, postsecondary education lender, loan
8 holder, or student loan servicer”.

9 **SEC. 1014. DEFINITION OF PRIVATE EDUCATION LOAN.**

10 Section 140(a)(7)(A) of the Truth in Lending Act
11 (15 U.S.C. 1650(a)(7)(A)) is amended—

12 (1) in clause (i), by striking “and” after the
13 semicolon;

14 (2) by redesignating clause (ii) as clause (iii);
15 and

16 (3) by adding after clause (i) the following:

17 “(ii) is not made, insured, or guaran-
18 teed under title VII or title VIII of the
19 Public Health Service Act (42 U.S.C. 292
20 et seq. and 296 et seq.); and”.

21 **SEC. 1015. REVENUE SHARING AND DISCLOSURE OF AFFILI-**
22 **ATION.**

23 Chapter 2 of title I of the Truth in Lending Act (15
24 U.S.C. 1631 et seq.) is amended by adding at the end
25 the following:

1 **“SEC. 140B. PREVENTING UNFAIR AND DECEPTIVE MAR-**
2 **KETING OF CONSUMER FINANCIAL PROD-**
3 **UCTS AND SERVICES TO STUDENTS OF INSTI-**
4 **TUTIONS OF HIGHER EDUCATION.**

5 “(a) DEFINITIONS.—In this section:

6 “(1) AFFILIATE.—The term ‘affiliate’ means
7 any person that controls, is controlled by, or is
8 under common control with another person.

9 “(2) AFFILIATED.—

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

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

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

25 “(B) RULE OF CONSTRUCTION.—Nothing
26 in subparagraph (A) shall be construed to deem

1 an association between an institution of higher
2 education and a consumer financial product or
3 service to be affiliated if such association is
4 solely based on an advertisement by a financial
5 institution that is delivered to a wide and gen-
6 eral audience consisting of more than enrolled
7 students at the institution of higher education.

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

13 “(4) FINANCIAL INSTITUTION.—The term ‘fi-
14 nancial institution’ means—

15 “(A) any person that engages in offering
16 or providing a consumer financial product or
17 service; and

18 “(B) any affiliate of such person described
19 in subparagraph (A) if such affiliate acts as a
20 service provider to such person.

21 “(5) INSTITUTION OF HIGHER EDUCATION.—
22 The term ‘institution of higher education’ has the
23 meaning given that term in section 102 of the High-
24 er Education Act of 1965 (20 U.S.C. 1002).

1 “(6) PERSON.—The term ‘person’ means an in-
2 dividual, partnership, company, corporation, associa-
3 tion (incorporated or unincorporated), trust, estate,
4 cooperative organization, or other entity.

5 “(7) REVENUE-SHARING ARRANGEMENT.—The
6 term ‘revenue-sharing arrangement’—

7 “(A) means an arrangement between an
8 institution of higher education and a financial
9 institution under which—

10 “(i) a financial institution provides or
11 issues a consumer financial product or
12 service to college students attending the in-
13 stitution of higher education;

14 “(ii) the institution of higher edu-
15 cation recommends, promotes, sponsors, or
16 otherwise endorses the financial institution,
17 or the consumer financial products or serv-
18 ices offered by the financial institution;
19 and

20 “(iii) the financial institution pays a
21 fee or provides other material benefits, in-
22 cluding revenue or profit sharing, to the
23 institution of higher education, or to an of-
24 ficer, employee, or agent of the institution
25 of higher education, in connection with the

1 consumer financial products and services
2 provided to college students attending the
3 institution of higher education; and

4 “(B) does not include an arrangement
5 solely based on a financial institution paying a
6 fair market price to an institution of higher
7 education for the institution of higher education
8 to advertise or market the financial institution
9 to the general public.

10 “(8) SERVICE PROVIDER.—The term ‘service
11 provider’—

12 “(A) means any person that provides a
13 material service to another person in connection
14 with the offering or provision by such other per-
15 son of a consumer financial product or service,
16 including a person that—

17 “(i) participates in designing, oper-
18 ating, or maintaining the consumer finan-
19 cial product or service; or

20 “(ii) processes transactions relating to
21 the consumer financial product or service
22 (other than unknowingly or incidentally
23 transmitting or processing financial data in
24 a manner that such data is undifferen-
25 tiated from other types of data of the same

1 form as the person transmits or processes);

2 and

3 “(B) does not include a person solely by
4 virtue of such person offering or providing to
5 another person—

6 “(i) a support service of a type pro-
7 vided to businesses generally or a similar
8 ministerial service; or

9 “(ii) time or space for an advertise-
10 ment for a consumer financial product or
11 service through print, newspaper, or elec-
12 tronic media.

13 “(b) DISCLOSURE OF AFFILIATION.—

14 “(1) REPORTS BY FINANCIAL INSTITUTIONS.—

15 “(A) IN GENERAL.—Not later than 180
16 days after the date of enactment of the Higher
17 Education Affordability Act, and annually
18 thereafter, each financial institution shall sub-
19 mit a report to the Bureau containing the
20 terms and conditions of all business, marketing,
21 and promotional agreements that the financial
22 institution has with any institution of higher
23 education, or an alumni organization or founda-
24 tion that is an affiliate of or related to an insti-
25 tution of higher education, relating to any con-

1 consumer financial product or service offered to
2 college students at institutions of higher edu-
3 cation.

4 “(B) DETAILS OF REPORT.—The informa-
5 tion required to be reported under subpara-
6 graph (A) includes—

7 “(i) any memorandum of under-
8 standing between or among the financial
9 institution and an institution of higher
10 education, alumni association, or founda-
11 tion that directly or indirectly relates to
12 any aspect of an agreement referred to in
13 subparagraph (A) or controls or directs
14 any obligations or distribution of benefits
15 between or among the entities; and

16 “(ii) the number and dollar amount
17 outstanding of consumer financial products
18 or services accounts covered by any such
19 agreement that were originated during the
20 period covered by the report, and the total
21 number and dollar amount of consumer fi-
22 nancial products or services accounts cov-
23 ered by the agreement that were out-
24 standing at the end of such period.

1 “(C) AGGREGATION BY INSTITUTION.—

2 The information required to be reported under
3 subparagraph (A) shall be aggregated with re-
4 spect to each institution of higher education or
5 alumni organization or foundation that is an af-
6 filiate of or related to the institution of higher
7 education.

8 “(2) REPORTS BY BUREAU.—The Bureau shall
9 submit to Congress, and make available to the pub-
10 lic, an annual report that lists the information sub-
11 mitted to the Bureau under paragraph (1).

12 “(3) ELECTRONIC DISCLOSURES.—

13 “(A) POSTING AGREEMENTS.—Each finan-
14 cial institution shall establish and maintain an
15 Internet site on which the financial institution
16 shall post the written agreement between the fi-
17 nancial institution and the institution of higher
18 education for each affiliated consumer financial
19 product or service.

20 “(B) FINANCIAL INSTITUTION TO PROVIDE
21 CONTRACTS TO THE BUREAU.—Each financial
22 institution shall provide to the Bureau, in elec-
23 tronic format, the written agreements that it
24 publishes on its Internet site pursuant to this
25 paragraph.

1 “(C) RECORD REPOSITORY.—The Bureau
2 shall establish and maintain on its publicly
3 available Internet site a central repository of
4 the agreements received from financial institu-
5 tions pursuant to this paragraph, and such
6 agreements shall be easily accessible and re-
7 trievable by the public.

8 “(D) EXCEPTION.—This paragraph shall
9 not apply to individually negotiated changes to
10 contractual terms, such as individually modified
11 workouts or renegotiations of amounts owed by
12 an institution of higher education.

13 “(c) PROHIBITION OF REVENUE-SHARING ARRANGE-
14 MENT.—A financial institution that offers a consumer fi-
15 nancial product or service that is affiliated with an institu-
16 tion of higher education may not enter into a revenue-
17 sharing arrangement with the institution of higher edu-
18 cation.

19 “(d) RULE OF CONSTRUCTION.—Nothing in this sec-
20 tion shall be construed to prohibit a financial institution
21 from establishing a consumer product or service affiliated
22 with an institution of higher education if—

23 “(1) the consumer product or service will—

1 “(A) assist college students in reducing
2 costs or fees associated with the use of con-
3 sumer financial products or services;

4 “(B) increase consumer choice; and

5 “(C) enhance consumer protections; and

6 “(2) the financial institution is in compliance
7 with the requirements of this Act.”.

8 **SEC. 1016. IMPROVED CONSUMER PROTECTIONS FOR STU-**
9 **DENT LOAN SERVICING.**

10 (a) IN GENERAL.—The Truth in Lending Act (15
11 U.S.C. 1601 et seq.) is amended by adding at the end
12 the following new chapter:

13 **“CHAPTER 6—POSTSECONDARY**
14 **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.

15 **“§ 188. Definitions**

16 “In this chapter:

17 “(1) ALTERNATIVE REPAYMENT ARRANGE-
18 MENT.—The term ‘alternative repayment arrange-
19 ment’ means an agreed upon arrangement between
20 a loan holder (or, for a Federal Direct Loan or a
21 Federal Perkins Loan, the Secretary of Education or
22 the institution of higher education that made such

1 loan, respectively) or student loan servicer and a
2 borrower—

3 “(A) that is different than the terms under
4 an existing postsecondary education loan; and

5 “(B) pursuant to which remittance of a
6 monthly payment—

7 “(i) satisfies the terms of the postsec-
8 ondary education loan; or

9 “(ii) is not required for a period of 1
10 or more months in order to satisfy the
11 terms of the postsecondary education loan.

12 “(2) BILLING GROUP.—The term ‘billing group’
13 means a postsecondary education loan account
14 that—

15 “(A) is serviced by a student loan servicer;
16 and

17 “(B) includes 2 or more postsecondary
18 education loans that are in repayment status.

19 “(3) BUREAU.—The term ‘Bureau’ has the
20 meaning given that term in section 103.

21 “(4) EFFECTIVE DATE OF TRANSFER.—The
22 term ‘effective date of transfer’ means the date on
23 which the first payment is due to a transferee
24 servicer from a borrower under a postsecondary edu-
25 cation loan.

1 “(5) FEDERAL DIRECT LOAN.—The term ‘Fed-
2 eral Direct Loan’ means a loan made under part D
3 of title IV of the Higher Education Act of 1965 (20
4 U.S.C. 1087a et seq.).

5 “(6) FEDERAL PERKINS LOAN.—The term
6 ‘Federal Perkins Loan’ means a loan made under
7 part E of title IV of the Higher Education Act of
8 1965 (20 U.S.C. 1087aa et seq.).

9 “(7) INSTITUTION OF HIGHER EDUCATION.—
10 The term ‘institution of higher education’ has the
11 meaning given that term in section 102 of the High-
12 er Education Act of 1965 (20 U.S.C. 1002).

13 “(8) LATE FEE.—The term ‘late fee’ means a
14 late fee, penalty, or adjustment to principal, imposed
15 because of a late payment or delinquency by the bor-
16 rower under a postsecondary education loan.

17 “(9) LOAN HOLDER.—The term ‘loan holder’
18 means a person who owns the title to or promissory
19 note for a postsecondary education loan (except for
20 a Federal Direct Loan or a Federal Perkins Loan).

21 “(10) OPEN END CREDIT PLAN.—The term
22 ‘open end credit plan’ has the meaning given that
23 term in section 103.

24 “(11) POSTSECONDARY EDUCATION EX-
25 PENSE.—The term ‘postsecondary education ex-

1 pense’ means any expense that is included as part
2 of the cost of attendance (as that term is defined in
3 section 472 of the Higher Education Act of 1965
4 (20 U.S.C. 1087ll)) of a student.

5 “(12) POSTSECONDARY EDUCATION LENDER.—

6 The term ‘postsecondary education lender’—

7 “(A) means —

8 “(i) a financial institution, as defined
9 in section 3 of the Federal Deposit Insur-
10 ance Act (12 U.S.C. 1813) that solicits,
11 makes, or extends postsecondary education
12 loans;

13 “(ii) a Federal credit union, as de-
14 fined in section 101 of the Federal Credit
15 Union Act (12 U.S.C. 1752) that solicits,
16 makes, or extends postsecondary education
17 loans; and

18 “(iii) any other person engaged in the
19 business of soliciting, making, or extending
20 postsecondary education loans; and

21 “(B) does not include—

22 “(i) the Secretary of Education; or

23 “(ii) an institution of higher education
24 with respect to any Federal Perkins Loan
25 made by the institution.

1 “(13) POSTSECONDARY EDUCATION LOAN.—

2 The term ‘postsecondary education loan’—

3 “(A) means a loan that is—

4 “(i) made, insured, or guaranteed
5 under part B, D, or E of title IV of the
6 Higher Education Act of 1965 (20 U.S.C.
7 1071 et seq., 1087a et seq., 1087aa et
8 seq.); or

9 “(ii) issued or made by a postsec-
10 ondary education lender and is—

11 “(I) extended to a borrower with
12 the expectation that the amounts ex-
13 tended will be used in whole or in part
14 to pay postsecondary education ex-
15 penses; or

16 “(II) extended for the purpose of
17 refinancing or consolidating 1 or more
18 loans described in subclause (I) or
19 clause (i);

20 “(B) includes a private education loan (as
21 defined in section 140(a)); and

22 “(C) does not include a loan—

23 “(i) made under an open-end credit
24 plan; or

25 “(ii) that is secured by real property.

1 “(14) QUALIFIED WRITTEN REQUEST.—

2 “(A) IN GENERAL.—Subject to subpara-
3 graph (B), the term ‘qualified written request’
4 means a written correspondence of a borrower
5 (other than notice on a payment medium sup-
6 plied by the student loan servicer) transmitted
7 by mail, facsimile, or electronically through an
8 email address or website designated by the stu-
9 dent loan servicer to receive communications
10 from borrowers that—

11 “(i) includes, or otherwise enables the
12 student loan servicer to identify, the name
13 and account of the borrower; and

14 “(ii) includes, to the extent applica-
15 ble—

16 “(I) sufficient detail regarding
17 the information sought by the bor-
18 rower; or

19 “(II) a statement of the reasons
20 for the belief of the borrower that
21 there is an error regarding the ac-
22 count of the borrower.

23 “(B) CORRESPONDENCE DELIVERED TO
24 OTHER ADDRESSES.—

1 the correct address or appropriate office or
2 other unit of the student loan servicer.

3 “(iii) DATE OF RECEIPT.—A written
4 correspondence of a borrower transferred
5 in accordance with clause (ii) shall be
6 deemed to be received by the student loan
7 servicer on the date on which the written
8 correspondence is transferred to the cor-
9 rect address or appropriate office or other
10 unit of the student loan servicer.

11 “(15) STUDENT LOAN SERVICER.—The term
12 ‘student loan servicer’—

13 “(A) means a person who performs student
14 loan servicing;

15 “(B) includes a person performing student
16 loan servicing for a postsecondary education
17 loan on behalf of an institution of higher edu-
18 cation or the Secretary of Education under a
19 contract or other agreement;

20 “(C) does not include the Secretary of
21 Education to the extent the Secretary directly
22 performs student loan servicing for a postsec-
23 ondary education loan; and

24 “(D) does not include an institution of
25 higher education, to the extent that the institu-

1 or the institution of higher education that
2 made the loan, respectively.

3 “(D) Interacting with a borrower to facili-
4 tate the activities described in subparagraphs
5 (A), (B), and (C), including activities to help
6 prevent default by the borrower of the obliga-
7 tions arising from the postsecondary education
8 loan.

9 “(17) TRANSFER OF SERVICING.—The term
10 ‘transfer of servicing’ means the assignment, sale, or
11 transfer of any student loan servicing of a postsec-
12 ondary education loan from a transferor servicer to
13 a transferee servicer.

14 “(18) TRANSFEEEE SERVICER.—The term
15 ‘transferee servicer’ means the person to whom any
16 student loan servicing of a postsecondary education
17 loan is assigned, sold, or transferred.

18 “(19) TRANSFEROR SERVICER.—The term
19 ‘transferor servicer’ means the person who assigns,
20 sells, or transfers any student loan servicing of a
21 postsecondary education loan to another person.

22 **“§ 189. Servicing of postsecondary education loans**

23 “(a) STUDENT LOAN SERVICER REQUIREMENTS.—
24 A student loan servicer may not—

1 “(1) charge a fee for responding to a qualified
2 written request under this chapter;

3 “(2) fail to take timely action to respond to a
4 qualified written request from a borrower to correct
5 an error relating to an allocation of payment or the
6 payoff amount of the postsecondary education loan;

7 “(3) fail to take reasonable steps to avail the
8 borrower of all possible alternative repayment ar-
9 rangements to avoid default;

10 “(4) fail to perform the obligations required
11 under section 493C(d) of the Higher Education Act
12 of 1965 (20 U.S.C. 1098e(d));

13 “(5) fail to respond within 10 business days to
14 a request from a borrower to provide the name, ad-
15 dress, and other relevant contact information of the
16 loan holder of the borrower’s postsecondary edu-
17 cation loan or, for a Federal Direct Loan or a Fed-
18 eral Perkins Loan, the Secretary of Education or the
19 institution of higher education who made the loan,
20 respectively;

21 “(6) fail to comply with—

22 “(A) any applicable requirement of the
23 Servicemembers Civil Relief Act (50 U.S.C.
24 App. 501 et seq.); or

1 “(B) in the case of a postsecondary edu-
2 cation loan made, issued, or guaranteed under
3 part B, D, or E of title IV of the Higher Edu-
4 cation Act of 1965 (20 U.S.C. 1070 et seq.),
5 part A of title VII of the Public Health Service
6 Act (42 U.S.C. 292 et seq.), or part E of title
7 VIII of such Act (42 U.S.C. 297a et seq.), any
8 applicable requirement of the Act authorizing
9 the postsecondary education loan;

10 “(7) fail to comply with any other obligation
11 that the Bureau, by regulation, has determined to be
12 appropriate to carry out the consumer protection
13 purposes of this chapter; or

14 “(8) fail to perform other standard servicer’s
15 duties.

16 “(b) BORROWER INQUIRIES.—

17 “(1) DUTY OF STUDENT LOAN SERVICERS TO
18 RESPOND TO BORROWER INQUIRIES.—

19 “(A) NOTICE OF RECEIPT OF REQUEST.—

20 If a borrower under a postsecondary education
21 loan submits a qualified written request to the
22 student loan servicer for information relating to
23 the student loan servicing of the postsecondary
24 education loan, the student loan servicer shall
25 provide a written response acknowledging re-

1 count of the borrower is correct as de-
2 termined by the student loan servicer;
3 and

4 “(II) the name and toll-free or
5 collect-call telephone number of an in-
6 dividual employed by, or the office or
7 department of, the student loan
8 servicer who can provide assistance to
9 the borrower; or

10 “(iii) after conducting an investiga-
11 tion, provide the borrower with a written
12 explanation or clarification that includes—

13 “(I) information requested by the
14 borrower or an explanation of why the
15 information requested is unavailable
16 or cannot be obtained by the student
17 loan servicer; and

18 “(II) the name and toll-free or
19 collect-call telephone number of an in-
20 dividual employed by, or the office or
21 department of, the student loan
22 servicer who can provide assistance to
23 the borrower.

24 “(C) LIMITED EXTENSION OF RESPONSE
25 TIME.—

1 “(i) IN GENERAL.—There may be 1
2 extension of the 30-day period described in
3 subparagraph (B) of not more than 15
4 days if, before the end of such 30-day pe-
5 riod, the student loan servicer notifies the
6 borrower of the extension and the reasons
7 for the delay in responding.

8 “(ii) REPORTS TO BUREAU.—Each
9 student loan servicer shall, on an annual
10 basis, report to the Bureau the aggregate
11 number of extensions sought by the stu-
12 dent loan servicer under clause (i).

13 “(2) PROTECTION OF CREDIT INFORMATION.—
14 During the 60-day period beginning on the date on
15 which a student loan servicer receives a qualified
16 written request from a borrower relating to a dis-
17 pute regarding payments by the borrower, a student
18 loan servicer may not provide negative credit infor-
19 mation to any consumer reporting agency (as de-
20 fined in section 603 of the Truth in Lending Act (15
21 U.S.C. 1681a)) relating to the subject of the quali-
22 fied written request or to such period, including any
23 information relating to a late payment or payment
24 owed by the borrower on the borrower’s postsec-
25 ondary education loan.

1 “(3) SINGLE POINT OF CONTACT FOR CERTAIN
2 BORROWERS.—A student loan servicer shall des-
3 ignate an office or other unit of the student loan
4 servicer to act as a point of contact regarding post-
5 secondary education loans for—

6 “(A) a borrower who is not less than 60
7 days delinquent under the postsecondary edu-
8 cation loan;

9 “(B) a borrower who seeks information re-
10 garding, seeks to enter an agreement for, or
11 seeks to resolve an issue under a repayment op-
12 tion that requires subsequent submission of
13 supporting documentation; and

14 “(C) a borrower under a private education
15 loan (as defined in section 140) who is seeking
16 to modify the terms of the repayment of the
17 postsecondary education loan because of hard-
18 ship.

19 “(c) LIAISON FOR MEMBERS OF THE ARMED FORCES
20 AND VETERANS.—

21 “(1) DEFINITION.—In this subsection, the term
22 ‘veteran’ has the meaning given that term in section
23 101 of title 38, United States Code.

24 “(2) DESIGNATION.—A student loan servicer
25 shall designate 1 or more employees to act as a liai-

1 son for members of the Armed Forces, veterans, and
2 spouses and dependents of a member of the Armed
3 Forces or a veteran, who shall be—

4 “(A) responsible for answering inquiries
5 relating to postsecondary education loans from
6 members of the Armed Forces, veterans, and
7 spouses and dependents of a member of the
8 Armed Forces or a veteran; and

9 “(B) specially trained on the benefits avail-
10 able to members of the Armed Forces and vet-
11 erans under the Servicemembers Civil Relief
12 Act (50 U.S.C. App. 501 et seq.) and other
13 Federal and State laws relating to postsec-
14 ondary education loans.

15 “(3) TOLL FREE NUMBER.—A student loan
16 servicer shall establish and maintain a toll-free tele-
17 phone number that—

18 “(A) may be used by a member of the
19 Armed Forces, veteran, or spouse or dependent
20 of a member of the Armed Forces or a veteran
21 to connect directly to the liaison designated
22 under paragraph (2); and

23 “(B) shall be listed on the primary Inter-
24 net website of the student loan servicer and on
25 monthly billing statements.

1 “(d) TRANSFER OF SERVICING.—

2 “(1) DISCLOSURE TO APPLICANT RELATING TO
3 TRANSFER OF SERVICING.—

4 “(A) IN GENERAL.—A postsecondary edu-
5 cation lender shall disclose to each person who
6 applies for a postsecondary education loan, at
7 the time of application for the postsecondary
8 education loan, whether there may be a transfer
9 of servicing of the postsecondary education loan
10 at any time during which the postsecondary
11 education loan is outstanding.

12 “(B) NO LIABILITY.—A postsecondary
13 education lender shall not be liable to a bor-
14 rower for failure to comply with subparagraph
15 (A) if the application for a postsecondary edu-
16 cation loan was made before the regulations es-
17 tablished under section 191 take effect.

18 “(2) NOTICE BY TRANSFEROR SERVICER AT
19 TIME OF TRANSFER OF SERVICING.—

20 “(A) NOTICE REQUIREMENT.—A trans-
21 feror servicer shall notify the borrower under a
22 postsecondary education loan, in writing, of any
23 transfer of student loan servicing for the post-
24 secondary education loan (with respect to which
25 such notice is made).

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1 “(B) TIME OF NOTICE.—

2 “(i) IN GENERAL.—Except as pro-
3 vided under clause (ii), the notice required
4 under subparagraph (A) shall be made to
5 the borrower not less than 15 days before
6 the effective date of transfer of the student
7 loan servicing of the postsecondary edu-
8 cation loan.

9 “(ii) EXCEPTION FOR CERTAIN PRO-
10 CEEDINGS.—The notice required under
11 subparagraph (A) shall be made to the
12 borrower not more than 30 days after the
13 effective date of transfer of the student
14 loan servicing of the borrower’s postsec-
15 ondary education loan if the transfer of
16 student loan servicing is preceded by—

17 “(I) termination of the contract
18 for student loan servicing of the post-
19 secondary education loan for cause;

20 “(II) commencement of bank-
21 ruptcy proceedings of the transferor
22 servicer; or

23 “(III) any other situation in
24 which the Bureau determines that
25 such exception is warranted.

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1 “(C) CONTENTS OF NOTICE.—The notice
2 required under subparagraph (A) shall—

3 “(i) be made in writing and, if the
4 transferor servicer has an email address
5 for the borrower, by email; and

6 “(ii) include—

7 “(I) the effective date of the
8 transfer;

9 “(II) the name, address, website,
10 and toll-free or collect-call telephone
11 number of the transferee servicer;

12 “(III) a toll-free or collect-call
13 telephone number for an individual
14 employed by the transferor servicer,
15 or the office or department of, the
16 transferor servicer that can be con-
17 tacted by the borrower to answer in-
18 quiries relating to the transfer of serv-
19 icing;

20 “(IV) the name and toll-free or
21 collect-call telephone number for an
22 individual employed by the transferee
23 servicer, or the office or department
24 of, the transferee servicer that can be
25 contacted by the borrower to answer

1 inquiries relating to the transfer of
2 servicing;

3 “(V) the date on which the trans-
4 feror servicer will cease to accept pay-
5 ments relating to the borrower’s post-
6 secondary education loan and the date
7 on which the transferee servicer will
8 begin to accept such payments;

9 “(VI) a statement that the trans-
10 fer of student loan servicing of the
11 postsecondary education loan does not
12 affect any term or condition of the
13 postsecondary education loan other
14 than terms directly related to the stu-
15 dent loan servicing of the postsec-
16 ondary education loan;

17 “(VII) a statement disclosing—

18 “(aa) whether borrower au-
19 thorization for recurring elec-
20 tronic funds transfers will be
21 transferred to the transferee
22 servicer; and

23 “(bb) if any such recurring
24 electronic funds transfers cannot
25 be transferred, information as to

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1 how the borrower may establish
2 new recurring electronic funds
3 transfers in connection with
4 transfer of servicing to the trans-
5 feree servicer;

6 “(VIII) a statement disclosing—

7 “(aa) the application of all
8 payments and charges relating to
9 the borrower’s postsecondary
10 education loan as of the effective
11 date of the transfer, including—

12 “(AA) the date the last
13 payment of the borrower
14 was received;

15 “(BB) the date the last
16 late fee, arrearages, or other
17 charge was applied; and

18 “(CC) the amount of
19 the last payment allocated to
20 principal, interest, escrow,
21 and other charges;

22 “(bb) the status of the bor-
23 rower’s postsecondary education
24 loan as of the effective date of
25 the transfer including whether

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1 the loan is in default and wheth-
2 er any loss mitigation application
3 submitted by the borrower is
4 pending; and

5 “(cc) an itemization and ex-
6 planation for all arrearages
7 claimed to be due as of the effec-
8 tive date of the transfer;

9 “(IX) a detailed description of
10 any benefit, alternative repayment ar-
11 rangement, or other term or condition
12 arranged between the transferor
13 servicer and the borrower that is not
14 included in the terms of the promis-
15 sory note;

16 “(X) a detailed description of any
17 item identified under subclause (VIII)
18 that will cease to apply upon transfer,
19 including an explanation; and

20 “(XI) information on how to file
21 a complaint with the Bureau.

22 “(3) NOTICE BY TRANSFEREE SERVICER AT
23 TIME OF TRANSFER OF SERVICING.—

24 “(A) NOTICE REQUIREMENT.—A trans-
25 feree servicer shall notify the borrower under a

1 postsecondary education loan, in writing, of any
2 transfer of servicing of the postsecondary edu-
3 cation loan.

4 “(B) TIME OF NOTICE.—

5 “(i) IN GENERAL.—Except as pro-
6 vided in clause (ii), the notice required
7 under subparagraph (A) shall be made to
8 the borrower not more than 15 days after
9 the effective date of transfer of the student
10 loan servicing of the borrower’s postsec-
11 ondary education loan.

12 “(ii) EXCEPTION FOR CERTAIN PRO-
13 CEEDINGS.—The notice required under
14 subparagraph (A) shall be made to the
15 borrower not more than 30 days after the
16 effective date of transfer of the student
17 loan servicing of the student loan servicing
18 of borrower’s postsecondary education loan
19 if the transfer of servicing is preceded
20 by—

21 “(I) termination of the contract
22 for student loan servicing the postsec-
23 ondary education loan for cause;

1 “(II) commencement of bank-
2 ruptcy proceedings of the transferor
3 servicer; or

4 “(III) any other situation in
5 which the Bureau determines that
6 such exception is warranted.

7 “(C) CONTENTS OF NOTICE.—The notice
8 required under subparagraph (A) shall be made
9 in the same manner as under paragraph (2)(C)
10 and include the information described in para-
11 graph (2)(C).

12 “(4) METHOD OF NOTIFICATION.—The notifica-
13 tion required under this subsection shall be provided
14 in writing.

15 “(5) TREATMENT OF LOAN PAYMENTS DURING
16 TRANSFER PERIOD.—

17 “(A) IN GENERAL.—During the 60-day pe-
18 riod beginning on the effective date of transfer
19 relating to a borrower’s postsecondary edu-
20 cation loan, a late fee may not be imposed on
21 the borrower with respect to any payment on
22 the postsecondary education loan, and no such
23 payment may be treated as late for any other
24 purposes, if the payment is received by the
25 transferor servicer (rather than the transferee

1 servicer who should properly receive payment)
2 before the due date applicable to such payment.

3 “(B) NOTICE.—To the maximum extent
4 practicable, a transferor servicer shall notify a
5 borrower, both in writing and by telephone, re-
6 garding any payment received by the transferor
7 servicer (rather than the transferee servicer
8 who should properly receive payment).

9 “(6) ELECTRONIC FUND TRANSFER AUTHOR-
10 ITY.—A transferee servicer shall make available to a
11 borrower whose student loan servicing is transferred
12 to the transferee servicer a simple, online process
13 through which the borrower may transfer to the
14 transferee servicer any existing authority for an elec-
15 tronic fund transfer that the borrower had provided
16 to the transferor servicer.

17 “(7) SERVICER LIABILITY.—

18 “(A) EFFECTIVE DATE OF REGULA-
19 TIONS.—A student loan servicer shall not be
20 liable to a borrower for failure to comply with
21 paragraph (2) or (3) with respect to a transfer
22 of student loan servicing before the regulations
23 under section 191 take effect.

24 “(B) MITIGATING ACTION.—A student
25 loan servicer or a postsecondary education lend-

1 er shall not be liable to a borrower for failure
2 to comply with a requirement under this section
3 if, not later than 60 days after discovering an
4 error and before the commencement of an ac-
5 tion under section 130 or the receipt of written
6 notice of the error from the borrower, the stu-
7 dent loan servicer notifies the borrower of the
8 error and makes any adjustments in the appro-
9 priate account that are necessary to ensure that
10 the borrower will not be required to pay an
11 amount greater than the amount that the bor-
12 rower otherwise would have paid.

13 **“§ 190. Payments and fees**

14 “(a) PROHIBITION ON RECOMMENDING DEFAULT.—
15 A loan holder or student loan servicer may not recommend
16 or encourage default or delinquency on an existing post-
17 secondary education loan prior to and in connection with
18 the process of qualifying for or enrolling in an alternative
19 repayment arrangement, including the origination of a
20 new postsecondary education loan that refinances all or
21 any portion of such existing loan or debt.

22 “(b) LATE FEES.—

23 “(1) IN GENERAL.—A late fee may not be
24 charged to a borrower under a postsecondary edu-

1 cation loan under any of the following cir-
2 cumstances, either individually or in combination:

3 “(A) On a per-loan basis when a borrower
4 has multiple postsecondary education loans in a
5 billing group.

6 “(B) In an amount greater than 4 percent
7 of the amount of the payment past due.

8 “(C) Before the end of the 15-day period
9 beginning on the date the payment is due.

10 “(D) More than once with respect to a sin-
11 gle late payment.

12 “(E) The borrower fails to make a sin-
13 gular, non successive regularly-scheduled pay-
14 ment on the postsecondary education loan.

15 “(2) COORDINATION WITH SUBSEQUENT LATE
16 FEES.—No late fee may be charged to a borrower
17 under a postsecondary education loan relating to an
18 insufficient payment if the payment is made on or
19 before the due date of the payment, or within any
20 applicable grace period for the payment, if the insuf-
21 ficiency is attributable only to a late fee relating to
22 an earlier payment, and the payment is otherwise a
23 full payment for the applicable period.

24 “(c) ACCELERATION OF POSTSECONDARY EDU-
25 CATION LOANS.—

1 “(1) IN GENERAL.—Except as provided in para-
2 graph (2), a postsecondary education loan executed
3 after the date of enactment of the Higher Education
4 Affordability Act may not include a provision that
5 permits the loan holder or student loan servicer to
6 accelerate, in whole or in part, payments on the
7 postsecondary education loan.

8 “(2) ACCELERATION CAUSED BY A PAYMENT
9 DEFAULT.—A postsecondary education loan may in-
10 clude a provision that permits acceleration of the
11 postsecondary education loan in cases of payment
12 default.

13 “(d) MODIFICATION AND DEFERRAL FEES PROHIB-
14 ITED.—A loan holder or student loan servicer may not
15 charge a borrower any fee to modify, renew, extend, or
16 amend a postsecondary education loan, or to defer any
17 payment due under the terms of a postsecondary edu-
18 cation loan.

19 “(e) PAYOFF STATEMENT.—

20 “(1) FEES.—

21 “(A) IN GENERAL.—Except as provided in
22 subparagraph (B) or (D), a loan holder or stu-
23 dent loan servicer may not charge a fee for in-
24 forming or transmitting to a borrower or a per-
25 son authorized by the borrower the balance due

1 to pay off the outstanding balance on a postsec-
2 ondary education loan.

3 “(B) TRANSACTION FEE.—If a loan holder
4 or student loan servicer provides the informa-
5 tion described in subparagraph (A) by facsimile
6 transmission or courier service, the loan holder
7 or student loan servicer may charge a proc-
8 essing fee to cover the cost of such transmission
9 or service in an amount that is not more than
10 a comparable fee imposed for similar services
11 provided in connection with consumer credit
12 transactions.

13 “(C) FEE DISCLOSURE.—A loan holder or
14 student loan servicer shall disclose to the bor-
15 rower that payoff balances are available for free
16 pursuant to subparagraph (A) before charging
17 a transaction fee under subparagraph (B).

18 “(D) MULTIPLE REQUESTS.—If a loan
19 holder or student loan servicer has provided the
20 information described in subparagraph (A)
21 without charge, other than the transaction fee
22 permitted under subparagraph (B), on 4 or
23 more occasions during a calendar year, the loan
24 holder or student loan servicer may thereafter
25 charge a reasonable fee for providing such in-

1 formation during the remainder of the calendar
2 year.

3 “(2) PROMPT DELIVERY.—A loan holder or a
4 student loan servicer that has received a request by
5 a borrower or a person authorized by a borrower for
6 the information described in paragraph (1)(A) shall
7 provide such information to the borrower or person
8 authorized by the borrower not later than 5 business
9 days after receiving such request.

10 “(f) INTEREST RATE AND TERM CHANGES FOR CER-
11 TAIN POSTSECONDARY EDUCATION LOANS.—

12 “(1) NOTIFICATION REQUIREMENTS.—

13 “(A) IN GENERAL.—Except as provided in
14 paragraph (3), a student loan servicer shall pro-
15 vide written notice to a borrower of any mate-
16 rial change in the terms of the postsecondary
17 education loan, including an increase in the in-
18 terest rate, not later than 45 days before the ef-
19 fective date of the change or increase.

20 “(B) MATERIAL CHANGES IN TERMS.—The
21 Bureau shall, by regulation, establish guidelines
22 for determining which changes in terms are ma-
23 terial under subparagraph (A).

24 “(2) LIMITS ON INTEREST RATE AND FEE IN-
25 CREASES APPLICABLE TO OUTSTANDING BAL-

1 ANCE.—Except as provided in paragraph (3), a loan
2 holder or student loan servicer may not increase the
3 interest rate or other fee applicable to an out-
4 standing balance on a postsecondary education loan.

5 “(3) EXCEPTIONS.—The requirements under
6 paragraphs (1) and (2) shall not apply to—

7 “(A) an increase in any applicable variable
8 interest rate incorporated in the terms of a
9 postsecondary education loan that provides for
10 changes in the interest rate according to oper-
11 ation of an index that is not under the control
12 of the loan holder or student loan servicer and
13 is published for viewing by the general public;

14 “(B) an increase in interest rate due to the
15 completion of a workout or temporary hardship
16 arrangement by the borrower or the failure of
17 the borrower to comply with the terms of a
18 workout or temporary hardship arrangement
19 if—

20 “(i) the interest rate applicable to a
21 category of transactions following any such
22 increase does not exceed the rate or fee
23 that applied to that category of trans-
24 actions prior to commencement of the ar-
25 rangement; and

1 “(ii) the loan holder or student loan
2 servicer has provided the borrower, prior to
3 the commencement of such arrangement,
4 with clear and conspicuous disclosure of
5 the terms of the arrangement (including
6 any increases due to such completion or
7 failure); and

8 “(C) an increase in interest rate due to a
9 provision included within the terms of a post-
10 secondary education loan that provides for a
11 lower interest rate based on the borrower’s
12 agreement to a prearranged plan that author-
13 izes recurring electronic funds transfers if—

14 “(i) the borrower withdraws the bor-
15 rower’s authorization of the prearranged
16 recurring electronic funds transfer plan;
17 and

18 “(ii) after withdrawal of the bor-
19 rower’s authorization and prior to increas-
20 ing the interest rate, the loan holder or
21 student loan servicer has provided the bor-
22 rower with clear and conspicuous disclo-
23 sure of the impending change in borrower’s
24 interest rate and a reasonable opportunity

1 to reauthorize the prearranged electronic
2 funds transfers plan.

3 “(g) PROMPT AND FAIR CREDITING OF PAY-
4 MENTS.—

5 “(1) PROMPT CREDITING.—Payments received
6 from a borrower under a postsecondary education
7 loan by the student loan servicer shall be posted
8 promptly to the account of the borrower as specified
9 in regulations of the Bureau. Such regulations shall
10 prevent a fee from being imposed on any borrower
11 if the student loan servicer has received the bor-
12 rower’s payment in readily identifiable form, by 5:00
13 p.m. on the date on which such payment is due, in
14 the amount, manner, and location specified by the
15 student loan servicer.

16 “(2) APPLICATION OF PAYMENTS.—

17 “(A) IN GENERAL.—

18 “(i) TREATMENTS OF PREPAY-
19 MENTS.—A student loan servicer that serv-
20 ices a billing group of a borrower shall,
21 upon receipt of a payment from the bor-
22 rower, apply amounts in excess of the
23 monthly payment amount first to the prin-
24 cipal of the postsecondary education loan
25 bearing the highest interest rate, and then

1 to each successive principal balance bear-
2 ing the next highest interest rate until the
3 payment is exhausted, unless otherwise
4 specified in writing by the borrower.

5 “(ii) TREATMENT OF UNDERPAY-
6 MENTS.—

7 “(I) REGULATIONS REQUIRED.—
8 Not later than 1 year after the date
9 on which the Bureau submits the first
10 report required under section 1018 of
11 the Higher Education Affordability
12 Act, the Bureau shall issue regula-
13 tions establishing the manner in which
14 a student loan servicer shall apply
15 amounts less than the total payment
16 due during the billing cycle.

17 “(II) CONSIDERATIONS.—In
18 issuing the regulations required under
19 subclause (I), the Bureau shall con-
20 sider—

21 “(aa) the impact of the reg-
22 ulations on—

23 “(AA) outstanding debt
24 of borrowers and the imposi-
25 tion of late fees;

1 “(BB) credit ratings of
2 borrowers; and

3 “(CC) continued avail-
4 ability of alternative repay-
5 ment arrangements;

6 “(bb) any other factors the
7 Bureau determines are appro-
8 priate; and

9 “(cc) the findings from the
10 report required under section
11 1018 of the Higher Education
12 Affordability Act.

13 “(B) CHANGES BY STUDENT LOAN
14 SERVICER.—If a student loan servicer makes a
15 material change in the mailing address, office,
16 or procedures for handling borrower payments,
17 and such change causes a material delay in the
18 crediting of a payment made during the 60-day
19 period following the date on which such change
20 took effect, the student loan servicer may not
21 impose any late fee for a late payment on the
22 postsecondary education loan to which such
23 payment was credited.

24 “(h) ADDITIONAL REQUIREMENTS FOR PREPAY-
25 MENTS.—

1 “(1) **ADVANCEMENT OF DATE DUE.**—A student
2 loan servicer may advance the date due of the next
3 regularly scheduled installment payment of a post-
4 secondary education loan upon remittance of a pre-
5 payment by the borrower, if—

6 “(A) the borrower’s payment is sufficient
7 to satisfy at least 1 additional installment pay-
8 ment;

9 “(B) the number of billing cycles for which
10 the date due is advanced is equal to total num-
11 ber of installment payments satisfied by the
12 prepayment; and

13 “(C) upon receipt by the student loan
14 servicer, the prepayment is applied—

15 “(i) to the principal balance of the
16 postsecondary education loan; or

17 “(ii) if the student loan servicer serv-
18 ices a billing group of a borrower, to the
19 principal balance of the postsecondary edu-
20 cation loan with the highest interest rate
21 in such billing group.

22 “(2) **BORROWER RIGHTS.**—A student loan
23 servicer shall provide a clear, understandable and
24 transparent means, including through submission of
25 an online form, for the borrower to elect to—

1 “(A) instruct the servicer not to advance
2 the date due of future installment payments as
3 described in paragraph (1); and

4 “(B) voluntarily make payments in excess
5 of the borrower’s regularly scheduled install-
6 ment payment amount on a periodic basis via
7 recurring electronic funds transfers or other
8 automatic payment arrangement.

9 “(i) **TIMING OF PAYMENTS.**—A student loan servicer
10 may not treat a payment on a postsecondary education
11 loan as late for any purpose unless the student loan
12 servicer has adopted reasonable procedures designed to en-
13 sure that each billing statement required under subsection
14 (j)(1) is mailed or delivered to the consumer not later than
15 21 days before the payment due date.

16 “(j) **OTHER REQUIREMENTS FOR POSTSECONDARY**
17 **EDUCATION LOANS.**—

18 “(1) **STATEMENT REQUIRED WITH EACH BILL-**
19 **ING CYCLE.**—A student loan servicer for each bor-
20 rower’s account that is being serviced by that stu-
21 dent loan servicer and that includes a postsecondary
22 education loan shall transmit to the borrower, for
23 each billing cycle at the end of which there is an
24 outstanding balance in that account, a statement
25 that includes—

1 “(A) the outstanding balance in the ac-
2 count at the beginning of the billing cycle;

3 “(B) the total amount credited to the ac-
4 count during the billing cycle;

5 “(C) the amount of any fee added to the
6 account during the billing cycle, itemized to
7 show the amounts, if any, due to the applica-
8 tion of an increased interest rate, and the
9 amount, if any, imposed as a minimum or fixed
10 charge;

11 “(D) the balance on which the fee de-
12 scribed in subparagraph (C) was computed and
13 a statement of how the balance was determined;

14 “(E) whether the balance described in sub-
15 paragraph (D) was determined without first de-
16 ducting all payments and other credits during
17 the billing cycle, and the amount of any such
18 payments and credits;

19 “(F) the outstanding balance in the ac-
20 count at the end of the billing cycle;

21 “(G) the date by which, or the period with-
22 in which, payment must be made to avoid late
23 fees, if any;

1 “(H) the address of the student loan
2 servicer to which the borrower may direct bill-
3 ing inquiries;

4 “(I) the amount of any payments or other
5 credits during the billing cycle that was applied
6 to pay down principal, and the amount applied
7 to interest;

8 “(J) in the case of a billing group, the allo-
9 cation of any payments or other credits during
10 the billing cycle to each of the postsecondary
11 education loans in the billing group; and

12 “(K) information on how to file a com-
13 plaint with the Bureau and with the ombuds-
14 man designated pursuant to section 1035 of the
15 Dodd-Frank Wall Street Reform and Consumer
16 Protection Act (12 U.S.C. 5535).

17 “(2) PAYMENT DEADLINES AND PENALTIES.—

18 “(A) DISCLOSURE OF PAYMENT DEAD-
19 LINES.—In the case of a postsecondary edu-
20 cation loan account under which a late fee or
21 charge may be imposed due to the failure of the
22 borrower to make payment on or before the due
23 date for such payment, the billing statement re-
24 quired under paragraph (1) with respect to the
25 account shall include, in a conspicuous location

1 on the billing statement, the date on which the
2 payment is due or, if different, the date on
3 which a late fee will be charged, together with
4 the amount of the late fee to be imposed if pay-
5 ment is made after that date.

6 “(B) PAYMENTS AT LOCAL BRANCHES.—If
7 the loan holder, in the case of a postsecondary
8 education loan account referred to in subpara-
9 graph (A), is a financial institution that main-
10 tains a branch or office at which payments on
11 any such account are accepted from the bor-
12 rower in person, the date on which the borrower
13 makes a payment on the account at such
14 branch or office shall be considered to be the
15 date on which the payment is made for pur-
16 poses of determining whether a late fee may be
17 imposed due to the failure of the borrower to
18 make payment on or before the due date for
19 such payment.

20 “(k) CORRECTIONS AND UNINTENTIONAL VIOLA-
21 TIONS.—A loan holder or student loan servicer who, when
22 acting in good faith, fails to comply with any requirement
23 under this section will to be deemed to have not violated
24 such requirement if the loan holder or student loan
25 servicer establishes that —

1 “(1) not later than 30 days after the date of
2 execution of the postsecondary education loan and
3 prior to the institution of any action under subtitle
4 E of title X of the Dodd-Frank Wall Street Reform
5 and Consumer Protection Act (12 U.S.C. 5561 et
6 seq.)—

7 “(A) the borrower is notified of or dis-
8 covers the compliance failure;

9 “(B) appropriate restitution to the bor-
10 rower is made; and

11 “(C) necessary adjustments are made to
12 the postsecondary education loan that are nec-
13 essary to bring the postsecondary education
14 loan into compliance with the requirements of
15 this section; or

16 “(2) not later than 60 days after the loan hold-
17 er or student loan servicer discovers or is notified of
18 an unintentional violation or bona fide error and
19 prior to the institution of any action under subtitle
20 E of title X of the Dodd-Frank Wall Street Reform
21 and Consumer Protection Act (12 U.S.C. 5561 et
22 seq.)—

23 “(A) the borrower is notified of the compli-
24 ance failure;

1 “(B) appropriate restitution to the bor-
2 rower is made; and

3 “(C) necessary adjustments are made to
4 the postsecondary education loan that are nec-
5 essary to bring the postsecondary education
6 loan into compliance with the requirements of
7 this section.

8 “(1) **RULE OF CONSTRUCTION FOR FEDERAL POST-**
9 **SECONDARY EDUCATION LOANS.**—Nothing in this section
10 shall be construed to supercede any reporting or disclosure
11 requirement required for a postsecondary education loan
12 that is made, issued, or guaranteed under part B, D, or
13 E of title IV of the Higher Education Act of 1965 (20
14 U.S.C. 1070 et seq.), part A of title VII of the Public
15 Health Service Act (42 U.S.C. 292 et seq.), or part E of
16 title VIII of such Act (42 U.S.C. 297a et seq.), if such
17 reporting requirement does not directly conflict with the
18 requirements of this section.

19 **“§ 191. Authority of Bureau**

20 “(a) **AUTHORIZATION.**—The Bureau, in consultation
21 with the Secretary of Education, is authorized to prescribe
22 such rules and regulations, make such interpretations, and
23 grant such reasonable exemptions, in accordance with, and
24 as may be necessary to achieve the purposes of, this chap-
25 ter.

1 “(b) DISCLOSURE REQUIREMENTS.—

2 “(1) IN GENERAL.—The Bureau shall, in con-
3 sultation with the Secretary of Education, issue reg-
4 ulations requiring disclosures, including the disclo-
5 sures required under section 483A of the Higher
6 Education Act of 1965, to borrowers that clearly
7 and conspicuously inform borrowers of the protec-
8 tions afforded to them under this chapter and under
9 other provisions relating to postsecondary education
10 loans. The Bureau shall consider whether special
11 disclosures are required to accommodate the unique
12 needs of borrowers who are members of the Armed
13 Forces or veterans.

14 “(2) REGULATIONS REQUIRED.—The regula-
15 tions issued under paragraph (1) shall—

16 “(A) ensure that a borrower is made aware
17 of—

18 “(i) all repayment options available to
19 the borrower, including the availability of
20 refinancing products, and the effect of
21 each repayment option on the total amount
22 owed under, total cost of, and time to
23 repay the postsecondary education loan;

24 “(ii) the risks and costs associated
25 with default; and

1 “(iii) the eligibility of certain bor-
2 rowers for discharge of certain postsec-
3 ondary education loans; and

4 “(B) require provision of information
5 about how a borrower can file a complaint with
6 the Bureau relating to an alleged violation of
7 this chapter.

8 “(3) TIMING OF DISCLOSURES.—The regula-
9 tions issued under paragraph (1) shall specify the
10 timing of the disclosures described in paragraph
11 (2)(A). Such timing may include—

12 “(A) before the first payment is due under
13 the postsecondary education loan; or

14 “(B) when the borrower—

15 “(i) first exhibits difficulty in making
16 payments under the postsecondary edu-
17 cation loan;

18 “(ii) is 30 days delinquent under the
19 postsecondary education loan;

20 “(iii) is 60 days delinquent under the
21 postsecondary education loan;

22 “(iv) notifies the student loan servicer
23 of the intent of the borrower to forbear or
24 defer payment under the postsecondary
25 education loan;

1 “(v) inquires about or requests the re-
2 financing or consolidation of the postsec-
3 ondary education loan; or

4 “(vi) informs the student loan
5 servicer, or a postsecondary education
6 lender acting on behalf of the borrower in-
7 forms the student loan servicer, that the
8 borrower will be refinancing or consoli-
9 dating the loan.

10 “(c) UNFAIR, DECEPTIVE, AND ABUSIVE ACTS OR
11 LENDING PRACTICES.—The Bureau, by regulation or
12 order, shall prohibit acts or practices in connection with—

13 “(1) a postsecondary education loan that the
14 Bureau finds to be unfair, deceptive, or designed to
15 evade the provisions of this chapter; or

16 “(2) the refinancing of a postsecondary edu-
17 cation loan, including facilitation of refinancing or
18 enrollment in an alternative repayment arrangement,
19 that the Bureau finds to be associated with abusive
20 lending practices, or that are otherwise not in the in-
21 terest of the borrower.

22 “(d) CONSULTATION WITH SECRETARY OF EDU-
23 CATION.—In order to avoid duplication, to the extent prac-
24 ticable, the Bureau, in consultation with the Secretary of
25 Education, may consider—

1 “(1) obligations of student loan servicers under
2 title IV of the Higher Education Act of 1965 (20
3 U.S.C. 1070 et seq.); and

4 “(2) findings from the report authorized under
5 section 456(d) of the Higher Education Act of 1965
6 (20 U.S.C. 1087f(d)).

7 **“§ 192. State laws unaffected; inconsistent Federal
8 and State provisions**

9 “Nothing in this chapter shall annul, alter, or affect,
10 or exempt any person subject to the provisions of this
11 chapter from complying with the laws of any State with
12 respect to student loan servicing practices, fees on postsec-
13 ondary education loans, or other requirements relating to
14 postsecondary education loans, except to the extent that
15 those laws are inconsistent with any provision of this chap-
16 ter, and then only to the extent of the inconsistency. The
17 Bureau is authorized to determine whether such inconsis-
18 encies exist. The Bureau may not determine that any
19 State law is inconsistent with any provision of this chapter
20 if the Bureau determines that such law gives greater pro-
21 tection to the consumer. In making these determinations
22 the Bureau shall consult with the appropriate Federal
23 agencies.”.

1 **Subpart 3—Regulations and Reports**

2 **SEC. 1017. IMPLEMENTATION OF REGULATIONS.**

3 (a) IN GENERAL.—Except as otherwise provided in
4 this part or the amendments made by this part, the Bu-
5 reau, in consultation with the Secretary of Education,
6 shall issue the regulations required under this part and
7 the amendments made by this part not later than 1 year
8 after the date of enactment of this Act.

9 (b) TRANSITIONAL PERIOD.—Any requirement under
10 section 433 of the Higher Education Act of 1965 (20
11 U.S.C. 1083), and any regulation issued pursuant to such
12 section, that is determined by the Bureau to be duplicative
13 of a regulation issued pursuant to this part or amendment
14 made by this part shall continue to be in effect only until
15 the effective date of such regulation issued pursuant to
16 this part or the amendment made by this part.

17 **SEC. 1018. REPORT ON CREDIT REPORTING AND STUDENT**
18 **LENDING.**

19 (a) IN GENERAL.—Not later than 1 year after the
20 date of enactment of this Act, and as frequently thereafter
21 as the Director of the Bureau determines an update is
22 necessary, the Bureau shall submit to the appropriate
23 committees of Congress a report on the impact of postsec-
24 ondary education loan debt, which shall include an evalua-
25 tion, analysis, and discussion of—

26 (1) the impact on the credit of borrowers of—

1 (A) the common use of billing groups for
2 postsecondary education loans;

3 (B) the delinquency of 2 or more postsec-
4 ondary education loans contained in a billing
5 group; and

6 (C) the availability of alternative repay-
7 ment arrangements for postsecondary education
8 loans;

9 (2) what processes student loan servicers imple-
10 ment in furnishing student loan information to cred-
11 it reporting agencies;

12 (3) the most effective ways to repair the credit
13 history of a borrower after a default or delinquency
14 under a postsecondary education loan;

15 (4) legislative or regulatory changes the Bureau
16 determines would better assist borrowers under post-
17 secondary education loans;

18 (5) the manner in which information about re-
19 payment information about postsecondary education
20 loans is furnished to consumer reporting agencies
21 and the impact on the credit profile and credit score
22 of the borrower when servicing rights for postsec-
23 ondary education loans are transferred between stu-
24 dent loan servicers; and

1 (6) any other topics related to credit reporting
2 of postsecondary education loans the Bureau deter-
3 mines are necessary.

4 (b) DISAGGREGATE.—To the extent practicable, the
5 Director of the Bureau shall disaggregate the findings of
6 the report under paragraph (1) according to race, eth-
7 nicity, income level, and geography.

8 **SEC. 1019. OMBUDSMAN REPORT ON PRIVATE EDUCATION**
9 **LOAN MARKET.**

10 Not less than once every 2 years, the ombudsman
11 designated pursuant to section 1035 of the Dodd-Frank
12 Wall Street Reform and Consumer Protection Act (12
13 U.S.C. 5535) shall submit to the appropriate committees
14 of Congress a report—

15 (1) providing a detailed analysis of material
16 terms and conditions in private education loans; and

17 (2) describing changes in the availability of pri-
18 vate education loans and other consumer financial
19 products used to finance postsecondary education ex-
20 penses.

21 **PART B—INTERNAL REVENUE CODE OF 1986**

22 **SEC. 1022. INFORMATION SHARING AUTHORITY RELATING**
23 **TO INCOME-BASED REPAYMENT.**

24 (a) IN GENERAL.—Subparagraph (A) of section
25 6103(l)(13) of the Internal Revenue Code of 1986 is

1 amended by striking “who has received an applicable stu-
2 dent loan and whose loan repayment amounts are based
3 in whole or in part on the taxpayer’s income” and insert-
4 ing “who is more than 150 days delinquent on an eligible
5 student loan”.

6 (b) **RESTRICTION ON REDISCLOSURES.**—Subpara-
7 graph (B) of section 6103(l)(13) of such Code is amend-
8 ed—

9 (1) by striking “Return information” and in-
10 sserting the following:

11 “(i) **IN GENERAL.**—Except as other-
12 wise provided in this subparagraph, return
13 information”,

14 (2) by striking “income contingent” and insert-
15 ing “income-based”,

16 (3) by inserting “for purposes of enrolling the
17 taxpayer in an income-based repayment plan pursu-
18 ant to section 493C(d) of the Higher Education Act
19 of 1965 (as in effect on the date of enactment of the
20 Higher Education Affordability Act)” before the pe-
21 riod at the end, and

22 (4) by adding at the end the following new
23 clauses:

24 “(ii) **REDISCLURE OF REPAYMENT**
25 **AMOUNT TO CERTAIN LOAN SERVICE PRO-**

1 VIDERS.—Upon request from an applicable
2 loan service provider, the Secretary of
3 Education may disclose to the taxpayer
4 and to the applicable loan service provider
5 the taxpayer’s repayment amount under an
6 income-based repayment plan described in
7 section 493C(b) of the Higher Education
8 Act of 1965 (as in effect on the date of en-
9 actment of the Higher Education Afford-
10 ability Act).

11 “(iii) USE IN ADMINISTRATIVE PRO-
12 CEEDINGS.—The information disclosed
13 pursuant to this paragraph may be open to
14 inspection or disclosure to officers and em-
15 ployees of the Department of Education
16 who are personally and directly engaged in
17 any administrative proceeding arising out
18 of the determination of the income-based
19 repayment amount and to the taxpayer
20 and the taxpayer’s representative.”.

21 (c) DEFINITIONS.—Subparagraph (C) of section
22 6103(l)(13) of such Code is amended to read as follows:

23 “(C) DEFINITIONS.—For purposes of this
24 paragraph—

1 “(i) **ELIGIBLE STUDENT LOAN.**—The
2 term ‘eligible student loan’ has the mean-
3 ing given to the term ‘eligible loan’ under
4 section 493C(a) 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).

8 “(ii) **APPLICABLE LOAN SERVICE PRO-**
9 **VIDER.**—For purposes of this subpara-
10 graph, the term ‘applicable loan service
11 provider’ means—

12 “(I) any entity with a contract to
13 service loans under section 456 of the
14 Higher Education Act of 1965,

15 “(II) any entity that is a lender
16 of loans made, insured, or guaranteed
17 under part B of such Act,

18 “(III) any entity that provides
19 student loan servicing for a lender de-
20 scribed in subclause (II).”.

21 (d) **TERMINATION OF AUTHORITY.**—Subparagraph
22 (D) of section 6103(l)(13) of the Internal Revenue Code
23 of 1986 is amended by striking “December 31, 2007” and
24 inserting “December 31, 2019”.

1 (e) CONFORMING AMENDMENT.—The heading for
2 paragraph (13) of section 6103(l) of such Code is amend-
3 ed by striking “INCOME CONTINGENT REPAYMENT OF
4 STUDENT LOANS” and inserting “AUTO-ENROLLMENT OF
5 DELINQUENT STUDENT LOAN BORROWERS IN INCOME-
6 BASED REPAYMENT PLANS”.

7 (f) APPLICATION OF CERTAIN RULES TO LOAN
8 SERVICERS.—

9 (1) IN GENERAL.—Paragraph (3) of section
10 6103(a) of the Internal Revenue Code of 1986 is
11 amended by inserting “(13),” after “(12),”.

12 (2) PENALTY FOR UNAUTHORIZED INSPEC-
13 TION.—Subparagraph (B) of section 7213A of such
14 Code is amended by striking “subsection (l)(18) or
15 (n) of” and inserting “paragraph (13) or (18) of
16 subsection (l) of, or subsection (n) of,”.

17 (3) RECORDS OF INSPECTION AND DISCLO-
18 SURE.—Subparagraph (A) of section 6103(p)(3) of
19 such Code is amended—

20 (A) by striking “(13),” and

21 (B) by inserting after the second sentence
22 the following new sentence: “The Secretary of
23 Education shall supply the Secretary with such
24 information as is necessary to carry out this
25 paragraph as it relates to section 6103(l)(13).”.

1 (4) SAFEGUARDS.—Paragraph (4) Section
2 6103(p) of such Code is amended by inserting
3 “(13),” after “(l)(10),” each place it appears.

4 (g) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to requests made by the Secretary
6 of Education after the date of the enactment of this Act.

7 **PART C—TITLE 11 OF THE UNITED STATES CODE**

8 **SEC. 1031. PRIVATE LOAN DISCHARGE IN BANKRUPTCY.**

9 Section 523(a)(8) of title 11, United States Code, is
10 amended by striking “dependents, for” and all that follows
11 through the end of subparagraph (B) and inserting “de-
12 pendants, for an educational benefit overpayment or loan
13 made, insured, or guaranteed by a governmental unit or
14 made under any program funded in whole or in part by
15 a governmental unit or an obligation to repay funds re-
16 ceived from a governmental unit as an educational benefit,
17 scholarship, or stipend;”.

18 **PART D—SERVICEMEMBERS CIVIL RELIEF ACT**

19 **SEC. 1041. MODIFICATION OF LIMITATION ON RATE OF IN-**
20 **TEREST ON STUDENT LOANS DURING AND**
21 **IMMEDIATELY AFTER PERIOD OF MILITARY**
22 **SERVICE.**

23 (a) EXTENSION OF PERIOD OF APPLICABILITY OF
24 LIMITATION ON RATE OF INTEREST ON STUDENT LOANS
25 INCURRED BEFORE SERVICE.—Section 207(a)(1) of the

1 Servicemembers Civil Relief Act (50 U.S.C. App.
2 527(a)(1)) is amended—

3 (1) in subparagraph (A), by inserting “or a stu-
4 dent loan” after “nature of a mortgage”; and

5 (2) in the paragraph heading, by inserting “ON
6 DEBT INCURRED BEFORE SERVICE” after “LIMITA-
7 TION TO 6 PERCENT”.

8 (b) DEBT ENTERED INTO DURING MILITARY SERV-
9 ICE TO CONSOLIDATE OR REFINANCE STUDENT LOANS
10 INCURRED BEFORE MILITARY SERVICE.—Subsection (a)
11 of section 207 of such Act (50 U.S.C. App. 527) is amend-
12 ed—

13 (1) by redesignating paragraphs (2) and (3) as
14 paragraphs (3) and (4), respectively;

15 (2) by inserting after paragraph (1) the fol-
16 lowing:

17 “(2) LIMITATION TO 6 PERCENT ON DEBT IN-
18 CURRED DURING SERVICE TO CONSOLIDATE OR RE-
19 FINANCE STUDENT LOANS INCURRED BEFORE SERV-
20 ICE.—An obligation or liability bearing interest at a
21 rate in excess of 6 percent per year that is incurred
22 by a servicemember, or the servicemember and the
23 servicemember’s spouse jointly, during military serv-
24 ice to consolidate or refinance one or more student
25 loans incurred by the servicemember before such

1 military service shall not bear an interest at a rate
2 in excess of 6 percent during the period of military
3 service and one year thereafter.”;

4 (3) in paragraph (3), as redesignated by para-
5 graph (1) of this subsection, by inserting “or (2)”
6 after “paragraph (1)”; and

7 (4) in paragraph (4), as so redesignated, by
8 striking “paragraph (2)” and inserting “paragraph
9 (3)”.

10 (c) IMPLEMENTATION OF LIMITATION.—Subsection
11 (b) of such section is amended—

12 (1) in paragraph (1), by striking “the interest
13 rate limitation in subsection (a)” and inserting “an
14 interest rate limitation in paragraph (1) or (2) of
15 subsection (a)”; and

16 (2) in paragraph (2)—

17 (A) in the paragraph heading, by striking
18 “AS OF DATE OF ORDER TO ACTIVE DUTY”; and

19 (B) by inserting before the period at the
20 end the following: “in the case of an obligation
21 or liability covered by subsection (a)(1), or as of
22 the date the servicemember (or servicemember
23 and spouse jointly) incurs the obligation or li-
24 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 that provides
10 Federal education assistance funds, as de-
11 scribed in section 103 of the Higher Education
12 Act of 1965 (20 U.S.C. 1003), to any postsec-
13 ondary educational institution.

14 (B) POSTSECONDARY EDUCATIONAL INSTI-
15 TUTION.—The term “postsecondary educational
16 institution” means an educational institution
17 that awards a degree or certificate and is lo-
18 cated in any State and includes—

19 (i) an institution of higher education,
20 as defined in section 102 of the Higher
21 Education Act of 1965 (20 U.S.C. 1002);

22 (ii) a postsecondary educational insti-
23 tution, as defined in section 203 of the
24 Adult Education and Family Literacy Act
25 (20 U.S.C. 9202); and

1 (iii) an educational institution, as de-
2 fined under section 3452 of title 38,
3 United States Code.

4 (C) STATE.—

5 (i) STATE.—The term “State” in-
6 cludes, in addition to the several States of
7 the United States, the Commonwealth of
8 Puerto Rico, the District of Columbia,
9 Guam, American Samoa, the United States
10 Virgin Islands, the Commonwealth of the
11 Northern Mariana Islands, and the freely
12 associated States.

13 (ii) FREELY ASSOCIATED STATES.—
14 The term “freely associated States” means
15 the Republic of the Marshall Islands, the
16 Federated States of Micronesia, and the
17 Republic of Palau.

18 (2) CONSUMER PROTECTIONS.—Notwith-
19 standing any other provision of law, a postsecondary
20 educational institution is not eligible to participate
21 in a Federal financial assistance program with re-
22 spect to any program of postsecondary education or
23 training, including a degree or certificate program,
24 that is designed to prepare students for entry into
25 a recognized occupation or profession that requires

1 licensing or other established requirements as a pre-
2 condition for entry into such occupation or profes-
3 sion, unless—

4 (A) the successful completion of the pro-
5 gram fully qualifies a student, in the Metropoli-
6 tan Statistical Area in which the student re-
7 sides, to—

8 (i) take any examination required for
9 entry into the recognized occupation or
10 profession in the Metropolitan Statistical
11 Area in which the student resides, includ-
12 ing satisfying all State or professionally
13 mandated programmatic and specialized
14 accreditation requirements, if any; and

15 (ii) be certified or licensed or meet
16 any other academically related pre-condi-
17 tions that are required for entry into the
18 recognized occupation or profession in the
19 Metropolitan Statistical Area in which the
20 student resides; and

21 (B) the institution offering the program
22 provides timely placement for all of the aca-
23 demically related pre-licensure requirements for
24 entry into the recognized occupation or profes-
25 sion in the Metropolitan Statistical Area in

1 which the student resides, such as clinical
2 placements, internships, or apprenticeships.

3 (b) **EFFECTIVE DATE.**—This section shall take effect
4 on the date that is 6 months after the date of enactment
5 of this Act.

6 **SEC. 1102. LONGITUDINAL STUDY OF THE EFFECTIVENESS**
7 **OF STUDENT LOAN COUNSELING.**

8 (a) **IN GENERAL.**—Not later than 1 year after the
9 date of enactment of this Act, the Secretary of Education
10 and the Director of the Bureau of Consumer Financial
11 Protection, acting through the Director of the Institute
12 of Education Sciences, shall begin conducting a rigorous
13 longitudinal study of the impact and effectiveness of stu-
14 dent loan counseling, as provided in accordance with sub-
15 sections (b), (l), and (n) of section 485 of the Higher Edu-
16 cation Act of 1965 (20 U.S.C. 1092) and through such
17 other means of providing student loan counseling services
18 as the Secretary may determine.

19 (b) **CONTENTS.**—The longitudinal study shall include
20 borrower information, in the aggregate and disaggregated
21 by race, ethnicity, gender, income, and status as an indi-
22 vidual with a disability, about—

- 23 (1) student persistence;
24 (2) degree attainment;
25 (3) program completion;

1 (4) successful entry into student loan repay-
2 ment;

3 (5) cumulative borrowing levels; and

4 (6) such other factors as the Secretary may de-
5 termine.

6 (c) INTERIM REPORTS.—Not later than 18 months
7 after the commencement of the study described under this
8 section, and annually thereafter, the Secretary shall evalu-
9 ate the progress of the study and report any short-term
10 findings to the appropriate committees of Congress.

11 (d) 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 4 succeeding fiscal years.

15 **SEC. 1103. RECOMMENDATIONS FOR STUDENT LOAN COUN-**
16 **SELING.**

17 The Secretary of the Treasury, acting through the
18 President's Advisory Council on Financial Capability and
19 the Financial Literacy and Education Commission, shall
20 prepare and submit to Congress and to the Secretary of
21 Education a report containing recommendations about in-
22 formation, including methods and strategies for conveying
23 such information to borrowers in order to ensure com-
24 prehension, that should be included in financial literacy
25 counseling for first-time student loan borrowers.

1 **SEC. 1104. WORKING GROUP ON IMPROVEMENT OF RE-**
2 **SOURCES AVAILABLE TO MEMBERS OF THE**
3 **ARMED FORCES AND THEIR SPOUSES IN**
4 **USING TUITION ASSISTANCE PROGRAMS OF**
5 **THE DEPARTMENT OF DEFENSE.**

6 (a) **WORKING GROUP REQUIRED.**—The Secretary of
7 Education, the Secretary of Defense, the Secretary of Vet-
8 erans Affairs, and the Director of the Bureau of Consumer
9 Financial Protection shall jointly, and in consultation with
10 the heads of such other departments and agencies of the
11 Federal Government as such officials consider appro-
12 priate, establish and maintain a working group to assess
13 and improve the resources available to education service
14 officers and other personnel of the Federal Government
15 who provide assistance to members of the Armed Forces
16 and their spouses in using or seeking to use the tuition
17 assistance programs of the Department of Defense.

18 (b) **RESOURCES.**—In improving resources as de-
19 scribed in subsection (a), the working group shall provide
20 for the inclusion of the following in such resources:

21 (1) Information on the benefits and protections
22 for members of the Armed Forces and their depend-
23 ents provided in this Act and the amendments made
24 by this Act.

1 (2) Consumer information, resources, and tools
2 created and maintained by the working group pursu-
3 ant to this section.

4 (3) Information on the availability of consumer
5 protection measures, including the complaint system
6 established pursuant to Executive Order 13607 (77
7 Fed. Reg. 25861; relating to establishing principles
8 of excellence for educational institutions serving
9 servicemembers, veterans, spouses, and other family
10 members).

11 (4) Such other information or resources as the
12 working group considers appropriate.

13 **SEC. 1105. STUDY ON PUBLIC SERVICE LOAN FORGIVE-**
14 **NESS.**

15 (a) **IN GENERAL.**—By not later than 1 year after the
16 date of enactment of this Act, the Secretary shall, in con-
17 sultation with the Director of the Bureau of Consumer
18 Financial Protection, prepare and submit to the Com-
19 mittee on Health, Education, Labor, and Pensions of the
20 Senate and the Committee on Education and the Work-
21 force of the House of Representatives a report evaluating
22 the effectiveness of the public service loan forgiveness pro-
23 gram under section 455(m) of the Higher Education Act
24 of 1965 (20 U.S.C. 1087e(m)).

1 (b) CONTENTS.—The report required under sub-
2 section (a) shall include—

3 (1) an analysis of total borrowing for prospec-
4 tive recipients of loan forgiveness under section
5 455(m) of the Higher Education Act of 1965 (20
6 U.S.C. 1087e(m)), including participants that have
7 completed the certification form developed by the
8 Secretary pursuant to such section;

9 (2) an analysis of the public service entities em-
10 ploying prospective recipients of loan forgiveness
11 under such section, including public service organi-
12 zations identified on the certification forms devel-
13 oped by the Secretary pursuant to such section;

14 (3) an analysis of the impact of the availability
15 of public service loan forgiveness under such section
16 on the utilization of other benefits established to en-
17 courage or reward public service employment under
18 title IV of the Higher Education Act of 1965 (20
19 U.S.C. 1070), including the programs established
20 under sections 428J, 460, and 465 of such Act (20
21 U.S.C. 1078–10, 1087j, and 1087ee);

22 (4) an analysis of the impact public service loan
23 forgiveness under section 455(m) of such Act has
24 had on the existence of loan repayment assistance

1 programs offered by institutions of higher education
2 for students employed in public service;

3 (5) an evaluation of the impact of the public
4 service loan forgiveness program under such section
5 on total tuition and fees at institutions where the
6 Secretary finds a reasonable number of borrowers
7 are both—

8 (A) prospective recipients of loan forgive-
9 ness under section 455(m), as described in
10 paragraph (1); and

11 (B) recipients of an award under a loan re-
12 payment assistance program made by an insti-
13 tution of higher education described in para-
14 graph (4);

15 (6) an evaluation of the impact of borrowers de-
16 scribed in paragraph (5) on total program costs for
17 the public service loan forgiveness program under
18 section 455(m); and

19 (7) an evaluation of the cost and feasibility of
20 altering the public service loan forgiveness program
21 carried out under section 455(m) of the Higher
22 Education Act of 1965 (20 U.S.C. 1087e(m)) in
23 order to allow a proportionate percentage of loan
24 cancellation for each year of public service that the
25 individual completes, and a comparison of the esti-

1 mated costs of such a prorated program with the es-
2 timated costs of the public service loan forgiveness
3 program carried out under such section 455(m), as
4 in effect on the date of the study.

5 **SEC. 1106. LONGITUDINAL STUDY OF THE CAUSES OF STU-**
6 **DENT LOAN DEFAULT.**

7 (a) IN GENERAL.—Not later than 1 year after the
8 date of enactment of this Act, the Secretary of Education
9 and the Director of the Bureau of Consumer Financial
10 Protection, acting through the Director of the Institute
11 of Education Sciences, shall begin conducting a rigorous
12 longitudinal study of the causes of default on loans made,
13 insured, or guaranteed under part B, D, or E of title IV
14 of the Higher Education Act of 1965 (20 U.S.C. 1071
15 et seq., 1087a et seq., 1087aa et seq).

16 (b) CONTENTS.—The longitudinal study shall in-
17 clude—

18 (1) information about borrowers of loans de-
19 scribed in subsection (a), disaggregated by age, race,
20 ethnicity, gender, status as an individual with a dis-
21 ability, and status as a low-income individual, re-
22 garding possible risk factors for default, including—

23 (A) the type of institution attended by the
24 borrower;

1 (B) the degree or program in which the
2 borrower was enrolled;

3 (C) educational attainment level;

4 (D) personal and financial circumstances;

5 (E) employment status;

6 (F) types of loans held by the borrower;

7 (G) the interest rate on outstanding loans
8 held by the borrower;

9 (H) the repayment plan selected by the
10 borrower;

11 (I) loan servicing difficulties;

12 (J) outstanding debt level; and

13 (K) such other factors as the Secretary
14 and Director of the Bureau of Consumer Fi-
15 nancial Protection may determine;

16 (2) consideration of the relevance of the pos-
17 sible risk factors; and

18 (3) policy recommendations designed to de-
19 crease the likelihood of student loan default.

20 (c) REPORTS.—

21 (1) INTERIM REPORTS.—Not later than 18
22 months after the commencement of the study de-
23 scribed under this section, and annually thereafter,
24 the Secretary shall evaluate the progress of the

1 study and report any short-term findings to the ap-
2 propriate committees of Congress.

3 (2) FINAL REPORT.—Upon completion of the
4 study described under this section, the Secretary
5 shall prepare and submit a final report regarding
6 the findings of the study to the appropriate commit-
7 tees of Congress.

8 (d) AUTHORIZATION OF APPROPRIATIONS.—There
9 are authorized to be appropriated to carry out this section
10 such sums as may be necessary for fiscal year 2015 and
11 each of the 4 succeeding fiscal years.

12 **SEC. 1107. INSTITUTIONAL RISK-SHARING COMMISSION.**

13 (a) ESTABLISHMENT OF COMMISSION.—

14 (1) IN GENERAL.—The Secretary of Education
15 shall establish an Institutional Risk-Sharing Com-
16 mission (referred to in this section as the “Commis-
17 sion”) whose members shall be selected by the Sec-
18 retary and comprised of the following relevant stake-
19 holders:

20 (A) 2 representatives of national or re-
21 gional student advocacy organizations with a
22 track record of engagement and expertise on
23 issues related to college costs, consumer protec-
24 tion, and institutional accountability and an al-
25 ternate member.

1 (B) 1 student representative who is attend-
2 ing an institution of higher education on the
3 date of the selection and an alternate member.

4 (C) 1 member of the Bureau of Consumer
5 Financial Protection with demonstrated knowl-
6 edge of student loan borrowing and an alternate
7 member.

8 (D) 2 administrative officers from different
9 types of institutions of higher education and an
10 alternate member.

11 (E) 1 higher education researcher and an
12 alternate member.

13 (F) 1 State postsecondary education data
14 system director and an alternate member.

15 (G) 1 representative from the National
16 Center for Education Statistics and an alter-
17 nate member.

18 (H) 1 representative from the Government
19 Accountability Office and an alternate member.

20 (I) 1 representative from the Department
21 of the Treasury and an alternate member.

22 (2) FUNCTIONS.—Each member selected under
23 paragraph (1) shall participate for the purpose of
24 determining agreement by majority vote on the Com-
25 mission on the report and its contents described in

1 paragraph (4). Each alternate member shall partici-
2 pate for the purpose of determining the majority
3 vote in the absence of the member. Either the mem-
4 ber or an alternate member may speak during the
5 negotiations. In the event that the Commission is
6 unable to form agreement on the contents of the re-
7 port by majority vote, the contents of the report
8 shall be determined by a plurality vote.

9 (b) STUDY.—

10 (1) IN GENERAL.—Not later than 270 after the
11 date that all members of the Commission have been
12 selected under subsection (a), the Commission shall
13 complete a study and develop recommendations for
14 implementation of a new risk-sharing system for in-
15 stitutions of higher education that participate in the
16 Federal Direct Loan Program under part D of title
17 IV of the Higher Education Act of 1965 (20 U.S.C.
18 1087a et seq.) through which institutions would be
19 held financially accountable for poor student out-
20 comes.

21 (2) CONTENT OF STUDY.—In conducting the
22 study required under paragraph (1), the Commission
23 shall, at a minimum, consider the following issues:

24 (A) Identifying an annual measure or set
25 of measures for the risk-sharing system that

1 would provide the most accurate assessment of
2 an institution's level of success or failure at
3 providing their students with basic educational
4 outcomes, such as degree completion, ability to
5 repay loans made, insured, or guaranteed under
6 title IV of the Higher Education Act of 1965
7 (20 U.S.C. 1070 et seq.), post-graduation em-
8 ployment, and post-graduation earnings. Such
9 possible measures may include cohort default
10 rates, loan repayment rates, graduation rates,
11 graduate earnings, and other measure that the
12 Commission considers an accurate reflection of
13 student outcomes, regardless of the feasibility
14 of access to the data required to implement col-
15 lection of such measures.

16 (B) What specific metrics would require
17 the lowest performing institutions to make an-
18 nual payments into the risk-sharing system,
19 and what metrics would exempt institutions
20 from making an annual risk-sharing payment
21 based on performance measures that exceeded a
22 minimum level (which level would be identified
23 by the Commission).

24 (C) How the payments for each institution
25 should be calculated, including whether the use

1 of a percentage of Federal Direct Loans dis-
2 bursed the year prior to identification, the per-
3 centage of loans in default, or any other cal-
4 culation should be used.

5 (D) Whether a sliding scale of payments
6 should be required of institutions based on their
7 performance on the identified measures.

8 (E) Any legislative safeguards or mecha-
9 nisms to ensure that an institution required to
10 participate in the risk-sharing system would not
11 pass any prospective costs directly or indirectly
12 onto students, or limit access to low-income stu-
13 dents.

14 (F) How an institution's level of access to
15 low-income students (such as measured by the
16 percentage of students enrolled at the institu-
17 tion who receive Federal Pell Grants under sub-
18 part 1 of part A of title IV of the Higher Edu-
19 cation Act of 1965 (20 U.S.C. 1070a et seq.))
20 and affordability (as measured by average net
21 price) should be considered in the risk-sharing
22 system.

23 (G) Specifying a means for the risk-shar-
24 ing system payments to go primarily towards
25 students in default, additional aid to low-income

1 students, or any other form of aid to student
2 borrowers most in need, including after degree
3 completion.

4 (H) Whether any extraordinary consider-
5 ation exists that warrants allowing a waiver
6 process through which a very limited number of
7 institutions would be eligible to apply for a
8 waiver from a risk-sharing payment on a yearly
9 basis, and under what conditions.

10 (3) OUTSIDE RECOMMENDATIONS.—As part of
11 the study required under paragraph (1), the Com-
12 mission shall develop a public process for soliciting
13 recommendations for the risk-sharing system and
14 shall consider these recommendations as part of the
15 study. The Commission shall factor in any financial
16 or other interests of any submitting party in weigh-
17 ing and considering such recommendations.

18 (4) REPORT.—

19 (A) CONTENT.—Not later than 90 days
20 after completing the study required under para-
21 graph (1), the Commission shall issue, by ma-
22 jority vote, or if unable to achieve a majority
23 vote, then a plurality vote, a report regarding
24 its recommendations for a risk-sharing system.
25 The report shall include the following:

1 (i) A description of the Commission's
2 findings as to the issues described in para-
3 graph (2).

4 (ii) A data analysis using the Com-
5 mission's recommended metrics that dem-
6 onstrates how each institution of higher
7 education that participates in the Federal
8 Direct Loan Program under part D of title
9 IV of the Higher Education Act of 1965
10 (20 U.S.C. 1087a et seq.) as of the period
11 of the Commission's study would fare
12 under the proposed risk-sharing system,
13 including projections for the amounts of
14 payments the lowest performing institu-
15 tions would have to pay.

16 (iii) An evaluation of the feasibility
17 and unintended consequences of imple-
18 menting the recommended risk-sharing
19 system, including any legislative or regu-
20 latory action needed to implement such a
21 system.

22 (B) AVAILABILITY.—The report described
23 in subparagraph (A) shall be—

24 (i) provided to the Secretary of Edu-
25 cation, the Committee on Health, Edu-

1 cation, Labor, and Pensions of the Senate,
2 and the Committee on Education and the
3 Workforce of the House of Representa-
4 tives; and

5 (ii) made publicly available.

6 (c) SECURING INFORMATION AND PRIVACY.—

7 (1) IN GENERAL.—Subject to paragraph (2),
8 the Commission may secure directly from any Fed-
9 eral department or agency such information as the
10 Commission considers necessary to carry out its du-
11 ties under this section. The Commission may request
12 the head of any State or local department or agency
13 to furnish such information to the Commission.

14 (2) PRIVACY.—Any Federal department or
15 agency, State or local department or agency, or in-
16 stitution of higher education in providing informa-
17 tion to the Commission under this section shall not
18 share any personally identifiable information and
19 shall act in accordance with section 444 of the Gen-
20 eral Education Provisions Act (20 U.S.C. 1232g,
21 commonly known as the “Family Educational Rights
22 and Privacy Act of 1974”).

1 **SEC. 1108. GAO REPORT ON EDUCATIONAL ATTAINMENT OF**
2 **HOMELESS CHILDREN AND YOUTH AND FOS-**
3 **TER CARE CHILDREN AND YOUTH.**

4 (a) DEFINITIONS.—In this section:

5 (1) FOSTER CARE CHILDREN AND YOUTH.—

6 The term “foster care children and youth” has the
7 meaning given the term in section 103 of the Higher
8 Education Act of 1965.

9 (2) HOMELESS CHILDREN AND YOUTH.—The
10 term “homeless children and youth” means children
11 and youth who lack a fixed, regular, and adequate
12 nighttime residence and includes—

13 (A) children and youth who—

14 (i) are sharing the housing of other
15 persons due to loss of housing, economic
16 hardship, or a similar reason;

17 (ii) are living in motels, hotels, trailer
18 parks, or camping grounds due to the lack
19 of alternative adequate accommodations;

20 (iii) are living in emergency or transi-
21 tional shelters;

22 (iv) are abandoned in hospitals; or

23 (v) are awaiting foster care placement;

24 (B) children and youth who have a pri-
25 mary nighttime residence that is a public or
26 private place not designed for or ordinarily used

1 as a regular sleeping accommodation for human
2 beings;

3 (C) children and youth who are living in
4 cars, parks, public spaces, abandoned buildings,
5 substandard housing, bus or train stations, or
6 similar settings; and

7 (D) migratory children (as such term is
8 defined in section 1309 of the Elementary and
9 Secondary Education Act of 1965 (20 U.S.C.
10 6399)) who are living in circumstances de-
11 scribed in subparagraph (A), (B), or (C).

12 (3) INSTITUTION OF HIGHER EDUCATION.—The
13 term “institution of higher education” has the
14 meaning given the term in section 102 of the Higher
15 Education Act of 1965 (20 U.S.C. 1002).

16 (b) IN GENERAL.—Not later than 1 year after the
17 date of enactment of this Act, the Comptroller General
18 of the United States shall prepare and submit to the Com-
19 mittee on Health, Education, Labor, and Pensions of the
20 Senate and the Committee on Education and the Work-
21 force of the House of Representatives a report on the edu-
22 cational attainment of youth who are or have been home-
23 less (including youth who are or have been homeless chil-
24 dren and youth) and foster care children and youth.

1 (c) CONTENT.—The report described in subsection
2 (b) shall contain a review and assessment of enrollment
3 and completion data for both accompanied and unaccom-
4 panied homeless children and youth and foster care chil-
5 dren and youth, including the following:

6 (1) The percentage of such youth attending an
7 institution of higher education.

8 (2) The percentage of such youth graduating
9 from an institution of higher education.

10 (3) The average length of time taken to obtain
11 an associate or baccalaureate degree.

12 (4) The percentage of such youth attending—

13 (A) a public institution of higher edu-
14 cation;

15 (B) a private institution of higher edu-
16 cation;

17 (C) a community college; and

18 (D) a 4-year institution of higher edu-
19 cation.

20 (5) Reasons why such youth choose not to pur-
21 sue a higher education.

22 (6) The availability of public and private tuition
23 assistance specifically for such youth and the aware-
24 ness among such youth of such tuition assistance.

1 (7) The availability of other public or private
2 programs designed to encourage and support enroll-
3 ment in, and completion of, higher education for
4 such youth.

5 (8) Ways in which the Department of Edu-
6 cation might increase the educational attainment
7 rates of such youth.

8 **SEC. 1109. AMERICAN DREAM ACCOUNTS.**

9 (a) **SHORT TITLE.**—This section may be cited as the
10 “American Dream Accounts Act”.

11 (b) **DEFINITIONS.**—In this section:

12 (1) **AMERICAN DREAM ACCOUNT.**—The term
13 “American Dream Account” means a personal on-
14 line account for low-income students that monitors
15 higher education readiness and includes a college
16 savings account.

17 (2) **APPROPRIATE COMMITTEES OF CON-**
18 **GRESS.**—The term “appropriate committees of Con-
19 gress” means the Committee on Health, Education,
20 Labor, and Pensions, the Committee on Appropria-
21 tions, and the Committee on Finance of the Senate,
22 and the Committee on Education and the Work-
23 force, the Committee on Appropriations, and the
24 Committee on Ways and Means of the House of
25 Representatives, as well as any other Committee of

1 the Senate or House of Representatives that the
2 Secretary determines appropriate.

3 (3) CHARTER SCHOOL.—The term “charter
4 school” has the meaning given such term in section
5 5210 of the Elementary and Secondary Education
6 Act of 1965 (20 U.S.C. 7221i).

7 (4) COLLEGE SAVINGS ACCOUNT.—The term
8 “college savings account” means a savings account
9 that—

10 (A) provides some tax-preferred accumula-
11 tion;

12 (B) is widely available (such as Qualified
13 Tuition Programs under section 529 of the In-
14 ternal Revenue Code of 1986 or Coverdell Edu-
15 cation Savings Accounts under section 530 of
16 the Internal Revenue Code of 1986); and

17 (C) contains funds that may be used only
18 for the costs associated with attending an insti-
19 tution of higher education, including—

20 (i) tuition and fees;

21 (ii) room and board;

22 (iii) textbooks;

23 (iv) supplies and equipment; and

24 (v) Internet access.

1 (5) DUAL ENROLLMENT PROGRAM.—The term
2 “dual enrollment program” means a program of
3 study—

4 (A) provided by an institution of higher
5 education through which a student who has not
6 graduated from secondary school with a regular
7 high school diploma is able to earn secondary
8 school credit and postsecondary credit that is
9 accepted as credit towards a postsecondary de-
10 gree or credential at no cost to the participant
11 or the participant’s family; and

12 (B) that shall consist of not less than 2
13 postsecondary credit-bearing courses and sup-
14 port and academic services that help a student
15 persist and complete such courses.

16 (6) EARLY COLLEGE HIGH SCHOOL.—The term
17 “early college high school program” means a formal
18 partnership between at least 1 local educational
19 agency and at least 1 institution of higher education
20 that allows students to simultaneously complete, as
21 part of an organized course of study, requirements
22 towards earning a regular high school diploma and
23 earning not less than 12 transferable postsecondary
24 credits that are accepted as credit towards a postsec-

1 ondary degree or credential at no cost to the partici-
2 pant or the participant’s family.

3 (7) **ELIGIBLE ENTITY.**—The term “eligible enti-
4 ty” means—

5 (A) a State educational agency;

6 (B) a local educational agency, including a
7 charter school that operates as its own local
8 educational agency;

9 (C) a charter management organization or
10 charter school authorizer;

11 (D) an institution of higher education;

12 (E) a nonprofit organization;

13 (F) an entity with demonstrated experience
14 in educational savings or in assisting low-in-
15 come students to prepare for, and attend, an in-
16 stitution of higher education; or

17 (G) a consortium of 2 or more of the enti-
18 ties described in subparagraphs (A) through
19 (F).

20 (8) **INSTITUTION OF HIGHER EDUCATION.**—The
21 term “institution of higher education” has the
22 meaning given the term in section 101(a) of the
23 Higher Education Act of 1965 (20 U.S.C. 1001(a)).

24 (9) **LOCAL EDUCATIONAL AGENCY.**—The term
25 “local educational agency” has the meaning given

1 such term in section 9101 of the Elementary and
2 Secondary Education Act of 1965 (20 U.S.C. 7801).

3 (10) LOW-INCOME STUDENT.—The term “low-
4 income student” means a student who is eligible to
5 receive a free or reduced price lunch under the Rich-
6 ard B. Russell National School Lunch Act (42
7 U.S.C. 1751 et seq.).

8 (11) PARENT.—The term “parent” has the
9 meaning given such term in section 9101 of the Ele-
10 mentary and Secondary Education Act of 1965 (20
11 U.S.C. 7801).

12 (12) SECRETARY.—The term “Secretary” has
13 the meaning given such term in section 9101 of the
14 Elementary and Secondary Education Act of 1965
15 (20 U.S.C. 7801).

16 (13) STATE EDUCATIONAL AGENCY.—The term
17 “State educational agency” has the meaning given
18 such term in section 9101 of the Elementary and
19 Secondary Education Act of 1965 (20 U.S.C. 7801).

20 (c) GRANT PROGRAM.—

21 (1) PROGRAM AUTHORIZED.—The Secretary is
22 authorized to award grants, on a competitive basis,
23 to eligible entities to enable such eligible entities to
24 establish and administer American Dream Accounts
25 for a group of low-income students.

1 (2) RESERVATION.—From the amounts appro-
2 priated each fiscal year to carry out this section, the
3 Secretary shall reserve not more than 5 percent of
4 such amount to carry out the evaluation activities
5 described in subsection (f)(1).

6 (3) DURATION.—A grant awarded under this
7 section shall be for a period of not more than 3
8 years. The Secretary may extend such grant for an
9 additional 2-year period if the Secretary determines
10 that the eligible entity has demonstrated significant
11 progress, based on the factors described in sub-
12 section (d)(2)(K).

13 (d) APPLICATIONS; PRIORITY.—

14 (1) IN GENERAL.—Each eligible entity desiring
15 a grant under this section shall submit an applica-
16 tion to the Secretary at such time, in such manner,
17 and containing such information as the Secretary
18 may require.

19 (2) CONTENTS.—At a minimum, the applica-
20 tion described in paragraph (1) shall include the fol-
21 lowing:

22 (A) A description of the characteristics of
23 a group of not less than 30 low-income public
24 school students who—

1 (i) are, at the time of the application,
2 attending a grade not higher than grade 9;
3 and

4 (ii) will, under the grant, receive an
5 American Dream Account.

6 (B) A description of how the eligible entity
7 will engage, and provide support (such as tutor-
8 ing and mentoring for students, and training
9 for teachers and other stakeholders) either on-
10 line or in person, to—

11 (i) the students in the group described
12 in subparagraph (A);

13 (ii) the family members and teachers
14 of such students; and

15 (iii) other stakeholders such as school
16 administrators and school counselors.

17 (C) An identification of partners who will
18 assist the eligible entity in establishing and sus-
19 taining American Dream Accounts.

20 (D) A description of what experience the
21 eligible entity or the partners of the eligible en-
22 tity have in managing college savings accounts,
23 preparing low-income students for postsec-
24 ondary education, managing online systems,
25 and teaching financial literacy.

1 (E) A demonstration that the eligible enti-
2 ty has sufficient resources to provide an initial
3 deposit into the college savings account portion
4 of each American Dream Account.

5 (F) A description of how the eligible entity
6 will help increase the value of the college sav-
7 ings account portion of each American Dream
8 Account, such as by providing matching funds
9 or incentives for academic achievement.

10 (G) A description of how the eligible entity
11 will notify each participating student in the
12 group described in subparagraph (A), on a
13 semiannual basis, of the current balance and
14 status of the college savings account portion of
15 the American Dream Account of the student.

16 (H) A plan that describes how the eligible
17 entity will monitor participating students in the
18 group described in subparagraph (A) to ensure
19 that the American Dream Account of each stu-
20 dent will be maintained if a student in such
21 group changes schools before graduating from
22 secondary school.

23 (I) A plan that describes how the Amer-
24 ican Dream Accounts will be managed for not
25 less than 1 year after a majority of the students

1 in the group described in subparagraph (A)
2 graduate from secondary school.

3 (J) A description of how the eligible entity
4 will encourage students in the group described
5 in subparagraph (A) who fail to graduate from
6 secondary school to continue their education.

7 (K) A description of how the eligible entity
8 will evaluate the grant program, including by
9 collecting, as applicable, the following data
10 about the students in the group described in
11 subparagraph (A) during the grant period, or
12 until the time of graduation from a secondary
13 school, whichever comes first, and, if sufficient
14 grant funds are available, after the grant pe-
15 riod:

16 (i) Attendance rates.

17 (ii) Progress reports.

18 (iii) Grades and course selections.

19 (iv) The student graduation rate, as
20 defined in section 1111 (b)(2)(C)(vi) of the
21 Elementary and Secondary Education Act
22 of 1965 (20 U.S.C. 6311(b)(2)(C)(vi)).

23 (v) Rates of student completion of the
24 Free Application for Federal Student Aid

1 described in section 483 of the Higher
2 Education Act of 1965 (20 U.S.C. 1090).

3 (vi) Rates of enrollment in an institu-
4 tion of higher education.

5 (vii) Rates of completion at an institu-
6 tion of higher education.

7 (L) A description of what will happen to
8 the funds in the college savings account portion
9 of the American Dream Accounts that are dedi-
10 cated to participating students described in sub-
11 paragraph (A) who have not matriculated at an
12 institution of higher education at the time of
13 the conclusion of the period of American Dream
14 Account management described in subpara-
15 graph (I), including how the eligible entity will
16 give students this information.

17 (M) A description of how the eligible entity
18 will ensure that funds in the college savings ac-
19 count portion of the American Dream Accounts
20 will not make families ineligible for public as-
21 sistance.

22 (N) A description of how the eligible entity
23 will ensure that participating students described
24 in subparagraph (A) will have access to the
25 Internet.

1 (3) **PRIORITY.**—In awarding grants under this
2 section, the Secretary shall give priority to applica-
3 tions from eligible entities that—

4 (A) are described in subsection (b)(7)(G);

5 (B) serve the largest number of low-income
6 students;

7 (C) in the case of an eligible entity de-
8 scribed in subparagraph (A) or (B) of sub-
9 section (b)(7), provide opportunities for partici-
10 pating students described in paragraph (2)(A)
11 to participate in a dual enrollment program or
12 early college high school program at no cost to
13 the student; or

14 (D) as of the time of application, have
15 been awarded a grant under chapter 2 of sub-
16 part 2 of part A of title IV of the Higher Edu-
17 cation Opportunity Act (20 U.S.C. 1070a–21 et
18 seq.) (commonly referred to as the “GEAR UP
19 program”).

20 (e) **AUTHORIZED ACTIVITIES.**—

21 (1) **IN GENERAL.**—An eligible entity that re-
22 ceives a grant under this section shall use such
23 grant funds to establish an American Dream Ac-
24 count for each participating student described in
25 subsection (d)(2)(A), that will be used to—

1 (A) open a college savings account for such
2 student;

3 (B) monitor the progress of such student
4 online, which—

5 (i) shall include monitoring student
6 data relating to—

7 (I) grades and course selections;

8 (II) progress reports; and

9 (III) attendance and disciplinary
10 records; and

11 (ii) may also include monitoring stu-
12 dent data relating to a broad range of in-
13 formation, provided by teachers and family
14 members, related to postsecondary edu-
15 cation readiness, access, and completion;

16 (C) provide opportunities for such stu-
17 dents, either online or in person, to learn about
18 financial literacy, including by assisting such
19 students in financial planning for enrollment in
20 an institution of higher education; and

21 (D) provide opportunities for such stu-
22 dents, either online or in person, to identify
23 skills or interests, including career interests.

24 (2) ACCESS TO AMERICAN DREAM ACCOUNT.—

1 (A) IN GENERAL.—Subject to subpara-
2 graphs (C) and (D), and in accordance with ap-
3 plicable Federal laws and regulations relating to
4 privacy of information and the privacy of chil-
5 dren, an eligible entity that receives a grant
6 under this section shall allow vested stake-
7 holders, as described in subparagraph (B), to
8 have secure access, through an Internet Web
9 site, to each American Dream Account.

10 (B) VESTED STAKEHOLDERS.—The vested
11 stakeholders that an eligible entity shall permit
12 to access an American Dream Account are indi-
13 viduals (such as the student’s teachers, school
14 counselors, school administrators, or other indi-
15 viduals) that are designated, in accordance with
16 section 444 of the General Education Provi-
17 sions Act (20 U.S.C. 1232g, commonly known
18 as the “Family Educational Rights and Privacy
19 Act of 1974”), by the parent of a participating
20 student in whose name such American Dream
21 Account is held, as having permission to access
22 the account. A student’s parent may withdraw
23 such designation from an individual at any
24 time.

1 (C) **EXCEPTION FOR COLLEGE SAVINGS**
2 **ACCOUNT.**—An eligible entity that receives a
3 grant under this section shall not be required to
4 give vested stakeholders, as described in sub-
5 paragraph (B), access to the college savings ac-
6 count portion of a student’s American Dream
7 Account.

8 (D) **ADULT STUDENTS.**—Notwithstanding
9 subparagraphs (A), (B), and (C), if a partici-
10 pating student is age 18 or older, an eligible en-
11 tity that receives a grant under this section
12 shall not provide access to such participating
13 student’s American Dream Account without the
14 student’s consent, in accordance with section
15 444 of the General Education Provisions Act
16 (20 U.S.C. 1232g, commonly known as the
17 “Family Educational Rights and Privacy Act of
18 1974”).

19 (E) **INPUT OF STUDENT INFORMATION.**—
20 Student data collected pursuant to paragraph
21 (1)(B)(i) shall be entered into an American
22 Dream Account only by a school administrator
23 or the designee of such administrator.

24 (3) **PROHIBITION ON USE OF STUDENT INFOR-**
25 **MATION.**—An eligible entity that receives a grant

1 under this section shall not use any student-level in-
2 formation or data for the purpose of soliciting, ad-
3 vertising, or marketing any financial or non-financial
4 consumer product or service that is offered by such
5 eligible entity, or on behalf of any other person.

6 (4) PROHIBITION ON THE USE OF GRANT
7 FUNDS.—An eligible entity shall not use grant funds
8 provided under this section to provide the initial de-
9 posit into a college savings account portion of a stu-
10 dent’s American Dream Account.

11 (f) REPORTS AND EVALUATIONS.—

12 (1) IN GENERAL.—Not later than 1 year after
13 the Secretary has disbursed grants under this sec-
14 tion, and annually thereafter until each grant dis-
15 bursed under subsection (c) has ended, the Secretary
16 shall prepare and submit a report to the appropriate
17 committees of Congress, which shall include an eval-
18 uation of the effectiveness of the grant program es-
19 tablished under this section.

20 (2) CONTENTS.—The report described in para-
21 graph (1) shall—

22 (A) list the grants that have been awarded
23 under subsection (c)(1);

24 (B) include the number of students who
25 have an American Dream Account established

1 through a grant awarded under subsection
2 (c)(1);

3 (C) provide data (including the interest ac-
4 crued on college savings accounts that are part
5 of an American Dream Account) in the aggre-
6 gate, regarding students who have an American
7 Dream Account established through a grant
8 awarded under subsection (c)(1), as compared
9 to similarly situated students who do not have
10 an American Dream Account;

11 (D) identify best practices developed by the
12 eligible entities receiving grants under this sec-
13 tion;

14 (E) identify any issues related to student
15 privacy and stakeholder accessibility to Amer-
16 ican Dream Accounts;

17 (F) provide feedback from participating
18 students and the parents of such students
19 about the grant program, including—

20 (i) the impact of the program;

21 (ii) aspects of the program that are
22 successful;

23 (iii) aspects of the program that are
24 not successful; and

1 (iv) any other data required by the
2 Secretary; and

3 (G) provide recommendations for expand-
4 ing the American Dream Accounts program.

5 (g) **ELIGIBILITY TO RECEIVE FEDERAL STUDENT**
6 **FINANCIAL AID.**—Notwithstanding any other provision of
7 law, any funds that are in the college savings account por-
8 tion of a student’s American Dream Account shall not af-
9 fect such student’s eligibility to receive Federal student
10 financial aid, including any Federal student financial aid
11 under the Higher Education Act of 1965 (20 U.S.C. 1001
12 et seq.), and shall not be considered in determining the
13 amount of any such Federal student aid.

14 (h) **AUTHORIZATION OF APPROPRIATIONS.**—To carry
15 out this section, there are authorized to be appropriated
16 such sums as may be necessary for fiscal year 2015 and
17 each of the 4 succeeding fiscal years.

18 **SEC. 1110. STUDY ON THE IMPACT OF FEDERAL FINANCIAL**
19 **AID CHANGES ON GRADUATE STUDENTS.**

20 (a) **IN GENERAL.**—Not later than 1 year after the
21 date of enactment of this Act, the Secretary of Education,
22 acting through the Director of the Institute of Education
23 Sciences, shall begin conducting a study of the impact of
24 recent policy changes to title IV of the Higher Education
25 Act of 1965 on graduate students.

1 (b) PURPOSE.—The purpose of the study is to exam-
2 ine the effects of significant changes in Federal student
3 financial aid policy on access, affordability, and labor mar-
4 ket outcomes for graduate students. The study shall in-
5 clude an exploration of the impact of the following signifi-
6 cant changes:

7 (1) The authorization of PLUS Loans for grad-
8 uate students.

9 (2) The elimination of Federal Direct Stafford
10 Loans for graduate students.

11 (3) The increase in origination fees due to the
12 sequestration order issued under the Balanced
13 Budget and Emergency Deficit Control Act of 1985
14 (2 U.S.C. 900 et seq.) for fiscal year 2013.

15 (4) Differentiation in interest rates between un-
16 dergraduate and graduate Federal Direct Unsub-
17 sidized Stafford loans.

18 (5) Changes to the income-based repayment
19 plan described under section 493C (20 U.S.C.
20 1098e).

21 (c) CONTENTS.—The study shall include—

22 (1) information about the effects of the changes
23 described in subsection (b) on graduate students,
24 disaggregated by the student's age, race, ethnicity,
25 gender, income, status as an individual with a dis-

1 ability, and type of institution of higher education
2 that the graduate student attended for such stu-
3 dent's graduate program (including 2-year or 4-year
4 institution of higher education, public or private in-
5 stitution of higher education, and proprietary or
6 nonprofit institution of higher education); and

7 (2) an examination of the effects of the changes
8 described in subsection (b) on—

9 (A) changes in graduate enrollment pat-
10 terns (such as increases or decreases in enroll-
11 ment);

12 (B) net tuition and fees for graduate stu-
13 dents;

14 (C) the aggregate amount of Federal stu-
15 dent loan debt resulting from graduate edu-
16 cation, as a whole and disaggregated by each
17 type of Federal loan under title IV;

18 (D) the median level of individual student
19 loan debt that is the result of graduate edu-
20 cation (ensuring that the amount of under-
21 graduate student loan debt is distinguished
22 from the amount of graduate student loan
23 debt);

1 (E) default rates, and the range of
2 amounts of unpaid debt, for title IV loans for
3 graduate students;

4 (F) the use of each type of loan repayment
5 plan under title IV, including income-based re-
6 payment, and the median level of graduate stu-
7 dent debt for individuals in each repayment
8 plan;

9 (G) the number of individuals who have a
10 graduate degree that enter public service jobs;

11 (H) the level of total educational debt for
12 graduate students, including Federal student
13 loans and private education loans;

14 (I) the correlation between high graduate
15 student debt levels and household consumption
16 (including the purchasing of homes and auto-
17 mobiles) and retirement savings; and

18 (J) such other factors as the Secretary
19 may determine;

20 (3) an analysis of how the effects of the
21 changes described in subsection (b) differ according
22 to—

23 (A) whether an individual was or is attend-
24 ing graduate school on a full-time or part-time
25 basis; and

1 (B) whether an individual has or is pur-
2 suing a master's degree, a doctorate research
3 degree, or a doctorate professional practice de-
4 gree;

5 (4) a detailed explanation of the impact of such
6 changes on students who were eligible for a Federal
7 Pell Grant as an undergraduate student, women,
8 and traditionally underrepresented populations; and
9 (5) policy recommendations designed to improve
10 access, affordability, and labor market outcomes for
11 graduate students.

12 (d) REPORTS.—

13 (1) INTERIM REPORTS.—Not later than 18
14 months after the commencement of the study de-
15 scribed under this section, and annually thereafter,
16 the Secretary shall evaluate the progress of the
17 study and report any short-term findings to the ap-
18 propriate committees of Congress.

19 (2) FINAL REPORT.—Upon completion of the
20 study described under this section, the Secretary
21 shall prepare and submit a final report regarding
22 the findings of the study to the appropriate commit-
23 tees of Congress.

24 (e) AUTHORIZATION OF APPROPRIATIONS.—There
25 are authorized to be appropriated to carry out this section

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- 1 such sums as may be necessary for fiscal year 2015 and
- 2 each of the 4 succeeding fiscal years.