

108TH CONGRESS
2D SESSION

S. 2360

To provide higher education assistance for nontraditional students, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 29, 2004

Mrs. CLINTON (for herself, Mr. GRAHAM of Florida, and Mr. DAYTON) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide higher education assistance for nontraditional students, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Nontraditional Student Success Act”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—FINANCIAL PROVISIONS

Sec. 101. Federal Pell Grants.

Sec. 102. Income protection allowance revised tables.

- Sec. 103. Exclusion of the earned income tax credit (EITC) from financial aid determinations.
- Sec. 104. Nontraditional Students Demonstration Program.

TITLE II—SUPPORT SERVICES

- Sec. 201. Strengthening institutions.
- Sec. 202. Grants to increase completion by improving remedial education.
- Sec. 203. Federal Trio Programs.
- Sec. 204. Student support services.
- Sec. 205. Educational opportunity centers.
- Sec. 206. Early intervention and college awareness program.
- Sec. 207. GEAR UP cohort requirement.
- Sec. 208. Early intervention.
- Sec. 209. Authorization of appropriations.
- Sec. 210. Child Care Access Means Parents in School program.
- Sec. 211. Increased awareness of financial aid availability.
- Sec. 212. Hispanic-serving institutions.
- Sec. 213. Fund for the improvement of postsecondary education.
- Sec. 214. Amendments to special programs for students whose families are engaged in migrant and seasonal farmwork.

TITLE III—LIFETIME LEARNING CREDIT

- Sec. 301. Improvement of lifetime learning credit.
- Sec. 302. Refundability of lifetime learning credit.
- Sec. 303. Advance payment of lifetime learning credit.

1 **TITLE I—FINANCIAL** 2 **PROVISIONS**

3 **SEC. 101. FEDERAL PELL GRANTS.**

4 (a) AUTHORIZATION AND APPROPRIATION OF FUNDS
5 FOR FEDERAL PELL GRANTS.—There are authorized to
6 be appropriated and there are appropriated, out of any
7 money in the Treasury not otherwise appropriated for the
8 fiscal year ending September 30, 2004, for carrying out
9 subpart 1 of part A of title IV of the Higher Education
10 Act of 1965 (20 U.S.C. 1070a), \$14,515,000,000.

11 (b) AUTHORIZATION AMOUNT AND MAXIMUM FED-
12 ERAL PELL GRANT.—Section 401(b) of the Higher Edu-
13 cation Act of 1965 (20 U.S.C. 1070a(b)) is amended—

1 (1) in paragraph (2)(A), by striking clauses (i)
2 through (v) and inserting the following:

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

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

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

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

7 and

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

9 and

10 (2) in paragraph (3)—

11 (A) in subparagraph (A), by striking “ap-
12 propriation Act” and inserting “appropriation
13 Act or subparagraph (C)”; and

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

15 “(C) The maximum Federal Pell Grant for which a
16 student shall be eligible during academic year 2004–2005
17 shall be \$4,500, less an amount equal to the amount deter-
18 mined to be the expected family contribution with respect
19 to the student for that year.”.

20 (c) STUDENTS WITH LOW FAMILY INCOMES.—Sec-
21 tion 401(b)(2) of the Higher Education Act of 1965 (20
22 U.S.C. 1070a(b)(2)) is amended further by adding at the
23 end the following:

24 “(C) In the case of a student with a negative expected
25 family contribution equal to or less than –\$750, a posi-

1 tive amount corresponding to the negative expected family
 2 contribution amount shall be added to the maximum basic
 3 grant for which the student is qualified, except that in
 4 no case shall the amount of the basic grant exceed the
 5 amount permitted under paragraph (4).”.

6 (d) TWO PELL GRANTS IN A SINGLE AWARD
 7 YEAR.—Section 401(b)(6)(A) of the Higher Education
 8 Act of 1965 (20 U.S.C. 1070a(b)(6)(A)) is amended to
 9 read as follows:

10 “(6)(A) The Secretary shall allow a student to receive
 11 2 Federal Pell grants during a single award year, if—

12 “(i) the student is enrolled full-time in a certifi-
 13 cate or degree program of study at an eligible insti-
 14 tution; and

15 “(ii) the student completes course work toward
 16 completion of a certificate or an associate or bacca-
 17 laurate degree that exceeds the requirements for a
 18 full academic year as defined by the institution.”.

19 **SEC. 102. INCOME PROTECTION ALLOWANCE REVISED TA-**
 20 **BLES.**

21 Section 478(b) of the Higher Education Act of 1965
 22 (20 U.S.C. 1087rr(b)) is amended to read as follows:

23 “(b) INCOME PROTECTION ALLOWANCE.—

24 “(1) REVISED TABLES.—For each academic
 25 year after academic year 1993–1994, the Secretary

1 shall publish in the Federal Register a revised table
2 of income protection allowances for the purpose of
3 sections 475(c)(4) and 477(b)(4). The revised table
4 for section 475(c)(4) shall be developed by increas-
5 ing each of the dollar amounts contained in the table
6 in such section by a percentage equal to the esti-
7 mated percentage increase in the Consumer Price
8 Index (as determined by the Secretary) between De-
9 cember 1992 and the December next preceding the
10 beginning of such academic year. The revised table
11 for section 477(b)(4) shall be developed by using a
12 3-year average of the median expenses for a family
13 of 4 based on the Consumer Expenditure Survey
14 data, adjusted for current dollars, calculated for the
15 lower living level. The results for both tables shall
16 be rounded to the nearest \$10.

17 “(2) REVISED AMOUNTS.—For each academic
18 year after academic year 2005–2006, the Secretary
19 shall publish in the Federal Register a revised in-
20 come protection allowance for the purpose of section
21 476(b)(1)(A)(iv)(I). Such revised allowance shall be
22 developed by increasing the dollar amount contained
23 in such section by a percentage equal to the esti-
24 mated percentage increase in the Consumer Expend-
25 iture Survey (as determined by the Secretary) be-

1 tween December 2005 and the December next pre-
 2 ceding the beginning of such academic year, and
 3 rounding the result to the nearest \$10.”.

4 **SEC. 103. EXCLUSION OF THE EARNED INCOME TAX CREDIT**
 5 **(EITC) FROM FINANCIAL AID DETERMINA-**
 6 **TIONS.**

7 Section 480(b) of the Higher Education Act of 1965
 8 (20 U.S.C. 1087vv(b)) is amended—

9 (1) by striking paragraph (8); and

10 (2) by redesignating paragraphs (9) through

11 (14) as paragraphs (8) through (13), respectively.

12 **SEC. 104. NONTRADITIONAL STUDENTS DEMONSTRATION**
 13 **PROGRAM.**

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 I—NONTRADITIONAL STUDENTS**
 18 **DEMONSTRATION PROGRAM**

19 **“SEC. 499. NONTRADITIONAL STUDENTS DEMONSTRATION**
 20 **PROGRAM.**

21 “(a) PURPOSE.—It is the purpose of this section—

22 “(1) to allow demonstration programs that are
 23 strictly monitored by the Department to test the ef-
 24 fectiveness of providing expanded financial assist-
 25 ance under this title to less than half-time students

1 for not more than 3 terms over the duration of the
2 students' course of study, and to students in com-
3 pressed, modular, or other alternative schedules;

4 “(2) to increase graduation rates of nontradi-
5 tional students by enabling the nontraditional stu-
6 dents to stay continuously enrolled during periods
7 when the nontraditional students must temporarily
8 attend college less than half-time; and

9 “(3) to increase graduation rates of nontradi-
10 tional students by enabling the nontraditional stu-
11 dents to enroll in programs with compressed, mod-
12 ular, or other alternative schedules that allow the
13 nontraditional students to better balance work, fam-
14 ily, and school.

15 “(b) DEMONSTRATION PROGRAM AUTHORIZED.—

16 “(1) IN GENERAL.—In accordance with the pro-
17 visions of subsection (d), the Secretary is authorized
18 to select institutions of higher education, systems of
19 institutions of higher education, or consortia of insti-
20 tutions of higher education for voluntary participa-
21 tion in the Nontraditional Students Demonstration
22 Program. Such program shall provide participating
23 institutions, consortia, or systems with waivers, as
24 described in paragraph (2), that provide the ability
25 to offer expanded financial assistance—

1 “(A) to less than half-time students who
2 have completed not less than 1 term of
3 coursework, for not more than 3 terms over the
4 duration of the students’ course of study; and

5 “(B) to students enrolled in programs with
6 compressed, modular, or other alternative
7 schedules.

8 “(2) WAIVERS.—

9 “(A) LESS THAN HALF-TIME STUDENTS.—

10 The Secretary is authorized to waive, for any
11 institution of higher education, system of insti-
12 tutions of higher education, or consortium of in-
13 stitutions of higher education participating in
14 the Nontraditional Students Demonstration
15 Program, the requirements of section 472 that
16 relate to limiting the definition of the cost of at-
17 tendance for less than half-time students, espe-
18 cially paragraphs (2) and (4) of such section,
19 with the goal of allowing the institution, system,
20 or consortium to use the same definition of the
21 costs of attendance for less than half-time stu-
22 dents as is used for students attending at least
23 half-time.

24 “(B) COMPRESSED, MODULAR, OR OTHER
25 FLEXIBLE SCHEDULES.—The Secretary is au-

1 thorized to waive for any institution of higher
2 education, system of institutions of higher edu-
3 cation, or consortium of institutions of higher
4 education participating in the Nontraditional
5 Students Demonstration Program, the require-
6 ments of subsection (a) or (b)(1) of section
7 481, except that no program shall be considered
8 an eligible program under section 481 unless
9 the program—

10 “(i) offers at least 300 clock hours of
11 instruction, 8 semester hours, or 12 quar-
12 ter hours, offered during a minimum of 10
13 weeks; and

14 “(ii) is articulated with a certificate or
15 degree program of not less than 1 year in
16 length.

17 “(3) ELIGIBLE APPLICANTS.—

18 “(A) ELIGIBLE INSTITUTIONS.—Except as
19 provided in subparagraph (B), an institution of
20 higher education, a system of institutions of
21 higher education, or a consortium of institu-
22 tions of higher education shall be eligible to
23 participate in the demonstration program au-
24 thorized under this section only if the institu-
25 tion, each institution of higher education in the

1 system, or each institution of higher education
2 participating in the consortium, respectively—

3 “(i) is eligible to participate in pro-
4 grams under this title; and

5 “(ii) provides a program for which the
6 institution of higher education awards an
7 associate or bachelor’s degree.

8 “(B) PROHIBITION.—An institution of
9 higher education described in section
10 102(a)(1)(C) shall not be eligible to participate
11 in the demonstration program authorized under
12 this section.

13 “(c) APPLICATION.—

14 “(1) IN GENERAL.—Each institution, system,
15 or consortium desiring to participate in a dem-
16 onstration program under this section shall submit
17 an application to the Secretary at such time and in
18 such manner as the Secretary may require. An insti-
19 tution, system, or consortium may apply for a waiver
20 of a provision described in subsection (b)(2) (A) or
21 (B), or both.

22 “(2) CONTENTS.—Each such application shall
23 include—

24 “(A) a description of programs that have
25 characteristics known to be effective for non-

1 traditional students, which will be carried out in
2 support of the waiver, including programs re-
3 lated to student financial aid counseling, aca-
4 demic support services, study skills courses, re-
5 medial courses, English as a Second Language
6 courses, individual mentoring, skills assessment,
7 addressing child care needs, and creating flexi-
8 ble course schedules;

9 “(B) a description of the statutory and
10 regulatory requirements described in subsection
11 (b)(2) for which a waiver is sought and the rea-
12 sons for which the waiver is sought;

13 “(C) in the case of an institution, a sys-
14 tem, or a consortium applying for a waiver of
15 a provision described in subsection (b)(2)(A), a
16 description of the less than half-time students
17 to whom such expanded financial assistance will
18 be offered;

19 “(D) in the case of an institution, a sys-
20 tem, or a consortium applying for a waiver of
21 a provision described in subsection (b)(2)(B), a
22 description of the programs with compressed,
23 modular, or other alternative schedules in which
24 students in the demonstration program will be
25 enrolled;

1 “(E) an assurance that the institution, sys-
2 tem, or consortium will offer full cooperation
3 with the ongoing evaluations of the demonstra-
4 tion program provided for in this section; and

5 “(F) such other information as the Sec-
6 retary may require.

7 “(d) SELECTION.—

8 “(1) IN GENERAL.—For the first 2 years of the
9 demonstration program the Secretary is authorized
10 to select for participation in the program not more
11 than an aggregate of 50 institutions of higher edu-
12 cation, systems of institutions of higher education,
13 or consortia of institutions of higher education. For
14 the third year of the demonstration program author-
15 ized under this section, not more than an aggregate
16 of 70 institutions, systems, or consortia, may partici-
17 pate in the demonstration program, if the Secretary
18 determines that such expansion is warranted based
19 on the evaluations and oversight conducted in ac-
20 cordance with subsections (f) and (g).

21 “(2) CONSIDERATIONS.—In selecting institu-
22 tions, systems, or consortia to participate in the
23 demonstration program in the first or succeeding
24 years of the demonstration program, the Secretary
25 shall take into account—

1 “(A) the number and quality of applica-
2 tions received;

3 “(B) the Department’s capacity to oversee
4 and monitor the participation of each institu-
5 tion, system, or consortium;

6 “(C) an institution’s, system’s, or consor-
7 tium’s—

8 “(i) financial responsibility;

9 “(ii) administrative capability;

10 “(iii) number of matriculated students
11 enrolled less than half-time, or program or
12 programs to be offered with compressed,
13 modular, or other alternative schedules;
14 and

15 “(iv) ability to offer programs that
16 have characteristics known to be effective
17 for nontraditional students, including pro-
18 grams that provide student financial aid
19 counseling, academic support services,
20 study skills courses, remedial courses,
21 English as a Second Language courses, in-
22 dividual mentoring, and skills assessment,
23 programs that address child care needs,
24 and programs that create flexible course
25 schedules; and

1 “(D) ensuring the participation of a di-
2 verse group of institutions, systems, and con-
3 sortia with respect to size, mission, and geo-
4 graphic distribution.

5 “(e) NOTIFICATION.—The Secretary shall make
6 available to the public and to the Committee on Health,
7 Education, Labor, and Pensions of the Senate and the
8 Committee on Education and the Workforce of the House
9 of Representatives a list of institutions, systems, or con-
10 sortia selected to participate in the demonstration pro-
11 gram authorized by this section. Such notice shall include
12 a listing of the specific statutory and regulatory require-
13 ments waived for each institution, system, or consortium
14 and a description of the students served or the types of
15 alternative schedule courses offered.

16 “(f) EVALUATIONS AND REPORTS.—

17 “(1) EVALUATIONS.—The Secretary shall evalu-
18 ate the demonstration program authorized under
19 this section on an annual basis. Such evaluations
20 specifically shall review—

21 “(A) the extent to which each institution,
22 system, or consortium participating in the dem-
23 onstration program has met the goals set forth
24 in its application to the Secretary, including the
25 measures of program quality assurance;

1 “(B) the number and types of students
2 participating in the less than half-time dem-
3 onstration programs and in the alternative
4 schedule programs, including the progress of
5 participating students toward recognized certifi-
6 cates or degrees and the extent to which partici-
7 pation in such programs increased;

8 “(C) issues related to student financial as-
9 sistance for less than half-time enrollment;

10 “(D) issues related to student financial as-
11 sistance for students in compressed, modular,
12 or other alternative schedule programs; and

13 “(E) the extent to which persistence or
14 completion increased or decreased for students
15 in the demonstration program as compared to
16 a comparable group of students.

17 “(2) REPORTS.—Not later than 30 months
18 after the first waiver is authorized under this sec-
19 tion, the Secretary shall report to the Committee on
20 Health, Education, Labor, and Pensions of the Sen-
21 ate and the Committee on Education and the Work-
22 force of the House of Representatives with respect
23 to—

24 “(A) the evaluations of the demonstration
25 program authorized under this section; and

1 “(B) any proposed statutory changes de-
2 signed to enhance persistence and completion
3 for students.

4 “(g) OVERSIGHT.—In conducting the demonstration
5 program authorized under this section, the Secretary
6 shall, on a continuing basis—

7 “(1) ensure the compliance of institutions, sys-
8 tems, and consortia participating in the demonstra-
9 tion program with the requirements of this title
10 (other than the sections and regulations that are
11 waived under subsection (b)(2)); and

12 “(2) provide technical assistance.”.

13 **TITLE II—SUPPORT SERVICES**

14 **SEC. 201. STRENGTHENING INSTITUTIONS.**

15 Section 311(c) of the Higher Education Act of 1965
16 (20 U.S.C. 1057(c)) is amended—

17 (1) by redesignating paragraph (12) as para-
18 graph (13); and

19 (2) by inserting after paragraph (11) the fol-
20 lowing:

21 “(12) The introduction of reforms in remedial
22 education, including English language instruction, to
23 customize remedial courses to student goals and help
24 students move rapidly from remedial courses into
25 core courses and through program completion.”.

1 **SEC. 202. GRANTS TO INCREASE COMPLETION BY IMPROV-**
2 **ING REMEDIAL EDUCATION.**

3 Part A of title III of the Higher Education Act of
4 1965 (20 U.S.C. 1057 et seq.) is amended by adding at
5 the end the following:

6 **“SEC. 318. GRANTS TO INCREASE COMPLETION BY IMPROV-**
7 **ING REMEDIAL EDUCATION.**

8 “(a) AUTHORIZATION OF PROGRAM.—From amounts
9 appropriated under subsection (k), the Secretary shall
10 award grants, on a competitive basis, to eligible institu-
11 tions for the purposes of improving remedial education,
12 including English language instruction, to customize re-
13 medial courses to student goals and help students move
14 rapidly from remedial courses into core program courses
15 and through program completion.

16 “(b) DEFINITION OF ELIGIBLE INSTITUTION.—In
17 this section, the term ‘eligible institution’ means an insti-
18 tution of higher education (as defined in section 101(a))
19 in which not less than 35 percent of the institution’s enter-
20 ing first-year students are enrolled in remedial courses to
21 improve reading, writing, or mathematics.

22 “(c) APPLICATION.—An eligible institution seeking a
23 grant under this section shall submit an application to the
24 Secretary at such time, in such manner, and containing
25 such information as the Secretary may require.

1 “(d) PRIORITY FOR REPLICATION OF PROVEN PRAC-
2 TICES.—The Secretary shall give priority to applications
3 that propose to replicate practices that have proven effec-
4 tive with adults.

5 “(e) PEER REVIEW.—The Secretary shall convene a
6 peer review process to review applications for grants under
7 this section and to make recommendations to the Sec-
8 retary regarding the selection of grantees.

9 “(f) MANDATORY ACTIVITY.—An eligible institution
10 that receives a grant under this section shall use the grant
11 funds to create bridge programs that customize remedial
12 adult education, English as a Second Language, or reme-
13 dial education curricula to the content of the certificate
14 or degree programs or clusters of programs in which reme-
15 dial education students enroll.

16 “(g) PERMISSIBLE ACTIVITIES.—An eligible institu-
17 tion that receives a grant under this section may use the
18 grant funds to carry out the following:

19 “(1) Designing and implementing innovative
20 ways to improve retention in and completion of re-
21 medial education courses, such as enrolling students
22 in cohorts, providing counseling, and giving small,
23 material incentives for attendance and performance.

1 “(2) Redesignating class schedules to meet the
2 needs of working adults, through modular, com-
3 pressed, repeated, or other alternative schedules.

4 “(3) Improving the quality of teaching in reme-
5 dial courses through professional development, re-
6 classification of such teaching positions, or other
7 means the eligible institution determines appro-
8 priate.

9 “(4) Any other activities the eligible institution
10 and the Secretary determine will promote retention
11 of and completion by students attending eligible in-
12 stitutions.

13 “(h) GRANT PERIOD.—Grants made under this sec-
14 tion shall be for a period of not less than 36 months and
15 not more than 60 months.

16 “(i) TECHNICAL ASSISTANCE.—The Secretary shall
17 enter into a contract with a private entity to provide such
18 technical assistance to grantees under this section as the
19 Secretary determines appropriate.

20 “(j) EVALUATION.—The Secretary shall conduct an
21 evaluation of program impacts under the demonstration
22 program, and shall disseminate to the public the findings
23 from the evaluation and information on best practices.
24 The Secretary is encouraged to partner with other
25 funders, such as private foundations, to allow for use of

1 a random assignment evaluation in at least one of the
2 demonstration sites.

3 “(k) AUTHORIZATION OF APPROPRIATIONS.—There
4 are authorized to be appropriated to carry out this section
5 \$50,000,000 for fiscal year 2005 and each of the 5 suc-
6 ceeding fiscal years, of which an aggregate of not more
7 than 5 percent may be used to carry out subsections (i)
8 and (j).”.

9 **SEC. 203. FEDERAL TRIO PROGRAMS.**

10 Section 402A of the Higher Education Act of 1965
11 (20 U.S.C. 1070a–11) is amended—

12 (1) in subsection (b)—

13 (A) in paragraph (3)—

14 (i) in subparagraph (A), by striking
15 “\$170,000” and inserting “\$190,000”;

16 (ii) in subparagraph (B), by striking
17 “\$180,000” and inserting “\$200,000”;

18 and

19 (iii) in subparagraph (C), by striking
20 “\$190,000” and inserting “\$220,000”;

21 and

22 (B) by adding at the end the following:

23 “(4) INCREASES.—

24 “(A) IN GENERAL.—The amount of any
25 funding increase described in subparagraph (B)

1 shall be used in part to help first year students
2 by assigning counselors to the students so that
3 there is consistency and continuity in the aca-
4 demic and career advice the students receive.

5 “(B) FUNDING INCREASES.—The funding
6 increase referred to in subparagraph (A) is—

7 “(i) in the case of a program author-
8 ized by section 402D, the amount by which
9 the individual grant exceeds \$170,000; and

10 “(ii) in the case of a program author-
11 ized by section 402F, the amount by which
12 the individual grant exceeds \$180,000.”;

13 and

14 (2) in subsection (f), by striking the first sen-
15 tence and inserting the following: “For the purpose
16 of making grants and contracts under this chapter,
17 there are authorized to be appropriated
18 \$1,250,000,000 for fiscal year 2005 and such sums
19 as may be necessary for each of the 5 succeeding fis-
20 cal years.”.

21 **SEC. 204. STUDENT SUPPORT SERVICES.**

22 Section 402D(b)(2) of the Higher Education Act of
23 1965 (20 U.S.C. 1070a–14(b)(2)) is amended to read as
24 follows:

1 “(2) consistent, individualized personal, career,
2 and academic counseling provided by assigned coun-
3 selors;”.

4 **SEC. 205. EDUCATIONAL OPPORTUNITY CENTERS.**

5 Section 402F(b)(6) of the Higher Education Act of
6 1965 (20 U.S.C. 1070a–16(b)(6)) is amended to read as
7 follows:

8 “(6) consistent, individualized personal, career,
9 and academic counseling provided by an assigned
10 counselor during the admissions process that may be
11 continued throughout students’ undergraduate en-
12 rollment;”.

13 **SEC. 206. EARLY INTERVENTION AND COLLEGE AWARE-**
14 **NESS PROGRAM.**

15 Section 404A(b) of the Higher Education Act of
16 1965 (20 U.S.C. 1070a–21(b)) is amended—

17 (1) in paragraph (1), by inserting “6 year”
18 after “shall make”;

19 (2) in paragraph (2), by amending subpara-
20 graph (B) to read as follows:

21 “(B) ensure that students served under
22 this chapter on the day before the date of en-
23 actment of the Nontraditional Student Success
24 Act continue to receive assistance through the
25 completion of secondary school and at least

1 through the first year of attendance at a post-
2 secondary education institution.”; and

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

4 “(3) CURRENT GRANTEES.—An eligible entity
5 that has received an award under this section, has
6 performed successfully, and still has need for an
7 award may apply for an additional award under this
8 section.”.

9 **SEC. 207. GEAR UP COHORT REQUIREMENT.**

10 Section 404B(g)(1)(B) of the Higher Education Act
11 of 1965 (20 U.S.C. 1070a–22(g)(1)(B)) is amended to
12 read as follows:

13 “(B) ensure that the services are provided
14 through the 12th grade and through the first
15 year of attendance at a postsecondary education
16 institution to students in the participating
17 grade level.”.

18 **SEC. 208. EARLY INTERVENTION.**

19 Section 404D of the Higher Education Act of 1965
20 (20 U.S.C. 1070a–24) is amended—

21 (1) in subsection (b)(2)(A), by amending the
22 matter preceding clause (i) to read as follows:

23 “(A) Providing eligible students in pre-
24 school through grade 12 and through the first
25 year of attendance at a postsecondary education

1 institution with a continuing system of men-
2 toring and advising that—”; and

3 (2) in subsection (c), by amending the matter
4 preceding paragraph (1) to read as follows:

5 “(c) PRIORITY STUDENTS.—For eligible entities not
6 using a cohort approach, the eligible entity shall treat as
7 priority students any student in the preschool through
8 grade 12 and through the first year of attendance at a
9 postsecondary education institution who is eligible—”.

10 **SEC. 209. AUTHORIZATION OF APPROPRIATIONS.**

11 Section 404H of the Higher Education Act of 1965
12 (20 U.S.C. 1070a–28) is amended by striking
13 “\$200,000,000 for fiscal year 1999 and such sums as may
14 be necessary for each of the 4 succeeding fiscal years” and
15 inserting “\$500,000,000 for fiscal year 2005 and such
16 sums as may be necessary for each of the 5 succeeding
17 fiscal years”.

18 **SEC. 210. CHILD CARE ACCESS MEANS PARENTS IN SCHOOL**
19 **PROGRAM.**

20 Section 419N(g) of the Higher Education Act of
21 1965 (20 U.S.C. 1070e(g)) is amended by striking
22 “\$45,000,000 for fiscal year 1999” and inserting
23 “\$75,000,000 for fiscal year 2005”.

1 **SEC. 211. INCREASED AWARENESS OF FINANCIAL AID**
2 **AVAILABILITY.**

3 Part G of title IV of the Higher Education Act of
4 1965 (20 U.S.C. 1088 et seq.) is amended by adding at
5 the end the following:

6 **“SEC. 493C. INCREASED AWARENESS OF FINANCIAL AID**
7 **AVAILABILITY.**

8 “The Secretary, in consultation with the Secretary of
9 Commerce, the Secretary of Health and Human Services,
10 and the Secretary of Labor, shall establish a website and
11 brochures for providing outreach about financial aid and
12 education tax credits. The outreach shall target employers,
13 one-stop centers, Head Start centers, and other locations
14 the Secretary of Education determines appropriate.”.

15 **SEC. 212. HISPANIC-SERVING INSTITUTIONS.**

16 Section 503(b) of the Higher Education Act of 1965
17 (20 U.S.C. 1101b(b)) is amended—

18 (1) by redesignating paragraph (14) as para-
19 graph (15); and

20 (2) by inserting after paragraph (13) the fol-
21 lowing:

22 “(14) The introduction of reforms in remedial
23 education, including English language instruction, to
24 customize remedial courses to student goals and help
25 students move rapidly from remedial courses into
26 core courses and through program completion.”.

1 **SEC. 213. FUND FOR THE IMPROVEMENT OF POSTSEC-**
 2 **ONDARY EDUCATION.**

3 Section 741(a) of the Higher Education Act of 1965
 4 (20 U.S.C. 1138(a)) is amended—

5 (1) in paragraph (7), by striking “and” after
 6 the semicolon;

7 (2) in paragraph (8), by striking the period and
 8 inserting “; and”; and

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

10 “(9) the introduction of reforms in remedial
 11 education, including English language instruction, to
 12 customize remedial courses to student goals and help
 13 students move rapidly from remedial courses into
 14 core courses and through program completion.”.

15 **SEC. 214. AMENDMENTS TO SPECIAL PROGRAMS FOR STU-**
 16 **DENTS WHOSE FAMILIES ARE ENGAGED IN**
 17 **MIGRANT AND SEASONAL FARMWORK.**

18 Section 418A of the Higher Education Act of 1965
 19 (20 U.S.C. 1070d–2) is amended—

20 (1) in subsection (b)(8), by inserting “such as
 21 childcare and transportation,” after “supportive
 22 services,”; and

23 (2) in subsection (h)—

24 (A) in paragraph (1), by striking
 25 “\$15,000,000 for fiscal year 1999 and such
 26 sums as may be necessary for each of the 4

1 succeeding fiscal years” and inserting
2 “\$75,000,000 for fiscal year 2005 and such
3 sums as may be necessary for each of the 5
4 succeeding fiscal years”; and

5 (B) in paragraph (2), by striking
6 “\$5,000,000 for fiscal year 1999 and such
7 sums as may be necessary for each of the 4
8 succeeding fiscal years” and inserting
9 “\$75,000,000 for fiscal year 2005 and such
10 sums as may be necessary for each of the 5
11 succeeding fiscal years”.

12 **TITLE III—LIFETIME LEARNING**
13 **CREDIT**

14 **SEC. 301. IMPROVEMENT OF LIFETIME LEARNING CREDIT.**

15 (a) IN GENERAL.—

16 (1) INCREASE IN AMOUNT.—Section 25A(c)(1)
17 of the Internal Revenue Code of 1986 (relating to
18 lifetime learning credit) is amended—

19 (A) by striking “20 percent” and inserting
20 “50 percent”,

21 (B) by striking “qualified tuition and re-
22 lated expenses” and inserting “qualified higher
23 education expenses”, and

1 (C) by striking “\$10,000 (\$5,000 in the
2 case of taxable years beginning before January
3 1, 2003)” and inserting “\$4,000”.

4 (2) QUALIFIED HIGHER EDUCATION EX-
5 PENSES.—Section 25A(f) of such Code (relating to
6 definitions) is amended by inserting at the end the
7 following new paragraph:

8 “(3) QUALIFIED HIGHER EDUCATION EX-
9 PENSES.—The term ‘qualified higher education ex-
10 penses’ means, with respect to any individual de-
11 scribed in clause (i), (ii), or (iii) of paragraph
12 (1)(A)—

13 “(A) tuition, books, supplies, and equip-
14 ment required for the enrollment or attendance
15 at an eligible educational institution,

16 “(B) in the case of an individual with spe-
17 cial needs, expenses for special needs services
18 which are incurred in connection with such en-
19 rollment or attendance,

20 “(C) expenses for child care which are in-
21 curred in connection with such enrollment or
22 attendance, and

23 “(D) expenses for food, shelter, and other
24 living expenses which are incurred during the
25 period of such enrollment or attendance.

1 With respect to expenses described in subparagraph
2 (D), only the first \$250 of such expenses for any
3 month shall be taken into account.”.

4 (3) CONFORMING AMENDMENTS.—Paragraphs
5 (1), (2), (3), and (4) of section 25A(g) of such Code
6 are each amended by inserting “and qualified higher
7 education expenses” after “qualified tuition and re-
8 lated expenses” each place it appears.

9 (b) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to taxable years beginning after
11 December 31, 2004.

12 **SEC. 302. REFUNDABILITY OF LIFETIME LEARNING CREDIT.**

13 (a) REFUNDABLE CREDIT.—

14 (1) IN GENERAL.—Section 25A of the Internal
15 Revenue Code of 1986 is amended by redesignating
16 subsection (i) as subsection (j) and by inserting after
17 subsection (h) the following new subsection:

18 “(i) PORTION OF CREDIT REFUNDABLE.—

19 “(1) IN GENERAL.—The aggregate credits al-
20 lowed to a taxpayer under subpart C shall be in-
21 creased by the amount of the credit allowed under
22 this section by reason of subsection (a)(2) without
23 regard to this subsection and the limitation under
24 section 26(a).

1 “(2) NO DOUBLE BENEFIT.—The amount of
2 the credit allowed under this subsection shall not be
3 treated as a credit allowed under this subpart and
4 shall reduce the amount of the credit otherwise al-
5 lowable under subsection (a) without regard to sec-
6 tion 26(a).”.

7 (2) CONFORMING AMENDMENT.—Paragraph (2)
8 of section 1324(b) of title 31, United States Code,
9 is amended by inserting before the period “or from
10 section 25A(i) of such Code”.

11 (b) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years beginning after
13 December 31, 2004.

14 **SEC. 303. ADVANCE PAYMENT OF LIFETIME LEARNING**
15 **CREDIT.**

16 (a) IN GENERAL.—Chapter 77 of the Internal Rev-
17 enue Code of 1986 (relating to miscellaneous provisions)
18 is amended by redesignating section 7528 as section 7529
19 and inserting after section 7527 the following new section:

20 **“SEC. 7528. ADVANCE PAYMENT OF LIFETIME LEARNING**
21 **CREDIT.**

22 “(a) GENERAL RULE.—Not later than August 1,
23 2004, the Secretary shall establish a program for making
24 payments on behalf of certified individuals to eligible edu-
25 cational institutions.

1 “(b) LIMITATION ON ADVANCE PAYMENTS DURING
2 ANY TAXABLE YEAR.—The Secretary may make pay-
3 ments under subsection (a) only to the extent that the
4 total amount of such payments made on behalf of any indi-
5 vidual during the taxable year does not exceed an amount
6 equal to 50 percent of so much of the qualified higher edu-
7 cation expenses paid with respect to such individual as
8 does not exceed \$4,000 for such year. For purposes of this
9 section, qualified higher education expenses taken into ac-
10 count with respect to any individual shall be reduced—

11 “(1) by the amount of qualified tuition and re-
12 lated expenses taken into account under section
13 25A(b) (if any), and

14 “(2) under rules similar to the rules under sec-
15 tion 25A(g)(2).

16 “(c) CERTIFIED INDIVIDUAL.—For purposes of this
17 section, the term ‘certified individual’ means any indi-
18 vidual for whom a qualified education costs credit eligi-
19 bility certificate is in effect.

20 “(d) QUALIFIED EDUCATION COSTS CREDIT ELIGI-
21 BILITY CERTIFICATE.—For purposes of this section, the
22 term ‘qualified education costs credit eligibility certificate’
23 means a written statement that an individual has incurred
24 costs which are qualified higher education expenses.

25 “(e) OTHER DEFINITIONS AND SPECIAL RULES.—

1 “(1) DEFINITIONS.—Any term used in this sec-
2 tion which is also used in section 25A shall have the
3 meaning given such term in section 25A.

4 “(2) RULES.—Except as otherwise provided in
5 this section, payments made under subsection (a)
6 shall be subject to rules similar to the rules of sec-
7 tion 25A.”.

8 (b) COORDINATION OF LIFETIME LEARNING CREDIT
9 WITH ADVANCED PAYMENT.—Section 25A of the Internal
10 Revenue Code of 1986, as amended by section 2, is
11 amended by redesignating subsection (j) as subsection (k)
12 and by inserting after subsection (i) the following new sub-
13 section:

14 “(j) COORDINATION WITH ADVANCE PAYMENT.—

15 “(1) RECAPTURE OF EXCESS ADVANCE PAY-
16 MENTS.—

17 “(A) IN GENERAL.—If any payment is
18 made to an eligible educational institution on
19 behalf of an individual under section 7528 dur-
20 ing any calendar year, then the tax imposed by
21 this chapter on the applicable taxpayer for the
22 last taxable year beginning in such calendar
23 year shall be increased by the aggregate
24 amount of such payments.

1 “(B) APPLICABLE TAXPAYER.—For pur-
 2 poses of subparagraph (A), the applicable tax-
 3 payer is—

4 “(i) such individual, or

5 “(ii) in the case a taxpayer who is al-
 6 lowed a deduction with respect to such in-
 7 dividual under section 151(c), such tax-
 8 payer.

9 “(2) RECONCILIATION OF PAYMENTS AD-
 10 VANCED AND CREDIT ALLOWED.—Any increase in
 11 tax under paragraph (1) shall not be treated as tax
 12 imposed by this chapter for purposes of determining
 13 the amount of any credit (other than the credit al-
 14 lowed by subsection (a)) allowable under this part
 15 and subpart C.”.

16 (c) DISCLOSURE OF RETURN INFORMATION FOR
 17 PURPOSES OF CARRYING OUT A PROGRAM FOR ADVANCE
 18 PAYMENT OF LIFETIME LEARNING CREDIT.—

19 (1) IN GENERAL.—Subsection (l) of section
 20 6103 of the Internal Revenue Code of 1986 (relating
 21 to disclosure of returns and return information for
 22 purposes other than tax administration) is amended
 23 by adding at the end the following new paragraph:

24 “(21) DISCLOSURE OF RETURN INFORMATION
 25 FOR PURPOSES OF CARRYING OUT A PROGRAM FOR

1 ADVANCE PAYMENT OF LIFETIME LEARNING CRED-
2 IT.—The Secretary may disclose to educational insti-
3 tutions for any certified individual (as defined in
4 section 7528(c)) return information with respect to
5 such certified individual only to the extent necessary
6 to carry out the program established by section 7528
7 (relating to advance payment of Lifetime Learning
8 credit).”.

9 (2) PROCEDURES AND RECORDKEEPING RE-
10 LATED TO DISCLOSURES.—Subsection (p) of such
11 section is amended—

12 (A) in paragraph (3)(A) by striking “or
13 (18)” and inserting “(18), or (21)”, and

14 (B) in paragraph (4) by striking “or (20)”
15 and inserting “(20), or (21)” each place it ap-
16 pears.

17 (3) UNAUTHORIZED INSPECTION OF RETURNS
18 OR RETURN INFORMATION.—Section
19 7213A(a)(1)(B) of such Code is amended by striking
20 “(l)(18) or (n)” and inserting “(l)(18), (l)(19), or
21 (n)”.

22 (d) INFORMATION REPORTING.—

23 (1) IN GENERAL.—Subpart B of part III of
24 subchapter A of chapter 61 of the Internal Revenue
25 Code of 1986 (relating to information concerning

1 transactions with other persons) is amended by in-
2 serting after section 6050S the following new sec-
3 tion:

4 **“SEC. 6050T. RETURNS RELATING TO LIFETIME LEARNING**
5 **CREDIT.**

6 “(a) REQUIREMENT OF REPORTING.—Every person
7 who is entitled to receive payments for any month of any
8 calendar year under section 7528 (relating to advance pay-
9 ment of Lifetime Learning credit) with respect to any cer-
10 tified individual (as defined in section 7528(e)) shall, at
11 such time as the Secretary may prescribe, make the return
12 described in subsection (b) with respect to each such indi-
13 vidual.

14 “(b) FORM AND MANNER OF RETURNS.—A return
15 is described in this subsection if such return—

16 “(1) is in such form as the Secretary may pre-
17 scribe, and

18 “(2) contains—

19 “(A) the name, address, and TIN of each
20 individual referred to in subsection (a),

21 “(B) the amount entitled to be received for
22 each year with respect to such individual under
23 section 7528, and

24 “(C) such other information as the Sec-
25 retary may prescribe.

1 “(c) STATEMENTS TO BE FURNISHED TO INDIVID-
2 UALS WITH RESPECT TO WHOM INFORMATION IS RE-
3 QUIRED.—Every person required to make a return under
4 subsection (a) shall furnish to each individual whose name
5 is required to be set forth in such return a written state-
6 ment showing—

7 “(1) the name and address of the person re-
8 quired to make such return and the phone number
9 of the information contact for such person, and

10 “(2) the information required to be shown on
11 the return with respect to such individual.

12 The written statement required under the preceding sen-
13 tence shall be furnished on or before January 31 of the
14 year following the calendar year for which the return
15 under subsection (a) is required to be made.”.

16 (2) ASSESSABLE PENALTIES.—

17 (A) Subparagraph (B) of section
18 6724(d)(1) of such Code (relating to defini-
19 tions) is amended by redesignating clauses (xii)
20 through (xviii) as clauses (xiii) through (xiv),
21 respectively, and by inserting after clause (xi)
22 the following new clause:

23 “(xii) section 6050U (relating to re-
24 turns relating to Lifetime Learning cred-
25 it),”.

1 (B) Paragraph (2) of section 6724(d) of
2 such Code is amended by striking “or” at the
3 end of subparagraph (AA), by striking the pe-
4 riod at the end of subparagraph (BB) and in-
5 serting “, or”, and by adding after subpara-
6 graph (BB) the following new subparagraph:

7 “(CC) section 6050U (relating to returns
8 relating to Lifetime Learning credit).”.

9 (e) CLERICAL AMENDMENTS.—

10 (1) ADVANCE PAYMENT.—The table of sections
11 for chapter 77 of the Internal Revenue Code of 1986
12 is amended by adding at the end the following new
13 item:

“Sec. 7528. Advance payment of Lifetime Learning credit.”.

14 (2) INFORMATION REPORTING.—The table of
15 sections for subpart B of part III of subchapter A
16 of chapter 61 of such Code is amended by inserting
17 after the item relating to section 6050S the fol-
18 lowing new item:

“Sec. 6050T. Returns relating to Lifetime Learning credit.”.

19 (f) EFFECTIVE DATE.—The amendments made by
20 this section shall take effect on the date of the enactment
21 of this Act.

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