

Union Calendar No. 128

109TH CONGRESS
1ST SESSION

H. R. 609

[Report No. 109-231]

To amend and extend the Higher Education Act of 1965.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 8, 2005

Mr. BOEHNER (for himself and Mr. McKEON) introduced the following bill;
which was referred to the Committee on Education and the Workforce

SEPTEMBER 22, 2005

Additional sponsors: Mr. FORTUÑO, Mr. BONILLA, Mr. GERLACH, Mr. KLINE,
Mr. PRICE of Georgia, Ms. ROS-LEHTINEN, and Mr. LEWIS of Kentucky

SEPTEMBER 22, 2005

Reported with an amendment, committed to the Committee of the Whole
House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italics]

[For text of introduced bill, see copy of bill as introduced on February 8, 2005]

A BILL

To amend and extend the Higher Education Act of 1965.

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

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) *SHORT TITLE.*—*This Act may be cited as the “Col-*
 3 *lege Access and Opportunity Act of 2005”.*

4 (b) *TABLE OF CONTENTS.*—

Sec. 1. Short title; table of contents.

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“Sec. 101. Definition of institution of higher education.

“Sec. 102. Institutions outside the United States.

“Sec. 123. Restrictions on funds for for-profit schools.

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Sec. 103. Student speech and association rights.

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Sec. 105. Alcohol and drug abuse prevention.

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“Sec. 124. Limitation on Certain Uses of Funds.

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“Sec. 131. Consumer information and public accountability in higher edu-
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“Sec. 132. Databases of student information prohibited.

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“Sec. 201. Purposes; definitions.

“Sec. 202. State grants.

“Sec. 203. Partnership grants.

“Sec. 204. Teacher recruitment grants.

“Sec. 205. Administrative provisions.

“Sec. 206. Accountability and evaluation.

“Sec. 207. Accountability for programs that prepare teachers.

“Sec. 208. State functions.

“Sec. 209. General provisions.

“Sec. 210. Authorization of appropriations.

Sec. 202. Preparing tomorrow’s teachers to use technology.

Sec. 203. Centers of excellence.

“PART C—CENTERS OF EXCELLENCE

“Sec. 231. Purposes; definitions.

“Sec. 232. Centers of excellence.

“Sec. 233. Authorization of appropriations.

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*“PART D—TEACHER INCENTIVE FUND PROGRAM**“Sec. 241. Purpose; definitions.**“Sec. 242. Teacher incentive fund grants.**“Sec. 243. Evaluations.**“Sec. 244. Authorization of appropriations.**Sec. 205. Transition.**TITLE III—INSTITUTIONAL AID**Sec. 301. Title III grants for American Indian Tribally Controlled Colleges and Universities.**Sec. 302. Alaska Native and Native Hawaiian-serving institutions.**Sec. 303. Grants to part B institutions.**Sec. 304. Technical amendments.**Sec. 305. Title III authorizations.**TITLE IV—STUDENT ASSISTANCE**PART A—GRANTS TO STUDENTS**Sec. 401. Pell Grants.**“Sec. 401A. Pell Grants Plus: achievement grants for State scholars.**Sec. 402. TRIO programs.**Sec. 403. TRIO reform.**“Sec. 402G. Staff development activities.**“Sec. 402H. Evaluations.**Sec. 404. GEARUP.**Sec. 405. Federal Supplemental Educational Opportunity Grants.**Sec. 406. LEAP.**Sec. 407. HEP/CAMP program.**Sec. 408. Robert C. Byrd Honors Scholarship Program.**“SUBPART 6—ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAM**“Sec. 419A. Robert C. Byrd mathematics and science honors scholarship program.**“Sec. 419B. Mathematics and science incentive program.**“Sec. 419C. Mathematics and science education coordinating council grants.**“Sec. 419D. Authorization of appropriations.**Sec. 409. Child care access.**Sec. 410. Learning anytime anywhere partnerships.**PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM**Sec. 421. Reauthorization of Federal Family Education Loan Program.**Sec. 422. Loan limits.**Sec. 423. Interest rates and special allowances.**Sec. 424. Additional loan terms and conditions.**Sec. 425. Consolidation loan changes.**Sec. 426. Deferment of student loans for military service.**Sec. 427. Loan forgiveness for service in areas of national need.**“Sec. 428K. Loan forgiveness for service in areas of national need.**Sec. 428. Unsubsidized Stafford loans.**Sec. 429. Elimination of termination dates from Taxpayer-Teacher Protection Act of 2004.**Sec. 430. Additional administrative provisions.*

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1 SEC. 2. REFERENCES; EFFECTIVE DATE.

2 (a) *REFERENCES.*—Except as otherwise expressly pro-
3 vided, whenever in this Act an amendment or repeal is ex-
4 pressed in terms of an amendment to, or repeal of, a section
5 or other provision, the reference shall be considered to be
6 made to a section or other provision of the Higher Edu-
7 cation Act of 1965 (20 U.S.C. 1001 et seq.).

8 (b) *EFFECTIVE DATE.*—Except as otherwise provided
9 in this Act, the amendments made by this Act shall take
10 effect on the date of enactment of this Act.

11 TITLE I—GENERAL PROVISIONS

12 SEC. 101. DEFINITION OF INSTITUTION OF HIGHER EDU-
13 CATION.

14 (a) *AMENDMENT.*—Title I is amended by striking sec-
15 tions 101 and 102 (20 U.S.C. 1001, 1002) and inserting
16 the following:

1 **“SEC. 101. DEFINITION OF INSTITUTION OF HIGHER EDU-**
2 **CATION.**

3 “(a) *INSTITUTION OF HIGHER EDUCATION.*—For pur-
4 *poses of this Act, the term ‘institution of higher education’*
5 *means an educational institution in any State that—*

6 “(1) *admits as regular students only individuals*
7 *who—*

8 “(A) *meet the requirements of section*
9 *484(d)(3), or have a certificate of graduation*
10 *from a school providing secondary education, or*
11 *the recognized equivalent of such a certificate;*

12 “(B) *are beyond the age of compulsory*
13 *school attendance in the State in which the insti-*
14 *tution is located; or*

15 “(C) *will be dually enrolled in that institu-*
16 *tion and a secondary school;*

17 “(2) *is legally authorized within such State to*
18 *provide a program of education beyond secondary*
19 *education;*

20 “(3)(A) *is accredited by a nationally recognized*
21 *accrediting agency or association; or*

22 “(B) *if not so accredited, is a public or nonprofit*
23 *institution that has been granted preaccreditation*
24 *status by such an agency or association that has been*
25 *recognized by the Secretary for the granting of*
26 *preaccreditation status, and the Secretary has deter-*

1 *mined that there is satisfactory assurance that the in-*
2 *stitution will meet the accreditation standards of such*
3 *an agency or association within a reasonable time;*
4 *and*

5 *“(4) meets either of the following criteria:*

6 *“(A) is a nonprofit, for-profit, or public in-*
7 *stitution that—*

8 *“(i) provides an educational program*
9 *for which the institution awards a bach-*
10 *elor’s, graduate, or professional degree;*

11 *“(ii) provides not less than a 2-year*
12 *educational program which is acceptable for*
13 *full credit towards such a degree;*

14 *“(iii) provides not less than a 1-year*
15 *program of training that prepares students*
16 *for gainful employment in a recognized oc-*
17 *cupation; or*

18 *“(iv) awards a degree that is accept-*
19 *able for admission to graduate or profes-*
20 *sional degree programs, subject to the review*
21 *and approval of the Secretary; or*

22 *“(B) is a nonprofit, for-profit, or public in-*
23 *stitution that provides an eligible program (as*
24 *defined in section 481)—*

1 “(i) *for which the institution awards a*
2 *certificate; and*

3 “(ii) *that prepares students for gainful*
4 *employment in a recognized occupation.*

5 “(b) *ADDITIONAL LIMITATIONS.—*

6 “(1) *FOR-PROFIT POSTSECONDARY INSTITU-*
7 *TIONS.—*

8 “(A) *DURATION OF ACCREDITATION.—A for-*
9 *profit institution shall not be considered to be an*
10 *institution of higher education unless such insti-*
11 *tution is accredited by a nationally recognized*
12 *accrediting agency or association and such insti-*
13 *tution has been in existence for at least 2 years.*

14 “(B) *INSTITUTIONAL ELIGIBILITY ONLY FOR*
15 *COMPETITIVE GRANTS.—For the purposes of any*
16 *program providing grants to institutions for use*
17 *by the institution (and not for distribution*
18 *among students), a for-profit institution shall*
19 *not be considered to be an institution of higher*
20 *education under this section if such grants are*
21 *awarded on any basis other than competition on*
22 *the merits of the grant proposal or application.*

23 “(2) *POSTSECONDARY VOCATIONAL INSTITU-*
24 *TIONS.—A nonprofit or public institution that meets*
25 *the criteria of subsection (a)(4)(B) shall not be con-*

1 *sidered to be an institution of higher education unless*
2 *such institution has been in existence for at least 2*
3 *years.*

4 “(3) *LIMITATIONS BASED ON MANAGEMENT.—An*
5 *institution shall not be considered to meet the defini-*
6 *tion of an institution of higher education in this sec-*
7 *tion if—*

8 “(A) *the institution, or an affiliate of the*
9 *institution that has the power, by contract or*
10 *ownership interest, to direct or cause the direc-*
11 *tion of the management or policies of the institu-*
12 *tion, has filed for bankruptcy, except that this*
13 *paragraph shall not apply to a nonprofit insti-*
14 *tution, the primary function of which is to pro-*
15 *vide health care educational services (or an affil-*
16 *iate of such an institution that has the power, by*
17 *contract or ownership interest, to direct or cause*
18 *the direction of the institution’s management or*
19 *policies) that filed for bankruptcy under chapter*
20 *11 of title 11, United States Code, between July*
21 *1, 1998, and December 1, 1998; or*

22 “(B) *the institution, the institution’s owner,*
23 *or the institution’s chief executive officer has*
24 *been convicted of, or has pled nolo contendere or*
25 *guilty to, a crime involving the acquisition, use,*

1 *or expenditure of Federal, State, or local govern-*
2 *ment funds, or has been judicially determined to*
3 *have committed a crime involving the acquisi-*
4 *tion, use, or expenditure involving Federal,*
5 *State, or local government funds.*

6 “(4) *LIMITATION ON COURSE OF STUDY OR EN-*
7 *ROLLMENT.—An institution shall not be considered to*
8 *meet the definition of an institution of higher edu-*
9 *cation in subsection (a) if such institution—*

10 “(A) *offers more than 50 percent of such in-*
11 *stitution’s courses by correspondence (excluding*
12 *courses offered by telecommunications as defined*
13 *in section 484(l)(4)), unless the institution is an*
14 *institution that meets the definition in section*
15 *3(3)(C) of the Carl D. Perkins Vocational and*
16 *Technical Education Act of 1998;*

17 “(B) *enrolls 50 percent or more of the insti-*
18 *tution’s students in correspondence courses (ex-*
19 *cluding courses offered by telecommunications as*
20 *defined in section 484(l)(4)), unless the institu-*
21 *tion is an institution that meets the definition in*
22 *section 3(3)(C) of the Carl D. Perkins Vocational*
23 *and Technical Education Act of 1998, except*
24 *that the Secretary, at the request of the institu-*
25 *tion, may waive the applicability of this sub-*

1 paragraph to the institution for good cause, as
2 determined by the Secretary in the case of an in-
3 stitution of higher education that provides a 2-
4 or 4-year program of instruction (or both) for
5 which the institution awards an associate or bac-
6 calaureate degree, respectively;

7 “(C) has a student enrollment in which
8 more than 25 percent of the students are incar-
9 cerated, except that the Secretary may waive the
10 limitation contained in this subparagraph for an
11 institution that provides a 2- or 4-year program
12 of instruction (or both) for which the institution
13 awards a bachelor’s degree, or an associate’s de-
14 gree or a postsecondary certificate, respectively;
15 or

16 “(D) has a student enrollment in which
17 more than 50 percent of the students either do
18 not meet the requirements of section 484(d)(3) or
19 do not have a secondary school diploma or its
20 recognized equivalent, and does not provide a 2-
21 or 4-year program of instruction (or both) for
22 which the institution awards an associate’s de-
23 gree or a bachelor’s degree, respectively, except
24 that the Secretary may waive the limitation con-
25 tained in this subparagraph if an institution

1 *demonstrates to the satisfaction of the Secretary*
2 *that the institution exceeds such limitation be-*
3 *cause the institution serves, through contracts*
4 *with Federal, State, or local government agen-*
5 *cies, significant numbers of students who do not*
6 *meet the requirements of section 484(d)(3) or do*
7 *not have a secondary school diploma or its recog-*
8 *nized equivalent.*

9 “(c) *LIST OF ACCREDITING AGENCIES.*—*For purposes*
10 *of this section, the Secretary shall publish a list of nation-*
11 *ally recognized accrediting agencies or associations that the*
12 *Secretary determines, pursuant to subpart 2 of part H of*
13 *title IV, to be reliable authority as to the quality of the*
14 *education or training offered.*

15 “(d) *CERTIFICATION.*—*The Secretary shall certify, for*
16 *the purposes of participation in title IV, an institution’s*
17 *qualification as an institution of higher education in ac-*
18 *cordance with the requirements of subpart 3 of part H of*
19 *title IV.*

20 “(e) *LOSS OF ELIGIBILITY.*—*An institution of higher*
21 *education shall not be considered to meet the definition of*
22 *an institution of higher education in this section for the*
23 *purposes of participation in title IV if such institution is*
24 *removed from eligibility for funds under title IV as a result*
25 *of an action pursuant to part H of title IV.*

1 **“SEC. 102. INSTITUTIONS OUTSIDE THE UNITED STATES.**

2 “(a) *INSTITUTIONS OUTSIDE THE UNITED STATES.—*

3 “(1) *IN GENERAL.—An institution outside the*
4 *United States shall be considered to be an institution*
5 *of higher education only for purposes of part B of*
6 *title IV if the institution is comparable to an institu-*
7 *tion of higher education, as defined in section 101, is*
8 *legally authorized by the education ministry (or com-*
9 *parable agency) of the country in which the school is*
10 *located, and has been approved by the Secretary for*
11 *purposes of that part. The Secretary shall establish*
12 *criteria by regulation for that approval and that de-*
13 *termination of comparability. An institution may not*
14 *be so approved or determined to be comparable unless*
15 *such institution is a public or nonprofit institution,*
16 *except that, subject to paragraph (2)(B), a graduate*
17 *medical school or veterinary school located outside the*
18 *United States may be a for-profit institution.*

19 “(2) *MEDICAL AND VETERINARY SCHOOL CRI-*
20 *TERIA.—In the case of a graduate medical or veteri-*
21 *nary school outside the United States, such criteria*
22 *shall include a requirement that a student attending*
23 *such school outside the United States is ineligible for*
24 *loans made, insured, or guaranteed under part B of*
25 *title IV unless—*

1 “(A) in the case of a graduate medical
2 school located outside the United States—

3 “(i)(I) at least 60 percent of those en-
4 rolled in, and at least 60 percent of the
5 graduates of, the graduate medical school
6 outside the United States were not persons
7 described in section 484(a)(5) in the year
8 preceding the year for which a student is
9 seeking a loan under part B of title IV; and

10 “(II) at least 60 percent of the individ-
11 uals who were students or graduates of the
12 graduate medical school outside the United
13 States or Canada (both nationals of the
14 United States and others) taking the exami-
15 nations administered by the Educational
16 Commission for Foreign Medical Graduates
17 received a passing score in the year pre-
18 ceding the year for which a student is seek-
19 ing a loan under part B of title IV; or

20 “(ii) the institution has a clinical
21 training program that was approved by a
22 State as of January 1, 1992; or

23 “(B) in the case of a veterinary school lo-
24 cated outside the United States that is not a
25 public or nonprofit institution, the institution’s

1 *students complete their clinical training at an*
2 *approved veterinary school located in the United*
3 *States.*

4 “(b) *ADVISORY PANEL.*—

5 “(1) *IN GENERAL.*—*For the purpose of quali-*
6 *fying a foreign medical school as an institution of*
7 *higher education only for purposes of part B of title*
8 *IV, the Secretary shall publish qualifying criteria by*
9 *regulation and establish an advisory panel of medical*
10 *experts that shall—*

11 “(A) *evaluate the standards of accreditation*
12 *applied to applicant foreign medical schools; and*

13 “(B) *determine the comparability of those*
14 *standards to standards for accreditation applied*
15 *to United States medical schools.*

16 “(2) *FAILURE TO RELEASE INFORMATION.*—*The*
17 *failure of an institution outside the United States to*
18 *provide, release, or authorize release to the Secretary*
19 *of such information as may be required by subsection*
20 *(a)(2) shall render such institution ineligible for the*
21 *purpose of part B of title IV.”.*

22 “(b) *RESTRICTIONS ON FUNDS FOR FOR-PROFIT*
23 *SCHOOLS.*—*Part B of title I is amended by inserting after*
24 *section 122 (20 U.S.C. 1011k) the following new section:*

1 **“SEC. 123. RESTRICTIONS ON FUNDS FOR FOR-PROFIT**
 2 **SCHOOLS.**

3 “(a) *IN GENERAL.*—Notwithstanding any other provi-
 4 sion of this Act authorizing the use of funds by an institu-
 5 tion of higher education that receives funds under this Act,
 6 none of the funds made available under this Act to a for-
 7 profit institution of higher education may be used for—

8 “(1) construction, maintenance, renovation, re-
 9 pair, or improvement of classrooms, libraries, labora-
 10 tories, or other facilities;

11 “(2) establishing, improving, or increasing an
 12 endowment fund; or

13 “(3) establishing or improving an institutional
 14 development office to strengthen or improve contribu-
 15 tions from alumni and the private sector.

16 “(b) *EXCEPTION.*—Subsection (a) shall not apply to
 17 funds received by the institution from the grant, loan, or
 18 work assistance that is awarded under title IV to the stu-
 19 dents attending such institution.

20 “(c) *INELIGIBILITY FOR CERTAIN PROGRAMS.*—Not-
 21 withstanding section 101, a for-profit institution of higher
 22 education shall not be considered an eligible institution for
 23 the programs under titles III and V of this Act.”.

24 (c) *CONFORMING AMENDMENTS.*—

25 (1) Section 114(a) (20 U.S.C. 1011c(a)) is
 26 amended by striking “(as defined in section 102)”.

1 (2) *Section 435(a)(1) (20 U.S.C. 1085(a)(1)) is*
 2 *amended by striking “section 102” and inserting*
 3 *“section 101”.*

4 (3) *Subsection (d) of section 484 (20 U.S.C.*
 5 *1091(d)) is amended by striking the designation and*
 6 *heading of such subsection and inserting the fol-*
 7 *lowing:*

8 *“(d) SATISFACTION OF SECONDARY EDUCATION*
 9 *STANDARDS.—”.*

10 (4) *Section 486(b)(2) (20 U.S.C. 1093(b)(2)) is*
 11 *amended by striking “102(a)(3)(A), 102(a)(3)(B)”*
 12 *and inserting “101(b)(4)(A), 101(b)(4)(B)”.*

13 (5) *Section 487(c)(1)(A)(iii) (20 U.S.C.*
 14 *1094(c)(1)(A)(iii)) is amended by striking “section*
 15 *102(a)(1)(C)” and inserting “section 102”.*

16 (6) *Section 487(d) (20 U.S.C. 1094(d)) is*
 17 *amended by striking “section 102” and inserting*
 18 *“section 101”.*

19 (7) *Subsections (j) and (k) of section 496 (20*
 20 *U.S.C. 1099b(j), (k)) are each amended by striking*
 21 *“section 102” and inserting “section 101”.*

22 (8) *Section 498(g)(3) (20 U.S.C. 1099c(g)(3)) is*
 23 *amended by striking “section 102(a)(1)(C)” and in-*
 24 *serting “section 102”.*

1 (9) *Section 498(i)(1) (20 U.S.C. 1099c(i)(1)) is*
2 *amended by striking “section 102” and inserting*
3 *“section 101”.*

4 (10) *Section 498(j)(1) (20 U.S.C. 1099c) is*
5 *amended by striking “except that such branch shall*
6 *not be required to meet the requirements of sections*
7 *102(b)(1)(E) and 102(c)(1)(C) prior to seeking such*
8 *certification” and inserting “except that such branch*
9 *shall not be required to be in existence for at least 2*
10 *years prior to seeking such certification”.*

11 (11) *Section 498B(b) (20 U.S.C. 1099c–2(b)) is*
12 *amended by striking “section 102(a)(1)(C)” and in-*
13 *serting “section 102”.*

14 (d) *EFFECT ON OTHER LAWS.—*

15 (1) *INCLUSION OF FOR-PROFIT INSTITUTIONS IN*
16 *DEFINITION.—The inclusion of proprietary and for-*
17 *profit institutions within the definition of the term*
18 *“institution of higher education” in section 101 of*
19 *the Higher Education Act of 1965 (20 U.S.C. 1001)*
20 *pursuant to the amendment made by subsection (a) of*
21 *this section shall not apply to any other provision of*
22 *law (other than the Higher Education Act of 1965)*
23 *enacted before the date of enactment of this Act that*
24 *references section 101 of the Higher Education Act of*
25 *1965 (or that term as so defined), except as expressly*

provided by an amendment to, or other revision of the application of, such law enacted after such date of enactment.

(2) *INCLUSION OF FOR-PROFIT INSTITUTIONS AS TITLE III OR V ELIGIBLE INSTITUTION.*—Any reference in any provision of law other than the Higher Education Act of 1965 to institutions of higher education that are eligible to participate in programs under title III or V of such Act (20 U.S.C. 1051 *et seq.*, 1101 *et seq.*) shall not be treated, as a consequence of the amendment to section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001) by subsection (a) of this section, as including a reference to a for-profit or proprietary institution of higher education, except as expressly provided by an amendment to, or other revision of the application of, such law enacted after such date of enactment.

SEC. 102. NEW BORROWER DEFINITION.

Paragraph (7) of section 103 (20 U.S.C. 1003) is amended to read as follows:

“(7) *NEW BORROWER.*—The term ‘new borrower’ when used with respect to any date for any loan under any provision of—

“(A) part B or part D of title IV means an individual who on that date has no outstanding

1 *balance of principal or interest owing on any*
 2 *loan made, insured, or guaranteed under either*
 3 *of those parts; and*

4 “(B) *part E of title IV means an individual*
 5 *who on that date has no outstanding balance of*
 6 *principal or interest owing on any loan made*
 7 *under that part.*”.

8 **SEC. 103. STUDENT SPEECH AND ASSOCIATION RIGHTS.**

9 *Section 112 (20 U.S.C. 1011a) is amended—*

10 *(1) by amending subsection (a) to read as fol-*
 11 *lows:*

12 “(a) *PROTECTION OF RIGHTS.—*

13 “(1) *It is the sense of Congress that no student*
 14 *attending an institution of higher education on a full-*
 15 *or part-time basis should, on the basis of participa-*
 16 *tion in protected speech or protected association, be*
 17 *excluded from participation in, be denied the benefits*
 18 *of, or be subjected to discrimination or official sanc-*
 19 *tion under any education program, activity, or divi-*
 20 *sion of the institution directly or indirectly receiving*
 21 *financial assistance under this Act, whether or not*
 22 *such program, activity, or division is sponsored or of-*
 23 *ficially sanctioned by the institution; and*

24 “(2) *It is the sense of Congress that—*

1 “(A) the diversity of institutions and edu-
2 cational missions is one of the key strengths of
3 American higher education;

4 “(B) individual colleges and universities
5 have different missions and each institution
6 should design its academic program in accord-
7 ance with its educational goals;

8 “(C) within the context of its institutional
9 mission, a college should promote intellectual
10 pluralism and facilitate the free and open ex-
11 change of ideas;

12 “(D) students should not be intimidated,
13 harassed, discouraged from speaking out, dis-
14 criminated against, or subject to official sanction
15 because of their personal political, ideological, or
16 religious beliefs; and

17 “(E) students should be treated equally and
18 fairly, including evaluation and grading, with-
19 out regard to or consideration of their personal
20 political views or ideological beliefs.

21 “(3) Nothing in paragraph (2) shall be construed
22 to modify, change, or infringe upon any constitu-
23 tionally protected religious liberty, freedom, expres-
24 sion, or association.”; and

1 (2) in subsection (b)(1), by inserting after “high-
 2 er education” the following: “, if the imposition of
 3 such sanction is done objectively, fairly, and without
 4 regard to the student’s personal political, ideological,
 5 or religious beliefs”.

6 **SEC. 104. NATIONAL ADVISORY COMMITTEE ON INSTITU-**
 7 **TIONAL QUALITY AND INTEGRITY.**

8 (a) *MEMBERSHIP.*—Section 114(b) (20 U.S.C.
 9 1011c(b)) is amended by adding at the end the following
 10 new sentence: “A member of the Committee may continue
 11 to serve after the expiration of a term until a successor has
 12 been appointed.”.

13 (b) *EXTENSION.*—Section 114(g) (20 U.S.C. 1011c(g))
 14 is amended by striking “2004” and inserting “2012”.

15 **SEC. 105. ALCOHOL AND DRUG ABUSE PREVENTION.**

16 Section 120(e)(5) (20 U.S.C. 1011i(e)(5)) is amend-
 17 ed—

18 (1) by striking “1999” and inserting “2006”;
 19 and

20 (2) by striking “4 succeeding fiscal years” and
 21 inserting “5 succeeding fiscal years”.

22 **SEC. 106. PRIOR RIGHTS AND OBLIGATIONS.**

23 Section 121(a) (20 U.S.C. 1011j(a)) is amended by
 24 striking “1999 and for each of the 4” each place it appears
 25 and inserting “2006 and for each of the 5”.

1 **SEC. 107. LIMITATION ON CERTAIN USES OF FUNDS.**

2 *Part B of title I is further amended by adding after*
 3 *section 123 (as added by section 101(b) of this Act) the fol-*
 4 *lowing new section:*

5 **“SEC. 124. LIMITATION ON CERTAIN USES OF FUNDS.**

6 *“No funds made available to carry out this Act may*
 7 *be used—*

8 *“(1) for publicity or propaganda purposes not*
 9 *authorized by the Congress before the date of enact-*
 10 *ment of the College Access and Opportunity Act of*
 11 *2005; or*

12 *“(2) unless authorized by law in effect on such*
 13 *date of enactment, to produce any prepackaged news*
 14 *story intended for broadcast or distribution unless*
 15 *such story includes a clear a notification contained*
 16 *within the text or audio of such story stating that the*
 17 *prepackaged news story was prepared or funded by*
 18 *the Department of Education.”.*

19 **SEC. 108. CONSUMER INFORMATION AND PUBLIC ACCOUNT-**
 20 **ABILITY IN HIGHER EDUCATION.**

21 *Section 131 (20 U.S.C. 1015) is amended to read as*
 22 *follows:*

23 **“SEC. 131. CONSUMER INFORMATION AND PUBLIC AC-**
 24 **COUNTABILITY IN HIGHER EDUCATION.**

25 *“(a) PURPOSE.—It is the purpose of this section to—*

1 “(1) provide students and families with an easy-
2 to-use, comprehensive web-based tool for researching
3 and comparing institutions of higher education;

4 “(2) increase the transparency of college cost,
5 price, and financial aid; and

6 “(3) raise public awareness of information avail-
7 able about postsecondary education, particularly
8 among low-income families, non-traditional student
9 populations, and first-generation college students.

10 “(b) COLLEGE OPPORTUNITY ON-LINE (COOL)
11 WEBSITE RE-DESIGN PROCESS.—In carrying out this sec-
12 tion, the Secretary—

13 “(1) shall identify the data elements that are of
14 greatest importance to prospective students, enrolled
15 students, and their families, paying particular atten-
16 tion to low-income, non-traditional student popu-
17 lations, and first-generation college students;

18 “(2) shall convene a group of individuals with
19 expertise in the collection and reporting of data re-
20 lated to institutions of higher education, the measure-
21 ment of institutional compliance costs, consumer use
22 of data related to institutions of higher education,
23 general consumer marketing, and college intervention
24 services to—

1 “(A) determine the relevance of particular
2 data elements to prospective students, enrolled
3 students, and families;

4 “(B) assess the cost-effectiveness of various
5 ways in which institutions of higher education
6 might produce the data desired by consumers;

7 “(C) determine the general comparability of
8 the data across institutions of higher education;

9 “(D) make recommendations regarding the
10 inclusion of specific data items and the most ef-
11 fective and least burdensome methods to institu-
12 tions of higher education of collecting and re-
13 porting useful data; and

14 “(3) shall assure that the redesigned COOL
15 website—

16 “(A) uses, to the extent practicable, data ele-
17 ments currently provided by institutions of high-
18 er education to the Secretary;

19 “(B) includes clear and uniform informa-
20 tion determined to be relevant to prospective stu-
21 dents, enrolled students, and families;

22 “(C) provides comparable information, by
23 assuring that data is based on accepted criteria
24 and common definitions;

1 “(D) includes a sorting function that per-
 2 mits users to customize their search for and com-
 3 parison of institutions of higher education based
 4 on the information identified through the process
 5 as prescribed in paragraph (1) as being of great-
 6 est relevance to choosing an institution of higher
 7 education.

8 “(c) DATA COLLECTION.—

9 “(1) DATA SYSTEM.—The Secretary shall con-
 10 tinue to redesign the relevant parts of the Integrated
 11 Postsecondary Education Data System to include ad-
 12 ditional data as required by this section and to con-
 13 tinue to improve the usefulness and timeliness of data
 14 collected by such systems in order to inform con-
 15 sumers about institutions of higher education.

16 “(2) COLLEGE CONSUMER PROFILE.—The Sec-
 17 retary shall publish, for each academic year and in
 18 accordance with standard definitions developed by the
 19 Commissioner of Education Statistics (including defi-
 20 nitions developed under section 131(a)(3)(A) as in ef-
 21 fect on the day before the date of enactment of the Col-
 22 lege Access and Opportunity Act of 2005), from at
 23 least all institutions of higher education participating
 24 in programs under title IV the following information:

1 “(A) *The tuition and fees charged for a*
2 *first-time, full-time undergraduate student.*

3 “(B) *The room and board charges for such*
4 *a student.*

5 “(C) *The cost of attendance for a first-time,*
6 *full-time undergraduate student, consistent with*
7 *the provisions of section 472.*

8 “(D) *The average amount of financial as-*
9 *sistance received by a first-time full-time under-*
10 *graduate student, including—*

11 “(i) *each type of assistance or benefits*
12 *described in 428(a)(2)(C)(ii);*

13 “(ii) *institutional and other assistance;*
14 *and*

15 “(iii) *Federal loans under parts B, D,*
16 *and E of title IV.*

17 “(E) *The number of first-time, full-time stu-*
18 *dents receiving financial assistance described in*
19 *each clause of subparagraph (D).*

20 “(F) *The average net price for first-time,*
21 *full-time students receiving Federal, State, or in-*
22 *stitutional grant or loan assistance.*

23 “(G) *The institutional instructional expend-*
24 *iture per full-time equivalent student.*

1 “(H) *Student enrollment information, in-*
2 *cluding information on the number and percent-*
3 *age of full-time and part-time students, the num-*
4 *ber and percentage of resident and non-resident*
5 *students.*

6 “(I) *Faculty/student ratios.*

7 “(J) *Faculty information, including the*
8 *total number of faculty and the percentage of*
9 *faculty who are full-time employees of the insti-*
10 *tution and the percentage who are part-time.*

11 “(K) *Completion and graduation rates,*
12 *identifying whether the completion or graduation*
13 *rates are from a 2-year or 4-year program of in-*
14 *struction and, in the case of a 2-year program*
15 *of instruction, the percentage of students who*
16 *transfer to 4-year institutions prior or subse-*
17 *quent to completion or graduation.*

18 “(L) *A link to the institution of higher edu-*
19 *cation with information of interest to students*
20 *including mission, accreditation, student services*
21 *(including services for students with disabilities),*
22 *transfer of credit policies and, if appropriate,*
23 *placement rates and other measures of success in*
24 *preparing students for entry into or advance-*
25 *ment in the workforce.*

1 “(M) *Any additional information that the*
 2 *Secretary may require.*

3 “(d) *DATA DISSEMINATION.—The Secretary shall*
 4 *make available, at a minimum, the data collected pursuant*
 5 *to this section, including an institution’s college afford-*
 6 *ability index as calculated in accordance with subsection*
 7 *(e). Such data shall be made available in a manner that*
 8 *permits the review and comparison of data submissions of*
 9 *individual institutions of higher education. Such data shall*
 10 *be presented in a form that is easily accessible and under-*
 11 *standable and allows parents and students to make in-*
 12 *formed decisions based on the prices for typical full-time*
 13 *undergraduate students and the institution’s rate of cost in-*
 14 *crease. The Secretary shall work with public and private*
 15 *entities to promote broad public awareness, particularly*
 16 *among middle and high school students and their families,*
 17 *of the information made available under this section, in-*
 18 *cluding by distribution to students who participate in or*
 19 *receive benefits from Federally funded education programs*
 20 *and other Federal programs determined by the Secretary.*

21 “(e) *COLLEGE AFFORDABILITY INDEX.—*

22 “(1) *IN GENERAL.—The Secretary shall, on the*
 23 *basis of the data submitted under subsection (a), cal-*
 24 *culate a college affordability index for each institu-*
 25 *tion of higher education submitting such data and*

1 *shall make the index available in accordance with*
 2 *subsection (d) as soon as operationally possible on the*
 3 *Department's college opportunity online Web site.*
 4 *Such index shall be presented in a manner so that the*
 5 *index for any institution is stated in a column or cell*
 6 *immediately adjacent to a column or cell containing*
 7 *the total tuition and fees of the institution.*

8 “(2) *CALCULATION OF INDEX.*—*The college af-*
 9 *fordability index shall be equal to—*

10 “(A) *the percentage increase in the tuition*
 11 *and fees charged for a first-time, full-time, full-*
 12 *year undergraduate student between the first of*
 13 *the 3 most recent preceding academic years and*
 14 *the last of those 3 academic years; divided by*

15 “(B) *the percentage increase in the Con-*
 16 *sumer Price Index—All Urban Consumers (Cur-*
 17 *rent Series) from July of the first of those 3 aca-*
 18 *demic years to July of the last of those 3 aca-*
 19 *demic years.*

20 “(f) *OUTCOMES AND ACTIONS.*—

21 “(1) *RESPONSE FROM INSTITUTION.*—*Effective*
 22 *on June 30, 2009, an institution that has a college*
 23 *affordability index that exceeds 2.0 for any 3-year in-*
 24 *terval ending on or after that date shall provide a re-*
 25 *port to the Secretary, in such a form, at such time,*

1 *and containing such information as the Secretary*
2 *may require. Such report shall include—*

3 “(A) *an explanation of the factors contrib-*
4 *uting to the increase in the institution’s costs*
5 *and in the tuition and fees charged to students;*

6 “(B) *a management plan stating the spe-*
7 *cific steps the institution is and will be taking*
8 *to reduce its college affordability index;*

9 “(C) *an action plan, including a schedule,*
10 *by which the institution will reduce increases in*
11 *or stabilize, such costs and tuition and fees; and*

12 “(D) *if determinations of tuition and fee in-*
13 *creases are not within the exclusive control of the*
14 *institution, a description of the agency or instru-*
15 *mentality of State government or other entity*
16 *that participates in such determinations and the*
17 *authority exercised by such agency, instrumen-*
18 *tality, or entity.*

19 “(2) *INFORMATION TO THE PUBLIC.—Upon re-*
20 *ceipt of the institution’s report and management plan*
21 *under paragraph (1), the Secretary shall make the in-*
22 *stitution’s report required under paragraph (1) avail-*
23 *able to the public in accordance with subsection (b).*

24 “(3) *QUALITY-EFFICIENCY TASK FORCES.—*

1 “(A) *REQUIRED.*—*Each institution subject*
2 *to paragraph (1) that has a college affordability*
3 *index that is in the highest 25 percent of such*
4 *indexes of all institutions subject to paragraph*
5 *(1) shall establish a quality-efficiency task force*
6 *to review the operations of such institution.*

7 “(B) *MEMBERSHIP.*—*Such task force shall*
8 *include administrators and business and civic*
9 *leaders and may include faculty, students, trust-*
10 *ees, parents of students, and alumni of such in-*
11 *stitution.*

12 “(C) *FUNCTIONS.*—*Such task force shall*
13 *analyze institutional operating costs in compari-*
14 *son with such costs at other institutions within*
15 *the class of institutions. Such analysis should*
16 *identify areas where, in comparison with other*
17 *institutions in such class, the institution oper-*
18 *ates more expensively to produce a similar re-*
19 *sult. Any identified areas should then be targeted*
20 *for in-depth analysis for cost reduction opportu-*
21 *nities.*

22 “(D) *REPORT.*—*The results of the analysis*
23 *by a quality-efficiency task force under this*
24 *paragraph shall be included in the report to the*
25 *Secretary under paragraph (1).*

1 “(4) *CONSEQUENCES FOR 2-YEAR CONTINUATION*
 2 *OF FAILURE.*—*If the Secretary determines that the in-*
 3 *stitution has failed to comply with the management*
 4 *plan and action plan submitted by the institution*
 5 *under this subsection following the next 2 academic*
 6 *years that begin after the submission of such plans,*
 7 *and has failed to reduce the college affordability index*
 8 *below 2.0 for such 2 academic years, the Secretary—*

9 “(A) *shall make available to the public a*
 10 *detailed report provided by the institution on all*
 11 *costs and expenditures, and on all tuition and*
 12 *fees charged to students, for such 2 academic*
 13 *years;*

14 “(B) *shall place the institution on an af-*
 15 *fordability alert status and shall make the infor-*
 16 *mation regarding the institution’s failure avail-*
 17 *able in accordance with subsection (d);*

18 “(C) *shall notify the institution’s accred-*
 19 *iting agency of the institution’s failure; and*

20 “(D) *may require the institution to submit*
 21 *to a review and audit by the Inspector General*
 22 *of the Department of Education to determine the*
 23 *cause of the institution’s failure.*

24 “(5) *INFORMATION TO STATE AGENCIES.*—*Any*
 25 *institution that reports under paragraph (1)(C) that*

1 *an agency or instrumentality of State government or*
2 *other entity participates in the determinations of tui-*
3 *tion and fee increases shall, prior to submitting any*
4 *information to the Secretary under this subsection,*
5 *submit such information to, and request the comments*
6 *and input of, such agency, instrumentality, or entity.*
7 *With respect to any such institution, the Secretary*
8 *shall provide a copy of any communication by the*
9 *Secretary with that institution to such agency, in-*
10 *strumentality, or entity.*

11 “(6) *EXEMPTIONS.*—

12 “(A) *RELATIVE PRICE EXEMPTION.*—*The*
13 *Secretary shall, for any 3-year interval for which*
14 *college affordability indexes are computed under*
15 *paragraph (1), determine and publish the dollar*
16 *amount that, for each class of institution de-*
17 *scribed in paragraph (7) represents the max-*
18 *imum tuition and fees charged for a full-time*
19 *undergraduate student in the least costly quartile*
20 *of institutions within each such class during the*
21 *last year of such 3-year interval. An institution*
22 *that has a college affordability index computed*
23 *under paragraph (1) that exceeds 2.0 for any*
24 *such 3-year interval, but that, on average during*
25 *such 3-year interval, charges less than such max-*

imum tuition and fees shall not be subject to the actions required by subparagraph (B) or (C) of paragraph (1), or any action under paragraph (4), unless such institution, for a subsequent 3-year interval, charges more than such maximum tuition and fees.

“(B) *DOLLAR INCREASE EXEMPTION.*—An institution that has a college affordability index computed under paragraph (1) that exceeds 2.0 for any 3-year interval, but that exceeds such 2.0 by a dollar amount that is less than \$500, shall not be subject to the actions required by subparagraph (B) or (C) of paragraph (1), or any action under paragraph (4), unless such institution has a college affordability index for a subsequent 3-year interval that exceeds 2.0 by more than such dollar amount.

“(7) *CLASSES OF INSTITUTIONS.*—For purposes of this subsection, the classes of institutions shall be those sectors used by the Integrated Postsecondary Education Data System, based on whether the institution is public, nonprofit private, or for-profit private, and whether the institution has a 4-year, 2-year, or less than 2-year program of instruction.

1 “(g) *FINES.*—In addition to actions authorized in sec-
 2 tion 487(c), the Secretary may impose a fine in an amount
 3 not to exceed \$25,000 on an institution of higher education
 4 for failing to provide the information described in this sec-
 5 tion in a timely and accurate manner, or for failing to
 6 otherwise cooperate with the National Center for Education
 7 Statistics regarding efforts to obtain data on the cost and
 8 price of higher education under this section and pursuant
 9 to the program participation agreement entered into under
 10 section 487.

11 “(h) *GAO STUDY AND REPORT.*—

12 “(1) *GAO STUDY.*—The Comptroller General
 13 shall conduct a study of the policies and procedures
 14 implemented by institutions in increasing the afford-
 15 ability of postsecondary education. Such study shall
 16 include information with respect to—

17 “(A) a list of those institutions that—

18 “(i) have reduced their college afford-
 19 ability indexes; or

20 “(ii) are, as determined under sub-
 21 section (f)(6)(A), within the least costly
 22 quartile of institutions within each class de-
 23 scribed in subsection (f)(7);

24 “(B) policies implemented to stem the in-
 25 crease in tuition and fees and institutional costs;

1 “(C) *the extent to which room and board*
2 *costs and prices changed;*

3 “(D) *the extent to which other services were*
4 *altered to affect tuition and fees;*

5 “(E) *the extent to which the institution’s*
6 *policies affected student body demographics and*
7 *time to completion;*

8 “(F) *what, if any, operational factors*
9 *played a role in reducing tuition and fees;*

10 “(G) *the extent to which academic quality*
11 *was affected, and how;*

12 “(H) *the extent to which policies and prac-*
13 *tices reducing costs and prices may be replicated*
14 *from one institution to another; and*

15 “(I) *other information as necessary to deter-*
16 *mine best practices in increasing the afford-*
17 *ability of postsecondary education.*

18 “(2) *INTERIM AND FINAL REPORTS.—The Comp-*
19 *troller General shall submit an interim and a final*
20 *report regarding the findings of the study required by*
21 *paragraph (1) to the appropriate authorizing com-*
22 *mittees of Congress. The interim report shall be sub-*
23 *mitted not later than July 31, 2011, and the final re-*
24 *port shall be submitted not later than July 31, 2013.*

25 “(i) *STUDENT AID RECIPIENT SURVEY.—*

1 “(1) *SURVEY REQUIRED.*—*The Secretary shall*
2 *conduct a survey of student aid recipients under title*
3 *IV on a regular cycle and State-by-State basis, but*
4 *not less than once every 4 years—*

5 “(A) *to identify the population of students*
6 *receiving Federal student aid;*

7 “(B) *to describe the income distribution and*
8 *other socioeconomic characteristics of federally*
9 *aided students;*

10 “(C) *to describe the combinations of aid*
11 *from State, Federal, and private sources received*
12 *by students from all income groups;*

13 “(D) *to describe the debt burden of edu-*
14 *cational loan recipients and their capacity to*
15 *repay their education debts, and the impact of*
16 *such debt burden on career choices;*

17 “(E) *to describe the role played by the price*
18 *of postsecondary education in the determination*
19 *by students of what institution to attend; and*

20 “(F) *to describe how the increased costs of*
21 *textbooks and other instructional materials af-*
22 *fects the costs of postsecondary education to stu-*
23 *dents.*

24 “(2) *SURVEY DESIGN.*—*The survey shall be rep-*
25 *resentative of full-time and part-time, undergraduate,*

1 graduate, and professional and current and former
 2 students in all types of institutions, and designed and
 3 administered in consultation with the Congress and
 4 the postsecondary education community.

5 “(3) *DISSEMINATION.*—The Secretary shall dis-
 6 seminate the information resulting from the survey in
 7 both printed and electronic form.

8 “(j) *REGULATIONS.*—The Secretary is authorized to
 9 issue such regulations as may be necessary to carry out the
 10 provisions of this section.”.

11 **SEC. 109. DATABASES OF STUDENT INFORMATION.**

12 Part C of title I is further amended by adding at the
 13 end the following new section:

14 **“SEC. 132. DATABASES OF STUDENT INFORMATION PROHIB-**
 15 **ITED.**

16 “(a) *PROHIBITION.*—Except as described in (b), noth-
 17 ing in this Act shall be construed to authorize the design,
 18 development, creation, implementation, or maintenance of
 19 a nationwide database of personally identifiable informa-
 20 tion on individuals receiving assistance, attending institu-
 21 tions receiving assistance, or otherwise involved in any
 22 studies or other collections of data under this Act, including
 23 a student unit record system, an education bar code system,
 24 or any other system that tracks individual students over
 25 time.

1 “(b) *EXCEPTION.*—*The provisions of subsection (a)*
 2 *shall not affect the loan obligation enforcement activities*
 3 *described in section 485B of this Act.*”.

4 **SEC. 110. PERFORMANCE-BASED ORGANIZATION.**

5 *Section 141 (20 U.S.C. 1018) is amended—*

6 *(1) in subsection (a)(2)(B)—*

7 *(A) by inserting “unit” after “to reduce*
 8 *the”; and*

9 *(B) by inserting “and, to the extent prac-*
 10 *ticable, the total costs of administering those pro-*
 11 *grams” after “those programs”;*

12 *(2) in subsection (c)—*

13 *(A) in paragraph (1)(A), by striking “Each*
 14 *year” and inserting “Each fiscal year”;*

15 *(B) in paragraph (1)(B), by inserting “sec-*
 16 *ondary markets, guaranty agencies,” after “lend-*
 17 *ers,”; and*

18 *(C) in paragraph (2)(B), by striking “Chief*
 19 *Financial Officer Act of 1990 and” and insert-*
 20 *ing “Chief Financial Officers Act of 1990,” and*
 21 *by inserting before the period at the end the fol-*
 22 *lowing: “, and other relevant statutes”; and*

23 *(3) in subsection (f)(3)(A), by striking “para-*
 24 *graph (1)(A)” and inserting “paragraph (1)”.*

TITLE II—TEACHER PREPARATION

SEC. 201. TEACHER QUALITY ENHANCEMENT GRANTS.

Part A of title II (20 U.S.C. 1021 et seq.) is amended to read as follows:

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

“SEC. 201. PURPOSES; DEFINITIONS.

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

“(1) improve student academic achievement;

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

“(3) hold institutions of higher education accountable for preparing highly qualified teachers; and

“(4) recruit qualified individuals, including minorities and individuals from other occupations, into the teaching force.

“(b) DEFINITIONS.—In this part:

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

“(A) when referring to an organizational unit of an institution of higher education, any academic unit that offers one or more academic

1 *majors in disciplines or content areas cor-*
 2 *responding to the academic subject matter areas*
 3 *in which teachers provide instruction; and*

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

8 *“(2) EXEMPLARY TEACHER.—The term ‘exem-*
 9 *plary teacher’ has the meaning given such term in*
 10 *section 9101 of the Elementary and Secondary Edu-*
 11 *cation Act of 1965 (20 U.S.C. 7801).*

12 *“(3) HIGHLY QUALIFIED.—The term ‘highly*
 13 *qualified’ when used with respect to an individual*
 14 *means that the individual is highly qualified as deter-*
 15 *mined under section 9101 of the Elementary and Sec-*
 16 *ondary Education Act of 1965 (20 U.S.C. 7801) or*
 17 *section 602 of the Individuals with Disabilities Edu-*
 18 *cation Act (20 U.S.C. 1401).*

19 *“(4) HIGH-NEED LOCAL EDUCATIONAL AGEN-*
 20 *CY.—The term ‘high-need local educational agency’*
 21 *means a local educational agency—*

22 *“(A)(i)(I) that serves not fewer than 10,000*
 23 *children from families with incomes below the*
 24 *poverty line; or*

1 “(II) for which not less than 25 percent of
2 the children served by the agency are from fami-
3 lies with incomes below the poverty line;

4 “(ii) that is among those serving the highest
5 number or percentage of children from families
6 with incomes below the poverty line in the State,
7 but this clause applies only in a State that has
8 no local educational agency meeting the require-
9 ments of clause (i); or

10 “(iii) with a total of less than 600 students
11 in average daily attendance at the schools that
12 are served by the agency and all of whose schools
13 are designated with a school locale code of 7, as
14 determined by the Secretary; and

15 “(B)(i) for which there is a high percentage
16 of teachers not teaching in the academic subjects
17 or grade levels that the teachers were trained to
18 teach; or

19 “(ii) for which there is a high percentage of
20 teachers with emergency, provisional, or tem-
21 porary certification or licensing.

22 “(5) *POVERTY LINE*.—The term ‘poverty line’
23 means the poverty line (as defined by the Office of
24 Management and Budget, and revised annually in ac-
25 cordance with section 673(2) of the Community Serv-

1 *ices Block Grant Act (42 U.S.C. 9902(2))) applicable*
 2 *to a family of the size involved.*

3 “(6) *PROFESSIONAL DEVELOPMENT.*—*The term*
 4 *‘professional development’ has the meaning given such*
 5 *term in section 9101 of the Elementary and Sec-*
 6 *ondary Education Act of 1965 (20 U.S.C. 7801).*

7 “(7) *SCIENTIFICALLY BASED READING RE-*
 8 *SEARCH.*—*The term ‘scientifically based reading re-*
 9 *search’ has the meaning given such term in section*
 10 *1208 of the Elementary and Secondary Education*
 11 *Act of 1965 (20 U.S.C. 6368).*

12 “(8) *SCIENTIFICALLY BASED RESEARCH.*—*The*
 13 *term ‘scientifically based research’ has the meaning*
 14 *given such term in section 9101 of the Elementary*
 15 *and Secondary Education Act of 1965 (20 U.S.C.*
 16 *7801).*

17 “(9) *TEACHING SKILLS.*—*The term ‘teaching*
 18 *skills’ means skills that—*

19 “(A) *are based on scientifically based re-*
 20 *search;*

21 “(B) *enable teachers to effectively convey*
 22 *and explain subject matter content;*

23 “(C) *lead to increased student academic*
 24 *achievement; and*

25 “(D) *use strategies that—*

- 1 “(i) are specific to subject matter;
 2 “(ii) include ongoing assessment of stu-
 3 dent learning;
 4 “(iii) focus on identification and tai-
 5 loring of academic instruction to students’s
 6 specific learning needs; and
 7 “(iv) focus on classroom management.

8 **“SEC. 202. STATE GRANTS.**

9 “(a) *IN GENERAL.*—From amounts made available
 10 under section 210(1) for a fiscal year, the Secretary is au-
 11 thorized to award grants under this section, on a competi-
 12 tive basis, to eligible States to enable the eligible States to
 13 carry out the activities described in subsection (d).

14 “(b) *ELIGIBLE STATE.*—

15 “(1) *DEFINITION.*—In this part, the term ‘*eligi-*
 16 *ble State*’ means—

17 “(A) *the Governor of a State; or*

18 “(B) *in the case of a State for which the*
 19 *constitution or law of such State designates an-*
 20 *other individual, entity, or agency in the State*
 21 *to be responsible for teacher certification and*
 22 *preparation activity, such individual, entity, or*
 23 *agency.*

24 “(2) *CONSULTATION.*—The Governor or the indi-
 25 vidual, entity, or agency designated under paragraph

1 (1)(B) shall consult with the Governor, State board of
 2 education, State educational agency, State agency for
 3 higher education, or State agency responsible for
 4 early childhood education and programs, as appro-
 5 priate, with respect to the activities assisted under
 6 this section.

7 “(3) CONSTRUCTION.—Nothing in this subsection
 8 shall be construed to negate or supersede the legal au-
 9 thority under State law of any State agency, State
 10 entity, or State public official over programs that are
 11 under the jurisdiction of the agency, entity, or offi-
 12 cial.

13 “(c) APPLICATION.—To be eligible to receive a grant
 14 under this section, an eligible State shall submit an appli-
 15 cation to the Secretary that—

16 “(1) meets the requirement of this section;

17 “(2) demonstrates that the State is in full com-
 18 pliance with sections 207 and 208;

19 “(3) includes a description of how the eligible
 20 State intends to use funds provided under this sec-
 21 tion;

22 “(4) includes measurable objectives for the use of
 23 the funds provided under the grant;

24 “(5) demonstrates the State has submitted and is
 25 actively implementing a plan that meets the require-

1 *ments of sections 1111(h)(1)(C)(viii) and 1119 of the*
 2 *Elementary and Secondary Education Act of 1965*
 3 *(20 U.S.C. 6311(h)(1)(C)(viii) and 6319); and*

4 *“(6) contains such other information and assur-*
 5 *ances as the Secretary may require.*

6 *“(d) USES OF FUNDS.—An eligible State that receives*
 7 *a grant under this section shall use the grant funds to re-*
 8 *form teacher preparation requirements, to coordinate with*
 9 *State activities under section 2113(c) of the Elementary*
 10 *and Secondary Education Act of 1965 (20 U.S.C. 6613(c)),*
 11 *and to ensure that current and future teachers are highly*
 12 *qualified, by carrying out one or more of the following ac-*
 13 *tivities:*

14 *“(1) REFORMS.—Ensuring that all teacher prep-*
 15 *aration programs in the State are preparing teachers*
 16 *who are highly qualified, are able to understand sci-*
 17 *entifically based research and its applicability, and*
 18 *are able to use advanced technology effectively in the*
 19 *classroom, including use for instructional techniques*
 20 *to improve student academic achievement, by assist-*
 21 *ing such programs—*

22 *“(A) to retrain faculty; and*

23 *“(B) to design (or redesign) teacher prepa-*
 24 *ration programs so they—*

1 “(i) are based on rigorous academic
 2 content, scientifically based research (in-
 3 cluding scientifically based reading re-
 4 search), and challenging State student aca-
 5 demic content standards; and

6 “(ii) promote strong teaching skills.

7 “(2) CERTIFICATION OR LICENSURE REQUIRE-
 8 MENTS.—Reforming teacher certification (including
 9 recertification) or licensing requirements to ensure
 10 that—

11 “(A) teachers have the subject matter knowl-
 12 edge and teaching skills in the academic subjects
 13 that the teachers teach that are necessary to help
 14 students meet challenging State student academic
 15 achievement standards; and

16 “(B) such requirements are aligned with
 17 challenging State academic content standards.

18 “(3) ALTERNATIVES TO TRADITIONAL TEACHER
 19 PREPARATION AND STATE CERTIFICATION.—Providing
 20 prospective teachers with alternative routes to State
 21 certification and traditional preparation to become
 22 highly qualified teachers through—

23 “(A) innovative approaches that reduce un-
 24 necessary barriers to State certification while
 25 producing highly qualified teachers, which may

1 *include articulation agreements between institu-*
2 *tions of higher education;*

3 “(B) *programs that provide support to*
4 *teachers during their initial years in the profes-*
5 *sion; and*

6 “(C) *alternative routes to State certification*
7 *of teachers for qualified individuals, including*
8 *mid-career professionals from other occupations,*
9 *former military personnel, and recent college*
10 *graduates with records of academic distinction.*

11 “(4) *INNOVATIVE PROGRAMS.—Planning and im-*
12 *plementing innovative programs to enhance the abil-*
13 *ity of institutions of higher education to prepare*
14 *highly qualified teachers, such as charter colleges of*
15 *education or university and local educational agency*
16 *partnership schools, that—*

17 “(A) *permit flexibility in meeting State re-*
18 *quirements as long as graduates, during their*
19 *initial years in the profession, increase student*
20 *academic achievement;*

21 “(B) *provide long-term data gathered from*
22 *teachers’ performance over multiple years in the*
23 *classroom on the ability to increase student aca-*
24 *demic achievement;*

1 “(C) ensure high-quality preparation of
2 teachers from underrepresented groups; and

3 “(D) create performance measures that can
4 be used to document the effectiveness of innova-
5 tive methods for preparing highly qualified
6 teachers.

7 “(5) MERIT PAY.—Developing, or assisting local
8 educational agencies in developing—

9 “(A) merit-based performance systems that
10 reward teachers who increase student academic
11 achievement; and

12 “(B) strategies that provide differential and
13 bonus pay in high-need local educational agen-
14 cies to retain—

15 “(i) principals;

16 “(ii) highly qualified teachers who
17 teach in high-need academic subjects, such
18 as reading, mathematics, and science;

19 “(iii) highly qualified teachers who
20 teach in schools identified for school im-
21 provement under section 1116(b) of the Ele-
22 mentary and Secondary Education Act of
23 1965 (20 U.S.C. 6316(b));

24 “(iv) special education teachers;

1 “(v) teachers specializing in teaching
2 limited English proficient children; and

3 “(vi) highly qualified teachers in
4 urban and rural schools or districts.

5 “(6) *TEACHER ADVANCEMENT*.—Developing, or
6 assisting local educational agencies in developing,
7 teacher advancement and retention initiatives that
8 promote professional growth and emphasize multiple
9 career paths (such as paths to becoming a highly
10 qualified mentor teacher or exemplary teacher) and
11 pay differentiation.

12 “(7) *TEACHER REMOVAL*.—Developing and im-
13 plementing effective mechanisms to ensure that local
14 educational agencies and schools are able to remove
15 expeditiously incompetent or unqualified teachers con-
16 sistent with procedures to ensure due process for the
17 teachers.

18 “(8) *TECHNICAL ASSISTANCE*.—Providing tech-
19 nical assistance to low-performing teacher prepara-
20 tion programs within institutions of higher education
21 identified under section 208(a).

22 “(9) *TEACHER EFFECTIVENESS*.—Developing—
23 “(A) systems to measure the effectiveness of
24 teacher preparation programs and professional
25 development programs; and

1 “(B) strategies to document gains in stu-
 2 dent academic achievement or increases in teach-
 3 er mastery of the academic subjects the teachers
 4 teach as a result of such programs.

5 “(10) *TEACHER RECRUITMENT AND RETEN-*
 6 *TION.*—Undertaking activities that—

7 “(A) develop and implement effective mech-
 8 anisms to ensure that local educational agencies
 9 and schools are able effectively to recruit and re-
 10 tain highly qualified teachers; or

11 “(B) are described in section 204(d).

12 “(11) *EARLY CHILDHOOD EDUCATOR.*—Devel-
 13 oping strategies—

14 “(A) to improve the qualifications of pre-
 15 school teachers, which may include State certifi-
 16 cation for such teachers;

17 “(B) to improve and expand preschool
 18 teacher preparation programs; and

19 “(C) to reduce unnecessary burdens to the
 20 attainment of a bachelor’s degree in early child-
 21 hood education and increase the number of bilin-
 22 gual early childhood educators, which may in-
 23 clude developing articulation agreements between
 24 institutions of higher education.

1 “(12) *GIFTED AND TALENTED STUDENTS.*—*In-*
2 *corporating the learning needs of gifted and talented*
3 *students into the activities described in paragraph*
4 *(1), (2), or (3) in order to ensure that new teachers*
5 *possess the basic knowledge and skills necessary to*
6 *meet the educational needs of gifted and talented stu-*
7 *dents.*

8 “(13) *NEW-TEACHER MENTORING ON THE NEEDS*
9 *OF GIFTED AND TALENTED STUDENTS.*—*Establishing*
10 *or expanding new-teacher mentoring and assessment*
11 *programs (including induction and evaluation pro-*
12 *grams) that are a part of a licensure process which*
13 *is designed to demonstrate that new teachers possess*
14 *basic knowledge of the classroom indicators of*
15 *giftedness, are able to identify student learning dif-*
16 *ferences among gifted students, and are able to pro-*
17 *vide instruction to accommodate such differences.*

18 “(14) *SPECIAL EDUCATION, MATH, AND SCIENCE*
19 *FACULTY.*—*Supporting the development of new spe-*
20 *cial education, math, and science faculty positions in*
21 *institutions of higher education dedicated to the prep-*
22 *aration of highly qualified special education, math,*
23 *and science teachers (as defined by section 9101 of the*
24 *Elementary and Secondary Education Act or section*
25 *602 of the Individuals with Disabilities Education*

1 *Act), with matching funds from institutions of higher*
 2 *education and a commitment to continue new faculty*
 3 *positions when Federal funding ends.*

4 “(15) *SUBJECT AREA EVALUATION.*—*Assessing*
 5 *the performance of teacher preparation programs*
 6 *within institutions of higher education in the State*
 7 *using an assessment which provides comparisons*
 8 *across such schools in the State based upon indicators*
 9 *including teacher candidate knowledge in subject*
 10 *areas in which such candidate has been prepared to*
 11 *teach. Such information shall be made publicly avail-*
 12 *able and widely disseminated.*

13 “(e) *EVALUATION.*—

14 “(1) *EVALUATION SYSTEM.*—*An eligible State*
 15 *that receives a grant under this section shall develop*
 16 *and utilize a system to evaluate annually the effec-*
 17 *tiveness of teacher preparation programs and profes-*
 18 *sional development activities within the State in pro-*
 19 *ducing gains in—*

20 “(A) *the teacher’s annual contribution to*
 21 *improving student academic achievement, as*
 22 *measured by State academic assessments re-*
 23 *quired under section 1111(b)(3) of the Elemen-*
 24 *tary and Secondary Education Act of 1965 (20*
 25 *U.S.C. 6311(b)(3)); and*

1 “(B) teacher mastery of the academic sub-
 2 jects they teach, as measured by pre- and post-
 3 participation tests of teacher knowledge, as ap-
 4 propriate.

5 “(2) *USE OF EVALUATION SYSTEM.*—Such eval-
 6 uation system shall be used by the State to evaluate—

7 “(A) activities carried out using funds pro-
 8 vided under this section; and

9 “(B) the quality of its teacher education
 10 programs.

11 “(3) *PUBLIC REPORTING.*—The State shall make
 12 the information described in paragraph (1) widely
 13 available through public means, such as posting on
 14 the Internet, distribution to the media, and distribu-
 15 tion through public agencies.

16 **“SEC. 203. PARTNERSHIP GRANTS.**

17 “(a) *GRANTS.*—From amounts made available under
 18 section 210(2) for a fiscal year, the Secretary is authorized
 19 to award grants under this section, on a competitive basis,
 20 to eligible partnerships to enable the eligible partnerships
 21 to carry out the activities described in subsections (d) and
 22 (e).

23 “(b) *DEFINITIONS.*—

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

1 “(A) shall include—

2 “(i) a partner institution;

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

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

6 “(iv) a public or private educational
7 organization; and

8 “(B) may include a Governor, State edu-
9 cational agency, the State board of education, the
10 State agency for higher education, an institution
11 of higher education not described in subpara-
12 graph (A), a public charter school, a public or
13 private elementary school or secondary school, a
14 public or private educational organization, a
15 business, a science-, mathematics-, or technology-
16 oriented entity, a faith-based or community or-
17 ganization, a prekindergarten program, a teach-
18 er organization, an education service agency, a
19 consortia of local educational agencies, or a non-
20 profit telecommunications entity.

21 “(2) PARTNER INSTITUTION.—In this section, the
22 term ‘partner institution’ means an institution of
23 higher education, the teacher training program of
24 which demonstrates that—

1 “(A) graduates from the teacher training
2 program exhibit strong performance on State-de-
3 termined qualifying assessments for new teachers
4 through—

5 “(i) demonstrating that the graduates
6 of the program who intend to enter the field
7 of teaching have passed all of the applicable
8 State qualification assessments for new
9 teachers, which shall include an assessment
10 of each prospective teacher’s subject matter
11 knowledge in the content area or areas in
12 which the teacher intends 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 “(I) using criteria consistent with
17 the requirements for the State report
18 card under section 207(a); and

19 “(II) using the State report card
20 on teacher preparation required under
21 section 207(a); or

22 “(B) the teacher training program requires
23 all the students of the program to participate in
24 intensive clinical experience, to meet high aca-
25 demic standards, and—

1 “(i) in the case of secondary school
2 candidates, to successfully complete an aca-
3 demic major in the subject area in which
4 the candidate intends to teach or to dem-
5 onstrate competence through a high level of
6 performance in relevant content areas; and

7 “(ii) in the case of elementary school
8 candidates, to successfully complete an aca-
9 demic major in the arts and sciences or to
10 demonstrate competence through a high level
11 of performance in core academic subject
12 areas.

13 “(c) *APPLICATION.*—Each eligible partnership desiring
14 a grant under this section shall submit an application to
15 the Secretary at such time, in such manner, and accom-
16 panied by such information as the Secretary may require.
17 Each such application shall—

18 “(1) contain a needs assessment of all the part-
19 ners with respect to teaching and learning and a de-
20 scription of how the partnership will coordinate with
21 other teacher training or professional development
22 programs, and how the activities of the partnership
23 will be consistent with State, local, and other edu-
24 cation reform activities that promote student aca-
25 demic achievement;

1 “(2) contain a resource assessment that describes
2 the resources available to the partnership, the in-
3 tended use of the grant funds, including a description
4 of how the grant funds will be used in accordance
5 with subsection (f), and the commitment of the re-
6 sources of the partnership to the activities assisted
7 under this part, including financial support, faculty
8 participation, time commitments, and continuation of
9 the activities when the grant ends;

10 “(3) contain a description of—

11 “(A) how the partnership will meet the pur-
12 poses of this part;

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

16 “(C) the partnership’s evaluation plan pur-
17 suant to section 206(b);

18 “(D) how faculty of the teacher preparation
19 program at the partner institution will serve,
20 over the term of the grant, with highly qualified
21 teachers in the classrooms of the high-need local
22 educational agency included in the partnership;

23 “(E) how the partnership will ensure that
24 teachers, principals, and superintendents in pri-
25 vate elementary and secondary schools located in

1 *the geographic areas served by an eligible part-*
2 *nership under this section will participate equi-*
3 *tably in accordance with section 9501 of the Ele-*
4 *mentary and Secondary Education Act of 1965*
5 *(20 U.S.C. 7881);*

6 *“(F) how the partnership will design and*
7 *implement a clinical program component that*
8 *includes close supervision of student teachers by*
9 *faculty of the teacher preparation program at the*
10 *partner institution and mentor teachers;*

11 *“(G) how the partnership will design and*
12 *implement an induction program to support all*
13 *new teachers through the first 3 years of teaching*
14 *that includes mentors who are trained and com-*
15 *pensated by the partnership for their work with*
16 *new teachers; and*

17 *“(H) how the partnership will collect, ana-*
18 *lyze, and use data on the retention of all teachers*
19 *in schools located in the geographic areas served*
20 *by the partnership to evaluate the effectiveness of*
21 *its teacher support system; and*

22 *“(4) contain a certification from the high-need*
23 *local educational agency included in the partnership*
24 *that it has reviewed the application and determined*

1 that the grant proposed will comply with subsection
2 (f).

3 “(d) *REQUIRED USES OF FUNDS.*—An eligible part-
4 nership that receives a grant under this section shall use
5 the grant funds to reform teacher preparation requirements,
6 to coordinate with State activities under section 2113(c) of
7 the *Elementary and Secondary Education Act of 1965* (20
8 *U.S.C. 6613(c)*), and to ensure that current and future
9 teachers are highly qualified, by carrying out one or more
10 of the following activities:

11 “(1) *REFORMS.*—Implementing reforms within
12 teacher preparation programs to ensure that such
13 programs are preparing teachers who are highly
14 qualified, are able to understand scientifically based
15 research and its applicability, and are able to use ad-
16 vanced technology effectively in the classroom, includ-
17 ing use for instructional techniques to improve stu-
18 dent academic achievement, by—

19 “(A) retraining faculty; and

20 “(B) designing (or redesigning) teacher
21 preparation programs so they—

22 “(i) are based on rigorous academic
23 content, scientifically based research (in-
24 cluding scientifically based reading re-

1 search), and challenging State student aca-
2 demic content standards; and

3 “(ii) promote strong teaching skills.

4 “(2) *CLINICAL EXPERIENCE AND INTERACTION.*—
5 *Providing sustained and high-quality preservice and*
6 *in-service clinical experience, including the mentoring*
7 *of prospective teachers by exemplary teachers, sub-*
8 *stantially increasing interaction between faculty at*
9 *institutions of higher education and new and experi-*
10 *enced teachers, principals, and other administrators*
11 *at elementary schools or secondary schools, and pro-*
12 *viding support for teachers, including preparation*
13 *time and release time, for such interaction.*

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

21 “(4) *TEACHER PREPARATION.*—*Developing, or*
22 *assisting local educational agencies in developing,*
23 *professional development activities that—*

24 “(A) *provide training in how to teach and*
25 *address the needs of students with different*

1 *learning styles, particularly students with dis-*
 2 *abilities, limited English proficient students,*
 3 *gifted and talented students, and students with*
 4 *special learning needs; and*

5 “(B) provide training in methods of—

6 “(i) improving student behavior in the
 7 classroom; and

8 “(ii) identifying early and appropriate
 9 interventions to help students described in
 10 subparagraph (A) learn.

11 “(e) *ALLOWABLE USES OF FUNDS.*—An eligible part-
 12 *nership that receives a grant under this section may use*
 13 *such funds to carry out the following activities:*

14 “(1) *ALTERNATIVES TO TRADITIONAL TEACHER*
 15 *PREPARATION AND STATE CERTIFICATION.*—Providing
 16 *prospective teachers with alternative routes to State*
 17 *certification and traditional preparation to become*
 18 *highly qualified teachers through—*

19 “(A) innovative approaches that reduce un-
 20 necessary barriers to teacher preparation pro-
 21 ducing highly qualified teachers, which may in-
 22 clude articulation agreements between institu-
 23 tions of higher education;

24 “(B) programs that provide support during
 25 a teacher’s initial years in the profession; and

1 “(C) *alternative routes to State certification*
 2 *of teachers for qualified individuals, including*
 3 *mid-career professionals from other occupations,*
 4 *former military personnel, and recent college*
 5 *graduates with records of academic distinction.*

6 “(2) *DISSEMINATION AND COORDINATION.*—
 7 *Broadly disseminating information on effective prac-*
 8 *tices used by the partnership, and coordinating with*
 9 *the activities of the Governor, State board of edu-*
 10 *cation, State higher education agency, and State edu-*
 11 *cational agency, as appropriate.*

12 “(3) *MANAGERIAL AND LEADERSHIP SKILLS.*—
 13 *Developing and implementing professional develop-*
 14 *ment programs for principals and superintendents*
 15 *that enable them to be effective school leaders and pre-*
 16 *pare all students to meet challenging State academic*
 17 *content and student academic achievement standards.*

18 “(4) *TEACHER RECRUITMENT.*—*Activities—*
 19 *“(A) to encourage students to become highly*
 20 *qualified teachers, such as extracurricular en-*
 21 *richment activities; and*

22 *“(B) activities described in section 204(d).*

23 “(5) *CLINICAL EXPERIENCE IN SCIENCE, MATHE-*
 24 *MATICS, AND TECHNOLOGY.*—*Creating opportunities*
 25 *for clinical experience and training, by participation*

1 *in the business, research, and work environments with*
 2 *professionals, in areas relating to science, mathe-*
 3 *matics, and technology for teachers and prospective*
 4 *teachers, including opportunities for use of laboratory*
 5 *equipment, in order for the teacher to return to the*
 6 *classroom for at least 2 years and provide instruction*
 7 *that will raise student academic achievement.*

8 “(6) *COORDINATION WITH COMMUNITY COL-*
 9 *LEGES.—Coordinating with community colleges to*
 10 *implement teacher preparation programs, including*
 11 *through distance learning or articulation agreements,*
 12 *for the purposes of allowing prospective teachers—*

13 “(A) *to attain a bachelor’s degree and State*
 14 *certification or licensure; and*

15 “(B) *to become highly qualified teachers.*

16 “(7) *TEACHER MENTORING.—Establishing or*
 17 *implementing a teacher mentoring program that—*

18 “(A) *includes minimum qualifications for*
 19 *mentors;*

20 “(B) *provides training and stipends for*
 21 *mentors;*

22 “(C) *provides mentoring programs for*
 23 *teachers in their first 3 years of teaching;*

24 “(D) *provides regular and ongoing opportu-*
 25 *nities for mentors and mentees to observe each*

1 *other’s teaching methods in classroom settings*
2 *during the school day;*

3 *“(E) establishes an evaluation and account-*
4 *ability plan for activities conducted under this*
5 *paragraph that includes rigorous objectives to*
6 *measure the impact of such activities; and*

7 *“(F) provides for a report to the Secretary*
8 *on an annual basis regarding the partnership’s*
9 *progress in meeting the objectives described in*
10 *subparagraph (E).*

11 *“(8) COMPUTER SOFTWARE FOR MULTILINGUAL*
12 *EDUCATION.—Training teachers to use computer soft-*
13 *ware for multilingual education to address the needs*
14 *of limited English proficient students.*

15 *“(9) GIFTED AND TALENTED STUDENTS.—In-*
16 *creasing the knowledge and skills of preservice teach-*
17 *ers participating in activities under subsection (d) in*
18 *the educational and related needs of gifted and tal-*
19 *ented students by, among other strategies, infusing*
20 *teacher coursework with units on the characteristics of*
21 *high-ability learners, using assessments to identify*
22 *preexisting knowledge and skills among students, and*
23 *developing teaching strategies that are driven by the*
24 *learner’s progress.*

1 “(10) *REDUCING THE SHORTAGE OF HIGHLY*
2 *QUALIFIED SPECIAL EDUCATION, MATH, AND SCIENCE*
3 *TEACHERS.—Increasing the number of highly quali-*
4 *fied special education, math, and science teachers (as*
5 *defined by section 9101 of the Elementary and Sec-*
6 *ondary Education Act or section 602 of the Individ-*
7 *uals with Disabilities Education Act) through such*
8 *activities as recruitment, scholarships for tuition, and*
9 *new teacher mentoring.*

10 “(f) *SPECIAL RULE.—At least 50 percent of the funds*
11 *made available to an eligible partnership under this section*
12 *shall be used directly to benefit the high-need local edu-*
13 *cational agency included in the partnership. Any entity de-*
14 *scribed in subsection (b)(1)(A) may be the fiscal agent*
15 *under this section.*

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

22 “(h) *SUPPLEMENT, NOT SUPPLANT.—Funds made*
23 *available under this section shall be used to supplement,*
24 *and not supplant, other Federal, State, and local funds that*

1 *would otherwise be expended to carry out the purposes of*
 2 *this section.*

3 **“SEC. 204. TEACHER RECRUITMENT GRANTS.**

4 “(a) *PROGRAM AUTHORIZED.*—From amounts made
 5 available under section 210(3) for a fiscal year, the Sec-
 6 retary is authorized to award grants, on a competitive
 7 basis, to eligible applicants to enable the eligible applicants
 8 to carry out activities described in subsection (d).

9 “(b) *ELIGIBLE APPLICANT DEFINED.*—In this part,
 10 the term ‘eligible applicant’ means—

11 “(1) an eligible State described in section 202(b);

12 or

13 “(2) an eligible partnership described in section
 14 203(b).

15 “(c) *APPLICATION.*—Any eligible applicant desiring to
 16 receive a grant under this section shall submit an applica-
 17 tion to the Secretary at such time, in such form, and con-
 18 taining such information as the Secretary may require, in-
 19 cluding—

20 “(1) a description of the assessment that the eli-
 21 gible applicant, and the other entities with whom the
 22 eligible applicant will carry out the grant activities,
 23 have undertaken to determine the most critical needs
 24 of the participating high-need local educational agen-
 25 cies;

1 “(2) a description of the activities the eligible
2 applicant will carry out with the grant, including the
3 extent to which the applicant will use funds to recruit
4 minority students to become highly qualified teachers;
5 and

6 “(3) a description of the eligible applicant’s plan
7 for continuing the activities carried out with the
8 grant, once Federal funding ceases.

9 “(d) *USES OF FUNDS.*—Each eligible applicant receiv-
10 ing a grant under this section shall use the grant funds—

11 “(1)(A) to award scholarships to help students,
12 such as individuals who have been accepted for their
13 first year, or who are enrolled in their first or second
14 year, of a program of undergraduate education at an
15 institution of higher education, pay the costs of tui-
16 tion, room, board, and other expenses of completing a
17 teacher preparation program;

18 “(B) to provide support services, if needed to en-
19 able scholarship recipients—

20 “(i) to complete postsecondary education
21 programs; or

22 “(ii) to transition from a career outside of
23 the field of education into a teaching career; and

1 “(C) *for followup services provided to former*
2 *scholarship recipients during the recipients first 3*
3 *years of teaching; or*

4 “(2) *to develop and implement effective mecha-*
5 *nisms to ensure that high-need local educational agen-*
6 *cies and schools are able effectively to recruit highly*
7 *qualified teachers.*

8 “(e) *ADDITIONAL DISCRETIONARY USES OF FUNDS.—*
9 *In addition to the uses described in subsection (d), each eli-*
10 *gible applicant receiving a grant under this section may*
11 *use the grant funds—*

12 “(1) *to develop and implement effective mecha-*
13 *nisms to recruit into the teaching profession employ-*
14 *ees from—*

15 “(A) *high-demand industries, including*
16 *technology industries; and*

17 “(B) *the fields of science, mathematics, and*
18 *engineering;*

19 “(2) *to conduct outreach and coordinate with*
20 *inner city and rural secondary schools to encourage*
21 *students to pursue teaching as a career;*

22 “(3) *to develop and implement dual degree pro-*
23 *grams that enable students at institutions of higher*
24 *education to earn two undergraduate degrees concur-*
25 *rently, one of such degrees being in education and the*

1 *other in the subject matter of the student's choosing;*
 2 *and*

3 *“(4) to recruit high achieving students, bilingual*
 4 *students, and other qualified candidates into early*
 5 *childhood education programs.*

6 *“(f) SERVICE REQUIREMENTS.—*

7 *“(1) IN GENERAL.—The Secretary shall establish*
 8 *such requirements as the Secretary determines nec-*
 9 *essary to ensure that recipients of scholarships under*
 10 *this section who complete teacher education pro-*
 11 *grams—*

12 *“(A) subsequently teach in a high-need local*
 13 *educational agency for a period of time equiva-*
 14 *lent to—*

15 *“(i) one year; increased by*

16 *“(ii) the period for which the recipient*
 17 *received scholarship assistance; or*

18 *“(B) repay the amount of the scholarship.*

19 *“(2) USE OF REPAYMENTS.—The Secretary shall*
 20 *use any such repayments to carry out additional ac-*
 21 *tivities under this section.*

22 *“(g) PRIORITY.—The Secretary shall give priority*
 23 *under this section to eligible applicants who provide an as-*
 24 *surance that they will recruit a high percentage of minority*
 25 *students to become highly qualified teachers.*

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

2 “(a) *DURATION; ONE-TIME AWARDS; PAYMENTS.*—

3 “(1) *DURATION.*—

4 “(A) *ELIGIBLE STATES AND ELIGIBLE AP-*
5 *PLICANTS.*—*Grants awarded to eligible States*
6 *and eligible applicants under this part shall be*
7 *awarded for a period not to exceed 3 years.*

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

11 “(2) *ONE-TIME AWARD.*—*An eligible partnership*
12 *may receive a grant under each of sections 203 and*
13 *204, as amended by the College Access and Oppor-*
14 *tunity Act of 2005, only once.*

15 “(3) *PAYMENTS.*—*The Secretary shall make an-*
16 *ual payments of grant funds awarded under this*
17 *part.*

18 “(b) *PEER REVIEW.*—

19 “(1) *PANEL.*—*The Secretary shall provide the*
20 *applications submitted under this part to a peer re-*
21 *view panel for evaluation. With respect to each appli-*
22 *cation, the peer review panel shall initially rec-*
23 *ommend the application for funding or for dis-*
24 *approval.*

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

4 “(A) *with respect to grants under section*
5 *202, give priority to eligible States that—*

6 “(i) *have initiatives to reform State*
7 *teacher certification requirements that are*
8 *based on rigorous academic content, sci-*
9 *entifically based research, including sci-*
10 *entifically based reading research, and chal-*
11 *lenging State student academic content*
12 *standards;*

13 “(ii) *have innovative reforms to hold*
14 *institutions of higher education with teacher*
15 *preparation programs accountable for pre-*
16 *paring teachers who are highly qualified*
17 *and have strong teaching skills; or*

18 “(iii) *have innovative efforts aimed at*
19 *reducing the shortage of highly qualified*
20 *teachers in high poverty urban and rural*
21 *areas; and*

22 “(B) *with respect to grants under section*
23 *203—*

24 “(i) *give priority to applications from*
25 *broad-based eligible partnerships that in-*

1 *volve businesses and community organiza-*
2 *tions; and*

3 *“(ii) take into consideration—*

4 *“(I) providing an equitable geo-*
5 *graphic distribution of the grants*
6 *throughout the United States; and*

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

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

18 *“(c) MATCHING REQUIREMENTS.—*

19 *“(1) STATE GRANTS.—Each eligible State receiv-*
20 *ing a grant under section 202 or 204 shall provide,*
21 *from non-Federal sources, an amount equal to 50 per-*
22 *cent of the amount of the grant (in cash or in kind)*
23 *to carry out the activities supported by the grant.*

24 *“(2) PARTNERSHIP GRANTS.—Each eligible part-*
25 *nership receiving a grant under section 203 or 204*

1 *shall provide, from non-Federal sources (in cash or in*
 2 *kind), an amount equal to 25 percent of the grant for*
 3 *the first year of the grant, 35 percent of the grant for*
 4 *the second year of the grant, and 50 percent of the*
 5 *grant for each succeeding year of the grant.*

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

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

11 “(a) *STATE GRANT ACCOUNTABILITY REPORT.—An el-*
 12 *igible State that receives a grant under section 202 shall*
 13 *submit an annual accountability report to the Secretary*
 14 *and the authorizing committees. Such report shall include*
 15 *a description of the degree to which the eligible State, in*
 16 *using funds provided under such section, has made substan-*
 17 *tial progress in meeting the following goals:*

18 “(1) *PERCENTAGE OF HIGHLY QUALIFIED*
 19 *TEACHERS.—Increasing the percentage of highly*
 20 *qualified teachers in the State as required by section*
 21 *1119 of the Elementary and Secondary Education*
 22 *Act of 1965 (20 U.S.C. 6319) and section 602 of the*
 23 *Individuals with Disabilities Act (20 U.S.C. 1401).*

24 “(2) *STUDENT ACADEMIC ACHIEVEMENT.—In-*
 25 *creasing student academic achievement for all stu-*

1 *dents, which may be measured through the use of*
 2 *value-added assessments, as defined by the eligible*
 3 *State.*

4 “(3) *RAISING STANDARDS.—Raising the State*
 5 *academic standards required to enter the teaching*
 6 *profession as a highly qualified teacher.*

7 “(4) *INITIAL CERTIFICATION OR LICENSURE.—*
 8 *Increasing success in the pass rate for initial State*
 9 *teacher certification or licensure, or increasing the*
 10 *numbers of qualified individuals being certified or li-*
 11 *censed as teachers through alternative routes to cer-*
 12 *tification and licensure.*

13 “(5) *DECREASING TEACHER SHORTAGES.—De-*
 14 *creasing shortages of highly qualified teachers in poor*
 15 *urban and rural areas.*

16 “(6) *INCREASING OPPORTUNITIES FOR RE-*
 17 *SEARCH-BASED PROFESSIONAL DEVELOPMENT.—In-*
 18 *creasing opportunities for enhanced and ongoing pro-*
 19 *fessional development that—*

20 “(A) *improves the academic content knowl-*
 21 *edge of teachers in the subject areas in which the*
 22 *teachers are certified or licensed to teach or in*
 23 *which the teachers are working toward certifi-*
 24 *cation or licensure to teach; and*

25 “(B) *promotes strong teaching skills.*

1 “(7) *TECHNOLOGY INTEGRATION.*—*Increasing*
2 *the number of teachers prepared effectively to inte-*
3 *grate technology into curricula and instruction and*
4 *who use technology to collect, manage, and analyze*
5 *data to improve teaching, learning, decisionmaking,*
6 *and parental involvement for the purpose of increas-*
7 *ing student academic achievement.*

8 “(b) *ELIGIBLE PARTNERSHIP EVALUATION.*—*Each el-*
9 *igible partnership applying for a grant under section 203*
10 *shall establish, and include in the application submitted*
11 *under section 203(c), an evaluation plan that includes*
12 *strong performance objectives. The plan shall include objec-*
13 *tives and measures for—*

14 “(1) *increased student achievement for all stu-*
15 *dents, as measured by the partnership;*

16 “(2) *increased teacher retention in the first 3*
17 *years of a teacher’s career;*

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

20 “(4) *increased percentage of highly qualified*
21 *teachers; and*

22 “(5) *increasing the number of teachers trained*
23 *effectively to integrate technology into curricula and*
24 *instruction and who use technology to collect, manage,*
25 *and analyze data to improve teaching, learning, and*

1 *decisionmaking for the purpose of improving student*
2 *academic achievement.*

3 “(c) *REVOCATION OF GRANT.*—

4 “(1) *REPORT.*—*Each eligible State or eligible*
5 *partnership receiving a grant under section 202 or*
6 *203 shall report annually on the progress of the eligi-*
7 *ble State or eligible partnership toward meeting the*
8 *purposes of this part and the goals, objectives, and*
9 *measures described in subsections (a) and (b).*

10 “(2) *REVOCATION.*—

11 “(A) *ELIGIBLE STATES AND ELIGIBLE AP-*
12 *PLICANTS.*—*If the Secretary determines that an*
13 *eligible State or eligible applicant is not making*
14 *substantial progress in meeting the purposes,*
15 *goals, objectives, and measures, as appropriate,*
16 *by the end of the second year of a grant under*
17 *this part, then the grant payment shall not be*
18 *made for the third year of the grant.*

19 “(B) *ELIGIBLE PARTNERSHIPS.*—*If the Sec-*
20 *retary determines that an eligible partnership is*
21 *not making substantial progress in meeting the*
22 *purposes, goals, objectives, and measures, as ap-*
23 *propriate, by the end of the third year of a grant*
24 *under this part, then the grant payments shall*

1 *not be made for any succeeding year of the*
2 *grant.*

3 “(d) *EVALUATION AND DISSEMINATION.—The Sec-*
4 *retary shall evaluate the activities funded under this part*
5 *and report annually the Secretary’s findings regarding the*
6 *activities to the authorizing committees. The Secretary shall*
7 *broadly disseminate successful practices developed by eligi-*
8 *ble States and eligible partnerships under this part, and*
9 *shall broadly disseminate information regarding such prac-*
10 *tices that were found to be ineffective.*

11 **“SEC. 207. ACCOUNTABILITY FOR PROGRAMS THAT PRE-**
12 **PARE TEACHERS.**

13 “(a) *STATE REPORT CARD ON THE QUALITY OF*
14 *TEACHER PREPARATION.—Each State that receives funds*
15 *under this Act shall provide to the Secretary annually, in*
16 *a uniform and comprehensible manner that conforms with*
17 *the definitions and methods established by the Secretary,*
18 *a State report card on the quality of teacher preparation*
19 *in the State, both for traditional certification or licensure*
20 *programs and for alternative certification or licensure pro-*
21 *grams, which shall include at least the following:*

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

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

6 “(3) *A description of the extent to which the as-*
7 *sessments and requirements described in paragraph*
8 *(1) are aligned with the State’s standards and assess-*
9 *ments for students.*

10 “(4) *The percentage of students who have com-*
11 *pleted at least 50 percent of the requirements for a*
12 *teacher preparation program at an institution of*
13 *higher education or alternative certification program*
14 *and who have taken and passed each of the assess-*
15 *ments used by the State for teacher certification and*
16 *licensure, and the passing score on each assessment*
17 *that determines whether a candidate has passed that*
18 *assessment.*

19 “(5) *For students who have completed at least 50*
20 *percent of the requirements for a teacher preparation*
21 *program at an institution of higher education or al-*
22 *ternative certification program, and who have taken*
23 *and passed each of the assessments used by the State*
24 *for teacher certification and licensure, each such in-*
25 *stitution’s and each such program’s average raw*

1 score, ranked by teacher preparation program, which
2 shall be made available widely and publicly.

3 “(6) A description of each State’s alternative
4 routes to teacher certification, if any, and the number
5 and percentage of teachers certified through each al-
6 ternative certification route who pass State teacher
7 certification or licensure assessments.

8 “(7) For each State, a description of proposed
9 criteria for assessing the performance of teacher prep-
10 aration programs in the State, including indicators
11 of teacher candidate skills, academic content knowl-
12 edge, and evidence of gains in student academic
13 achievement.

14 “(8) For each teacher preparation program in
15 the State, the number of students in the program, the
16 number of minority students in the program, the av-
17 erage number of hours of supervised practice teaching
18 required for those in the program, and the number of
19 full-time equivalent faculty and students in super-
20 vised practice teaching.

21 “(b) REPORT OF THE SECRETARY ON THE QUALITY
22 OF TEACHER PREPARATION.—

23 “(1) REPORT CARD.—The Secretary shall pro-
24 vide to Congress, and publish and make widely avail-
25 able, a report card on teacher qualifications and

1 *preparation in the United States, including all the*
2 *information reported in paragraphs (1) through (8) of*
3 *subsection (a). Such report shall identify which eligi-*
4 *ble States received a grant under this part, and the*
5 *States in which eligible partnerships receiving grants*
6 *are located. Such report shall be published and made*
7 *available annually.*

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

10 “(A) *a comparison of States’ efforts to im-*
11 *prove teaching quality; and*

12 “(B) *regarding the national mean and me-*
13 *dian scores on any standardized test that is used*
14 *in more than one State for teacher certification*
15 *or licensure.*

16 “(3) *SPECIAL RULE.*—*In the case of programs*
17 *with fewer than 10 students who have completed at*
18 *least 50 percent of the requirements for a teacher*
19 *preparation program taking any single initial teach-*
20 *er certification or licensure assessment during an aca-*
21 *demic year, the Secretary shall collect and publish in-*
22 *formation with respect to an average pass rate on*
23 *State certification or licensure assessments taken over*
24 *a 3-year period.*

1 “(c) *COORDINATION.*—*The Secretary, to the extent*
 2 *practicable, shall coordinate the information collected and*
 3 *published under this part among States for individuals who*
 4 *took State teacher certification or licensure assessments in*
 5 *a State other than the State in which the individual re-*
 6 *ceived the individual’s most recent degree.*

7 “(d) *INSTITUTION AND PROGRAM REPORT CARDS ON*
 8 *QUALITY OF TEACHER PREPARATION.*—

9 “(1) *REPORT CARD.*—*Each institution of higher*
 10 *education or alternative certification program that*
 11 *conducts a teacher preparation program that enrolls*
 12 *students receiving Federal assistance under this Act*
 13 *shall report annually to the State and the general*
 14 *public, in a uniform and comprehensible manner that*
 15 *conforms with the definitions and methods established*
 16 *by the Secretary, both for traditional certification or*
 17 *licensure programs and for alternative certification or*
 18 *licensure programs, the following information:*

19 “(A) *PASS RATE.*—(i) *For the most recent*
 20 *year for which the information is available, the*
 21 *pass rate of each student who has completed at*
 22 *least 50 percent of the requirements for the teach-*
 23 *er preparation program on the teacher certifi-*
 24 *cation or licensure assessments of the State in*
 25 *which the institution is located, but only for*

1 *those students who took those assessments within*
2 *3 years of receiving a degree from the institution*
3 *or completing the program.*

4 *“(ii) A comparison of the institution or*
5 *program’s pass rate for students who have com-*
6 *pleted at least 50 percent of the requirements for*
7 *the teacher preparation program with the aver-*
8 *age pass rate for institutions and programs in*
9 *the State.*

10 *“(iii) A comparison of the institution or*
11 *program’s average raw score for students who*
12 *have completed at least 50 percent of the require-*
13 *ments for the teacher preparation program with*
14 *the average raw scores for institutions and pro-*
15 *grams in the State.*

16 *“(iv) In the case of programs with fewer*
17 *than 10 students who have completed at least 50*
18 *percent of the requirements for a teacher prepa-*
19 *ration program taking any single initial teacher*
20 *certification or licensure assessment during an*
21 *academic year, the institution shall collect and*
22 *publish information with respect to an average*
23 *pass rate on State certification or licensure as-*
24 *sessments taken over a 3-year period.*

1 “(B) *PROGRAM INFORMATION.*—*The number*
2 *of students in the program, the average number*
3 *of hours of supervised practice teaching required*
4 *for those in the program, and the number of full-*
5 *time equivalent faculty and students in super-*
6 *vised practice teaching.*

7 “(C) *STATEMENT.*—*In States that require*
8 *approval or accreditation of teacher education*
9 *programs, a statement of whether the institu-*
10 *tion’s program is so approved or accredited, and*
11 *by whom.*

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

15 “(2) *REQUIREMENT.*—*The information described*
16 *in paragraph (1) shall be reported through publica-*
17 *tions such as school catalogs and promotional mate-*
18 *rials sent to potential applicants, secondary school*
19 *guidance counselors, and prospective employers of the*
20 *institution’s program graduates, including materials*
21 *sent by electronic means.*

22 “(3) *FINES.*—*In addition to the actions author-*
23 *ized in section 487(c), the Secretary may impose a*
24 *fine not to exceed \$25,000 on an institution of higher*
25 *education for failure to provide the information de-*

1 scribed in this subsection in a timely or accurate
2 manner.

3 “(e) *DATA QUALITY.*—*Either—*

4 “(1) *the Governor of the State; or*

5 “(2) *in the case of a State for which the constitu-*
6 *tion or law of such State designates another indi-*
7 *vidual, entity, or agency in the State to be responsible*
8 *for teacher certification and preparation activity,*
9 *such individual, entity, or agency;*

10 *shall attest annually, in writing, as to the reliability, valid-*
11 *ity, integrity, and accuracy of the data submitted pursuant*
12 *to this section.*

13 **“SEC. 208. STATE FUNCTIONS.**

14 “(a) *STATE ASSESSMENT.*—*In order to receive funds*
15 *under this Act, a State shall have in place a procedure to*
16 *identify and assist, through the provision of technical as-*
17 *sistance, low-performing programs of teacher preparation*
18 *within institutions of higher education. Such State shall*
19 *provide the Secretary an annual list of such low-performing*
20 *institutions that includes an identification of those institu-*
21 *tions at risk of being placed on such list. Such levels of*
22 *performance shall be determined solely by the State and*
23 *may include criteria based upon information collected pur-*
24 *suant to this part. Such assessment shall be described in*
25 *the report under section 207(a). A State receiving Federal*

1 *funds under this title shall develop plans to close or recon-*
 2 *stitute underperforming programs of teacher preparation*
 3 *within institutions of higher education.*

4 “(b) *TERMINATION OF ELIGIBILITY.*—*Any institution*
 5 *of higher education that offers a program of teacher prepa-*
 6 *ration in which the State has withdrawn the State’s ap-*
 7 *proval or terminated the State’s financial support due to*
 8 *the low performance of the institution’s teacher preparation*
 9 *program based upon the State assessment described in sub-*
 10 *section (a)—*

11 “(1) *shall be ineligible for any funding for pro-*
 12 *fessional development activities awarded by the De-*
 13 *partment of Education; and*

14 “(2) *shall not be permitted to accept or enroll*
 15 *any student who receives aid under title IV of this*
 16 *Act in the institution’s teacher preparation program.*

17 **“SEC. 209. GENERAL PROVISIONS.**

18 “(a) *METHODS.*—*In complying with sections 207 and*
 19 *208, the Secretary shall ensure that States and institutions*
 20 *of higher education use fair and equitable methods in re-*
 21 *porting and that the reporting methods do not allow identi-*
 22 *fication of individuals.*

23 “(b) *SPECIAL RULE.*—*For each State in which there*
 24 *are no State certification or licensure assessments, or for*

1 *States that do not set minimum performance levels on those*
2 *assessments—*

3 “(1) *the Secretary shall, to the extent practicable,*
4 *collect data comparable to the data required under*
5 *this part from States, local educational agencies, in-*
6 *stitutions of higher education, or other entities that*
7 *administer such assessments to teachers or prospective*
8 *teachers; and*

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

13 “(c) *LIMITATIONS.—*

14 “(1) *FEDERAL CONTROL PROHIBITED.—Nothing*
15 *in this part shall be construed to permit, allow, en-*
16 *courage, or authorize any Federal control over any*
17 *aspect of any private, religious, or home school,*
18 *whether or not a home school is treated as a private*
19 *school or home school under State law. This section*
20 *shall not be construed to prohibit private, religious, or*
21 *home schools from participation in programs or serv-*
22 *ices under this part.*

23 “(2) *NO CHANGE IN STATE CONTROL ENCOUR-*
24 *AGED OR REQUIRED.—Nothing in this part shall be*
25 *construed to encourage or require any change in a*

1 *State’s treatment of any private, religious, or home*
 2 *school, whether or not a home school is treated as a*
 3 *private school or home school under State law.*

4 “(3) *NATIONAL SYSTEM OF TEACHER CERTIFI-*
 5 *CATION PROHIBITED.—Nothing in this part shall be*
 6 *construed to permit, allow, encourage, or authorize*
 7 *the Secretary to establish or support any national*
 8 *system of teacher certification.*

9 **“SEC. 210. AUTHORIZATION OF APPROPRIATIONS.**

10 *“There are authorized to be appropriated to carry out*
 11 *this part \$300,000,000 for fiscal year 2006 and such sums*
 12 *as may be necessary for each of the 5 succeeding fiscal years,*
 13 *of which—*

14 “(1) *45 percent shall be available for each fiscal*
 15 *year to award grants under section 202;*

16 “(2) *45 percent shall be available for each fiscal*
 17 *year to award grants under section 203; and*

18 “(3) *10 percent shall be available for each fiscal*
 19 *year to award grants under section 204.”.*

20 **SEC. 202. PREPARING TOMORROW’S TEACHERS TO USE**
 21 **TECHNOLOGY.**

22 (a) *ELIGIBILITY.—Section 222(a)(3)(D) (20 U.S.C.*
 23 *1042(a)(3)(D)) is amended by inserting “nonprofit tele-*
 24 *communications entity,” after “community-based organiza-*
 25 *tion,”.*

1 (b) *PERMISSIBLE USES OF FUNDS.*—Section
 2 223(b)(1)(E) of the Higher Education Act of 1965 (20
 3 U.S.C. 1043(b)(1)(E)) is amended to read as follows:

4 “(E) to use technology to collect, manage,
 5 and analyze data to improve teaching, learning,
 6 and decisionmaking for the purpose of increasing
 7 student academic achievement.”.

8 (c) *AUTHORIZATION OF APPROPRIATIONS.*—Section
 9 224 (20 U.S.C. 1044) is amended by striking “each of fiscal
 10 years 2002 and 2003.” and inserting “fiscal year 2006 and
 11 each of the 5 succeeding fiscal years.”.

12 **SEC. 203. CENTERS OF EXCELLENCE.**

13 Title II (20 U.S.C. 1021 et seq.) is amended by adding
 14 at the end the following:

15 **“PART C—CENTERS OF EXCELLENCE**

16 **“SEC. 231. PURPOSES; DEFINITIONS.**

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

18 “(1) to help recruit and prepare teachers, includ-
 19 ing minority teachers, to meet the national demand
 20 for a highly qualified teacher in every classroom; and

21 “(2) to increase opportunities for Americans of
 22 all educational, ethnic, class, and geographic back-
 23 grounds to become highly qualified teachers.

24 “(b) *DEFINITIONS.*—As used in this part:

1 “(1) *ELIGIBLE INSTITUTION*.—The term ‘eligible
2 *institution*’ means—

3 “(A) *an institution of higher education that*
4 *has a teacher preparation program that meets*
5 *the requirements of section 203(b)(2) and that*
6 *is—*

7 “(i) *a part B institution (as defined in*
8 *section 322);*

9 “(ii) *a Hispanic-serving institution*
10 *(as defined in section 502);*

11 “(iii) *a Tribal College or University*
12 *(as defined in section 316);*

13 “(iv) *an Alaska Native-serving institu-*
14 *tion (as defined in section 317(b)); or*

15 “(v) *a Native Hawaiian-serving insti-*
16 *tution (as defined in section 317(b));*

17 “(B) *a consortium of institutions described*
18 *in subparagraph (A); or*

19 “(C) *an institution described in subpara-*
20 *graph (A), or a consortium described in subpara-*
21 *graph (B), in partnership with any other insti-*
22 *tution of higher education, but only if the center*
23 *of excellence established under section 232 is lo-*
24 *cated at an institution described in subpara-*
25 *graph (A).*

1 “(2) *HIGHLY QUALIFIED.*—The term ‘highly
2 *qualified*’ when used with respect to an individual
3 *means that the individual is highly qualified as deter-*
4 *mined under section 9101 of the Elementary and Sec-*
5 *ondary Education Act of 1965 (20 U.S.C. 7801) or*
6 *section 602 of the Individuals with Disabilities Edu-*
7 *cation Act (20 U.S.C. 1401).*

8 “(3) *SCIENTIFICALLY BASED READING RE-*
9 *SEARCH.*—The term ‘scientifically based reading re-
10 *search*’ has the meaning given such term in section
11 *1208 of the Elementary and Secondary Education*
12 *Act of 1965 (20 U.S.C. 6368).*

13 “(4) *SCIENTIFICALLY BASED RESEARCH.*—The
14 term ‘scientifically based research’ has the meaning
15 given such term in section 9101 of the Elementary
16 and Secondary Education Act of 1965 (20 U.S.C.
17 7801).

18 **“SEC. 232. CENTERS OF EXCELLENCE.**

19 “(a) *PROGRAM AUTHORIZED.*—From the amounts ap-
20 propriated to carry out this part, the Secretary is author-
21 ized to award competitive grants to eligible institutions to
22 establish centers of excellence.

23 “(b) *USE OF FUNDS.*—Grants provided by the Sec-
24 retary under this part shall be used to ensure that current

1 *and future teachers are highly qualified, by carrying out*
2 *one or more of the following activities:*

3 “(1) *Implementing reforms within teacher prepa-*
4 *ration programs to ensure that such programs are*
5 *preparing teachers who are highly qualified, are able*
6 *to understand scientifically based research, and are*
7 *able to use advanced technology effectively in the*
8 *classroom, including use for instructional techniques*
9 *to improve student academic achievement, by—*

10 “(A) *retraining faculty; and*

11 “(B) *designing (or redesigning) teacher*
12 *preparation programs that—*

13 “(i) *prepare teachers to close student*
14 *achievement gaps, are based on rigorous*
15 *academic content, scientifically based re-*
16 *search (including scientifically based read-*
17 *ing research), and challenging State student*
18 *academic content standards; and*

19 “(ii) *promote strong teaching skills.*

20 “(2) *Providing sustained and high-quality*
21 *preservice clinical experience, including the men-*
22 *toring of prospective teachers by exemplary teachers,*
23 *substantially increasing interaction between faculty*
24 *at institutions of higher education and new and expe-*
25 *rienced teachers, principals, and other administrators*

1 *at elementary schools or secondary schools, and pro-*
2 *viding support, including preparation time, for such*
3 *interaction.*

4 “(3) *Developing and implementing initiatives to*
5 *promote retention of highly qualified teachers and*
6 *principals, including minority teachers and prin-*
7 *cipals, including programs that provide—*

8 “(A) *teacher or principal mentoring from*
9 *exemplary teachers or principals; or*

10 “(B) *induction and support for teachers*
11 *and principals during their first 3 years of em-*
12 *ployment as teachers or principals, respectively.*

13 “(4) *Awarding scholarships based on financial*
14 *need to help students pay the costs of tuition, room,*
15 *board, and other expenses of completing a teacher*
16 *preparation program.*

17 “(5) *Disseminating information on effective*
18 *practices for teacher preparation and successful teach-*
19 *er certification and licensure assessment preparation*
20 *strategies.*

21 “(6) *Activities authorized under sections 202,*
22 *203, and 204.*

23 “(c) *APPLICATION.—Any eligible institution desiring*
24 *a grant under this section shall submit an application to*

1 *the Secretary at such a time, in such a manner, and accom-*
 2 *panied by such information the Secretary may require.*

3 “(d) *MINIMUM GRANT AMOUNT.*—*The minimum*
 4 *amount of each grant under this part shall be \$500,000.*

5 “(e) *LIMITATION ON ADMINISTRATIVE EXPENSES.*—*An*
 6 *eligible institution that receives a grant under this part*
 7 *may not use more than 2 percent of the grant funds for*
 8 *purposes of administering the grant.*

9 “(f) *REGULATIONS.*—*The Secretary shall prescribe*
 10 *such regulations as may be necessary to carry out this part.*

11 **“SEC. 233. AUTHORIZATION OF APPROPRIATIONS.**

12 “*There are authorized to be appropriated to carry out*
 13 *this part \$10,000,000 for fiscal year 2006 and such sums*
 14 *as may be necessary for each of the 5 succeeding fiscal*
 15 *years.”.*

16 **SEC. 204. TEACHER INCENTIVE FUND PROGRAM.**

17 *Title II (20 U.S.C. 1021 et seq.), as amended by section*
 18 *203 of this Act, is further amended by adding at the end*
 19 *the following:*

20 **“PART D—TEACHER INCENTIVE FUND PROGRAM**

21 **“SEC. 241. PURPOSE; DEFINITIONS.**

22 “(a) *PURPOSE.*—*The purpose of this part is to assist*
 23 *States, local educational agencies, and non-profit or for-*
 24 *profit organizations to develop and implement, or expand,*
 25 *innovative compensation systems to provide financial re-*

1 *wards for teachers and principals who raise student aca-*
 2 *demic achievement and close the achievement gap, espe-*
 3 *cially in the highest-need local educational agencies.*

4 “(b) *DEFINITIONS.*—*For purposes of this part:*

5 “(1) *ELIGIBLE ENTITY.*—*The term ‘eligible enti-*
 6 *ty’ means—*

7 “(A) *a local educational agency, including*
 8 *a charter school that is a local educational agen-*
 9 *cy;*

10 “(B) *a State educational agency, or other*
 11 *State agency designated by the chief executive of*
 12 *the State; or*

13 “(C) *a partnership of—*

14 “(i) *one or more agencies described in*
 15 *subparagraph (A) or (B), or both; and*

16 “(ii) *at least one non-profit or for-prof-*
 17 *it organization.*

18 “(2) *HIGH-NEED LOCAL EDUCATIONAL AGEN-*
 19 *CY.*—*The term ‘high-need local educational agency’*
 20 *has the meaning given that term in section 201.*

21 **“SEC. 242. TEACHER INCENTIVE FUND GRANTS.**

22 “(a) *PROGRAM AUTHORIZED.*—

23 “(1) *IN GENERAL.*—*From the amounts appro-*
 24 *priated to carry out this part, the Secretary is au-*
 25 *thorized to award competitive grants of up to 5 years*

1 *in length to eligible entities to develop and imple-*
 2 *ment, or expand, a comprehensive performance-based*
 3 *compensation system for teachers and principals for*
 4 *one or more local educational agencies.*

5 “(2) *COMPREHENSIVE PERFORMANCE-BASED*
 6 *COMPENSATION SYSTEMS.—A comprehensive perform-*
 7 *ance-based compensation system developed and imple-*
 8 *mented, or expanded with funds under this part—*

9 “(A) *shall differentiate levels of compensa-*
 10 *tion primarily on the basis of increases in stu-*
 11 *dent academic achievement; and*

12 “(B) *may—*

13 “(i) *differentiate levels of compensation*
 14 *on the basis of high-quality teachers’ and*
 15 *principals’ employment and success in*
 16 *hard-to-staff schools or high-need subject*
 17 *areas; and*

18 “(ii) *recognize teachers’ and prin-*
 19 *cipals’ skills and knowledge as demonstrated*
 20 *through—*

21 “(I) *successful fulfillment of addi-*
 22 *tional responsibilities or job functions;*
 23 *and*

1 “(II) *evidence of high achievement*
2 *and mastery of content knowledge and*
3 *teaching skills.*

4 “(b) *USE OF FUNDS.—A grantee shall use grant funds*
5 *provided under this part only to design and implement, or*
6 *expand, in collaboration with teachers, principals, other*
7 *school administrators, and members of the public, a com-*
8 *pensation system consistent with the requirements of this*
9 *part. Authorized activities under this part may include the*
10 *following:*

11 “(1) *Developing appraisal systems that reflect*
12 *clear and fair measures of student academic achieve-*
13 *ment.*

14 “(2) *Conducting outreach within the local edu-*
15 *cational agency (or agencies) or the State to gain*
16 *input on how to construct the appraisal system and*
17 *to develop support for it.*

18 “(3) *Paying, as part of a comprehensive per-*
19 *formance-based compensation system, bonuses and in-*
20 *creased salaries to teachers and principals who raise*
21 *student academic achievement, so long as the grantee*
22 *uses an increasing share of non-Federal funds to pay*
23 *these monetary rewards each year of the grant.*

24 “(4) *Paying, as part of a comprehensive per-*
25 *formance-based compensation system, additional bo-*

1 *nuses to teachers who both raise student academic*
2 *achievement and either teach in high-poverty schools*
3 *or teach subjects that are difficult to staff, or both, so*
4 *long as the grantee uses an increasing share of non-*
5 *Federal funds to pay these monetary rewards each*
6 *year of the grant.*

7 *“(5) Paying, as part of a comprehensive per-*
8 *formance-based compensation system, additional bo-*
9 *nuses to principals who both raise student academic*
10 *achievement and serve in high-poverty schools, so long*
11 *as the grantee uses an increasing share of non-Federal*
12 *funds to pay these monetary rewards each year of the*
13 *grant.*

14 *“(c) APPLICATIONS.—To be eligible to receive a grant*
15 *under this part, an eligible entity shall submit an applica-*
16 *tion that includes—*

17 *“(1) a description of the local educational agency*
18 *or local educational agencies to be served by the*
19 *project, including such demographic information as*
20 *the Secretary may request;*

21 *“(2) information on student academic achieve-*
22 *ment and the quality of the teachers and principals*
23 *in the local educational agency or agencies to be*
24 *served by the project;*

1 “(3) a description of the performance-based
2 teacher and principal compensation system that the
3 applicant proposes to develop and implement or ex-
4 pand;

5 “(4) a description of how the applicant will use
6 grant funds under this part in each year of the grant;

7 “(5) an explanation of how the applicant will
8 meet the requirement in subsection (b)(3) and how the
9 grantee will continue its performance-based com-
10 pensation system after the grant ends;

11 “(6) a description of the support and commit-
12 ment from teachers, the community or local edu-
13 cational agency or agencies for the development and
14 implementation, or expansion, of a performance-based
15 teacher and principal compensation system;

16 “(7) a description of how teacher, principal and
17 student performance will be measured and the base-
18 line measurement units; and

19 “(8) a description, if applicable, of how the ap-
20 plicant will define the term ‘high-quality’ for the pur-
21 poses of subsection (a)(2)(B)(i), through the use of
22 measurable indicators, such as effectiveness in raising
23 student academic achievement, or demonstrated mas-
24 tery of subject matter knowledge.

1 “(d) *PRIORITY.*—*The Secretary shall give priority to*
 2 *applications for projects that would establish comprehensive*
 3 *performance-based compensation systems in high-need local*
 4 *educational agencies.*

5 **“SEC. 243. EVALUATIONS.**

6 *“The Secretary shall conduct an independent evalua-*
 7 *tion of the program under this part and may use up to*
 8 *1 percent of the funds made available under this part or*
 9 *\$1,000,000, whichever is less, for any fiscal year for the cost*
 10 *of the evaluation.*

11 **“SEC. 244. AUTHORIZATION OF APPROPRIATIONS.**

12 *“There are authorized to be appropriated to carry out*
 13 *this part \$100,000,000 for fiscal year 2006 and such sums*
 14 *as may be necessary for each of the 5 succeeding fiscal*
 15 *years.”.*

16 **SEC. 205. TRANSITION.**

17 *The Secretary of Education shall take such actions as*
 18 *the Secretary determines to be appropriate to provide for*
 19 *the orderly implementation of this title.*

20 **TITLE III—INSTITUTIONAL AID**

21 **SEC. 301. TITLE III GRANTS FOR AMERICAN INDIAN TRIB-**
 22 **ALLY CONTROLLED COLLEGES AND UNIVER-**
 23 **SITIES.**

24 *(a) ELIGIBLE INSTITUTIONS.*—*Subsection (b) of sec-*
 25 *tion 316 (20 U.S.C. 1059c(b)) is amended to read as follows:*

1 “(b) *DEFINITIONS.*—

2 “(1) *ELIGIBLE INSTITUTIONS.*—*For purposes of*
 3 *this section, Tribal Colleges and Universities are the*
 4 *following:*

5 “(A) *any of the following institutions that*
 6 *qualify for funding under the Tribally Controlled*
 7 *College or University Assistance Act of 1978 or*
 8 *is listed in Equity in Educational Land Grant*
 9 *Status Act of 1994 (7 U.S.C. 301 note): Bay*
 10 *Mills Community College; Blackfeet Community*
 11 *College; Cankdeska Cikana Community College;*
 12 *Chief Dull Knife College; College of Menominee*
 13 *Nation; Crownpoint Institute of Technology;*
 14 *Diné College; D–Q University; Fond du Lac*
 15 *Tribal and Community College; Fort Belknap*
 16 *College; Fort Berthold Community College; Fort*
 17 *Peck Community College; Haskell Indian Na-*
 18 *tions University; Institute of American Indian*
 19 *and Alaska Native Culture and Arts Develop-*
 20 *ment; Lac Courte Oreilles Ojibwa Community*
 21 *College; Leech Lake Tribal College; Little Big*
 22 *Horn College; Little Priest Tribal College; Ne-*
 23 *braska Indian Community College; Northwest*
 24 *Indian College; Oglala Lakota College; Saginaw*
 25 *Chippewa Tribal College; Salish Kootenai Col-*

lege; *Si Tanka University—Eagle Butte Cam-*
pus; Sinte Gleska University; Sisseton Wahpeton
Community College; Sitting Bull College; South-
western Indian Polytechnic Institute; Stone
Child College; Tohono O’Odham Community Col-
lege; Turtle Mountain Community College;
United Tribes Technical College; and White
Earth Tribal and Community College; and

“(B) *any other institution that meets the*
definition of tribally controlled college or univer-
sity in section 2 of the Tribally Controlled Col-
lege or University Assistance Act of 1978, and
meets all other requirements of this section.

“(2) *INDIAN.*—*The term ‘Indian’ has the mean-*
ing given the term in section 2 of the Tribally Con-
trolled College or University Assistance Act of 1978.”.

(b) *DISTANCE LEARNING.*—*Subsection (c)(2) of such*
section is amended—

(1) *by amending subparagraph (B) to read as*
follows:

“(B) *construction, maintenance, renovation,*
and improvement in classrooms, libraries, lab-
oratories, and other instructional facilities, in-
cluding purchase or rental of telecommunications
technology equipment or services, and the acqui-

1 *sition of real property adjacent to the campus of*
 2 *the institution on which to construct such facili-*
 3 *ties;”;*

4 *(2) in subparagraph (C), by inserting before the*
 5 *semicolon at the end the following: “, or advanced de-*
 6 *grees in tribal governance or tribal public policy”;*

7 *(3) in subparagraph (D), by inserting before the*
 8 *semicolon at the end the following: “, in tribal govern-*
 9 *ance, or tribal public policy”;*

10 *(4) by striking “and” at the end of subpara-*
 11 *graph (K);*

12 *(5) by redesignating subparagraph (L) as sub-*
 13 *paragraph (M); and*

14 *(6) by inserting after subparagraph (K) the fol-*
 15 *lowing new subparagraph:*

16 *“(L) developing or improving facilities for*
 17 *Internet use or other distance learning academic*
 18 *instruction capabilities; and”.*

19 *(c) APPLICATION AND ALLOTMENT.—Subsection (d) of*
 20 *such section is amended to read as follows:*

21 *“(d) APPLICATION AND ALLOTMENT.—*

22 *“(1) INSTITUTIONAL ELIGIBILITY.—To be eligible*
 23 *to receive assistance under this section, a Tribal Col-*
 24 *lege or University shall be an eligible institution*
 25 *under section 312(b).*

1 “(2) *APPLICATION.*—*Any Tribal College or Uni-*
 2 *versity desiring to receive assistance under this sec-*
 3 *tion shall submit an application to the Secretary at*
 4 *such time, and in such manner, as the Secretary may*
 5 *reasonably require.*

6 “(3) *ALLOTMENTS TO INSTITUTIONS.*—

7 “(A) *ALLOTMENT: PELL GRANT BASIS.*—
 8 *From the amount appropriated to carry out this*
 9 *section for any fiscal year, the Secretary shall*
 10 *allot to each eligible institution a sum which*
 11 *bears the same ratio to one-half that amount as*
 12 *the number of Pell Grant recipients in attend-*
 13 *ance at such institution at the end of the award*
 14 *year preceding the beginning of that fiscal year*
 15 *bears to the total number of Pell Grant recipi-*
 16 *ents at all eligible institutions.*

17 “(B) *ALLOTMENT: DEGREE AND CERTIFI-*
 18 *CATE BASIS.*—*From the amount appropriated to*
 19 *carry out this section for any fiscal year, the*
 20 *Secretary shall allot to each eligible institution*
 21 *a sum which bears the same ratio to one-half*
 22 *that amount as the number of degrees or certifi-*
 23 *cates awarded by such institution during the*
 24 *preceding academic year bears to the total num-*

1 *ber of degrees or certificates at all eligible insti-*
 2 *tutions.*

3 “(C) *MINIMUM GRANT.*—*Notwithstanding*
 4 *subparagraphs (A) and (B), the amount allotted*
 5 *to each institution under this section shall not be*
 6 *less than \$400,000.*

7 “(4) *SPECIAL RULES.*—

8 “(A) *CONCURRENT FUNDING.*—*For the pur-*
 9 *poses of this part, no Tribal College or Univer-*
 10 *sity that is eligible for and receives funds under*
 11 *this section shall concurrently receive funds*
 12 *under other provisions of this part or part B.*

13 “(B) *EXEMPTION.*—*Section 313(d) shall not*
 14 *apply to institutions that are eligible to receive*
 15 *funds under this section.”.*

16 **SEC. 302. ALASKA NATIVE AND NATIVE HAWAIIAN-SERVING**
 17 **INSTITUTIONS.**

18 (a) *DISTANCE LEARNING.*—*Section 317(c)(2) (20*
 19 *U.S.C. 1059d(c)(2)) is amended—*

20 (1) *by amending subparagraph (B) to read as*
 21 *follows:*

22 “(B) *construction, maintenance, renovation,*
 23 *and improvement in classrooms, libraries, lab-*
 24 *oratories, and other instructional facilities, in-*
 25 *cluding purchase or rental of telecommunications*

1 *technology equipment or services, and the acqui-*
 2 *sition of real property adjacent to the campus of*
 3 *the institution on which to construct such facili-*
 4 *ties;”;*

5 *(2) in subparagraph (C), by inserting before the*
 6 *semicolon at the end the following: “, or advanced de-*
 7 *grees in tribal governance or tribal public policy”;*

8 *(3) in subparagraph (D), by inserting before the*
 9 *semicolon at the end the following: “, in tribal govern-*
 10 *ance, or tribal public policy”;*

11 *(4) by striking “and” at the end of subpara-*
 12 *graph (G);*

13 *(5) by striking the period at the end of subpara-*
 14 *graph (H) and inserting a semicolon; and*

15 *(6) by inserting after subparagraph (H) the fol-*
 16 *lowing new subparagraph:*

17 *“(I) development or improvement of facili-*
 18 *ties for Internet use or other distance learning*
 19 *academic instruction capabilities; and”.*

20 *(b) ENDOWMENT FUNDS.—Section 317(c) is further*
 21 *amended by adding at the end the following new paragraph:*

22 *“(3) ENDOWMENT FUNDS.—*

23 *“(A) IN GENERAL.—An Alaska Native or*
 24 *Native Hawaiian-serving institution may use*
 25 *not more than 20 percent of the grant funds pro-*

1 *vided under this section to establish or increase*
 2 *an endowment fund at the institution.*

3 “(B) *MATCHING REQUIREMENT.*—*In order*
 4 *to be eligible to use grant funds in accordance*
 5 *with subparagraph (A), the institution shall pro-*
 6 *vide to the endowment fund from non-Federal*
 7 *funds an amount equal to the Federal funds used*
 8 *in accordance with subparagraph (A), for the es-*
 9 *tablishment or increase of the endowment fund.*

10 “(C) *APPLICABILITY OF OTHER PROVI-*
 11 *SIONS.*—*The provisions of part C regarding the*
 12 *establishment or increase of an endowment fund,*
 13 *that the Secretary determines are not incon-*
 14 *sistent with this paragraph, shall apply to funds*
 15 *used under subparagraph (A).”.*

16 (c) *APPLICATION PROCESS.*—*Section 317(d)(2) is*
 17 *amended by striking “Such application shall include—”*
 18 *and all that follows through “may require.”.*

19 **SEC. 303. GRANTS TO PART B INSTITUTIONS.**

20 (a) *USE OF FUNDS.*—

21 (1) *FACILITIES AND EQUIPMENT.*—

22 (A) *UNDERGRADUATE INSTITUTIONS.*—
 23 *Paragraph (2) of section 323(a) (20 U.S.C.*
 24 *1062(a)) is amended to read as follows:*

1 “(2) Construction, maintenance, renovation, and
 2 improvement in classrooms, libraries, laboratories,
 3 and other instructional facilities, including purchase
 4 or rental of telecommunications technology equipment
 5 or services, and the acquisition of real property adja-
 6 cent to the campus of the institution on which to con-
 7 struct such facilities.”.

8 (B) GRADUATE AND PROFESSIONAL
 9 SCHOOLS.—Paragraph (2) of section 326(c) is
 10 amended to read as follows:

11 “(2) construction, maintenance, renovation, and
 12 improvement in classrooms, libraries, laboratories,
 13 and other instructional facilities, including purchase
 14 or rental of telecommunications technology equipment
 15 or services, and the acquisition of real property adja-
 16 cent to the campus of the institution on which to con-
 17 struct such facilities;”.

18 (2) OUTREACH AND COLLABORATION.—Para-
 19 graph (11) of section 323(a) is amended to read as
 20 follows:

21 “(11) Establishing community outreach pro-
 22 grams and collaborative partnerships between part B
 23 institutions and local elementary or secondary
 24 schools. Such partnerships may include mentoring,
 25 tutoring, or other instructional opportunities that

1 *will boost student academic achievement and assist el-*
 2 *ementary and secondary school students in developing*
 3 *the academic skills and the interest to pursue postsec-*
 4 *ondary education.”.*

5 **(b) TECHNICAL ASSISTANCE.**—Section 323 (20 U.S.C.
 6 1062) is amended—

7 (1) by redesignating subsection (c) as subsection
 8 (d); and

9 (2) by inserting after subsection (b) the following
 10 new subsection:

11 “(c) **TECHNICAL ASSISTANCE.**—

12 “(1) **IN GENERAL.**—An institution may not use
 13 more than 2 percent of the grant funds provided
 14 under this part to secure technical assistance services.

15 “(2) **TECHNICAL ASSISTANCE SERVICES.**—Tech-
 16 nical assistance services may include assistance with
 17 enrollment management, financial management, and
 18 strategic planning.

19 “(3) **REPORT.**—The institution shall report to
 20 the Secretary on an annual basis, in such form as the
 21 Secretary requires, on the use of funds under this sub-
 22 section.”.

23 **(c) DISTANCE LEARNING.**—Section 323(a)(2) (20
 24 U.S.C. 1062(a)(2)) (as amended by subsection (a)(1)(A)) is
 25 further amended by inserting “development or improvement

1 *of facilities for Internet use or other distance learning aca-*
 2 *demic instruction capabilities and” after “including”.*

3 (d) *MINIMUM GRANTS.—Section 324(d)(1) (20 U.S.C.*
 4 *1063(d)(1)) is amended by inserting before the period at*
 5 *the end the following: “, except that, if the amount appro-*
 6 *priated to carry out this part for any fiscal year exceeds*
 7 *the amount required to provide to each institution an*
 8 *amount equal to the total amount received by such institu-*
 9 *tion under subsections (a), (b), and (c) for the preceding*
 10 *fiscal year, then the amount of such excess appropriation*
 11 *shall first be applied to increase the minimum allotment*
 12 *under this subsection to \$750,000”.*

13 (e) *ELIGIBLE GRADUATE OR PROFESSIONAL*
 14 *SCHOOLS.—*

15 (1) *GENERAL AUTHORITY.—Section 326(a)(1)*
 16 *(20 U.S.C. 1063b(a)(1)) is amended—*

17 (A) *by inserting “(A)” after “subsection (e)*
 18 *that”;*

19 (B) *by inserting before the period at the end*
 20 *the following: “, (B) is accredited by a nation-*
 21 *ally recognized accrediting agency or association*
 22 *determined by the Secretary to be a reliable au-*
 23 *thority as to the quality of training offered, and*
 24 *(C) according to such an agency or association,*
 25 *is in good standing”.*

1 (2) *ELIGIBLE INSTITUTIONS.*—Section 326(e)(1)
 2 (20 U.S.C. 1063b(e)(1)) is amended—

3 (A) by striking “and” at the end of sub-
 4 paragraph (Q);

5 (B) by striking the period at the end of sub-
 6 paragraph (R) and inserting a semicolon; and

7 (C) by adding at the end the following new
 8 subparagraphs:

9 “(S) Alabama State University qualified
 10 graduate program;

11 “(T) Prairie View A & M University quali-
 12 fied graduate program;

13 “(U) Coppin State University qualified
 14 graduate program; and

15 “(V) Delaware State University qualified
 16 graduate program.”.

17 (3) *CONFORMING AMENDMENT.*—Section
 18 326(e)(3) (20 U.S.C. 1063b(e)(3)) is amended—

19 (A) by striking “1998” and inserting
 20 “2005”; and

21 (B) by striking “(Q) and (R)” and insert-
 22 ing “(S), (T), (U), and (V)”.

23 (f) *PROFESSIONAL OR GRADUATE INSTITUTIONS.*—
 24 Section 326(f) (20 U.S.C. 1063b(f)) is amended—

25 (1) in paragraph (1)—

1 (A) by striking “\$26,600,000” and inserting
2 “\$54,500,000”; and

3 (B) by striking “(P)” and inserting “(R)”;
4 (2) in paragraph (2)—

5 (A) by striking “\$26,600,000, but not in ex-
6 cess of \$28,600,000” and inserting “\$54,500,000,
7 but not in excess of \$58,500,000”; and

8 (B) by striking “subparagraphs (Q) and
9 (R)” and inserting “subparagraphs (S), (T),
10 (U), and (V)”; and

11 (3) in paragraph (3)—

12 (A) by striking “\$28,600,000” and inserting
13 “\$58,500,000”; and

14 (B) by striking “(R)” and inserting “(V)”.

15 (g) *HOLD HARMLESS*.—Section 326(g) (20 U.S.C.
16 1063b(g)) is amended by striking “1998” each place it ap-
17 pears and inserting “2005”.

18 **SEC. 304. TECHNICAL AMENDMENTS.**

19 (a) *AMENDMENTS*.—Title III is further amended—

20 (1) in section 311(c) (20 U.S.C. 1057(c))—

21 (A) by redesignating paragraphs (7)
22 through (12) as paragraphs (8) through (13), re-
23 spectively; and

24 (B) by inserting after paragraph (6) the fol-
25 lowing:

1 “(7) *Education or counseling services designed to*
 2 *improve the financial literacy and economic literacy*
 3 *of students and, as appropriate, their parents.*”;

4 (2) *in section 312(b)(1)(A) (20 U.S.C.*
 5 *1058(b)(1)(A)), by striking “subsection (c)” and in-*
 6 *serting “subsection (d)”;*

7 (3) *in section 312(b)(1)(F) (20 U.S.C.*
 8 *1058(b)(1)(F)), by inserting “which is” before “lo-*
 9 *cated”;*

10 (4) *in section 312(b)(1) (20 U.S.C. 1058(b)(1)),*
 11 *by redesignating subparagraphs (E) and (F) as sub-*
 12 *paragraphs (F) and (G), respectively, and by insert-*
 13 *ing after subparagraph (D) the following new sub-*
 14 *paragraph:*

15 “(E) *which provides a program that is not*
 16 *less than a 2-year educational program that is*
 17 *acceptable for full credit toward a bachelor’s de-*
 18 *gree;*”;

19 (5) *in section 316(c)(2) (20 U.S.C.*
 20 *1059c(c)(2))—*

21 (A) *by redesignating subparagraphs (G)*
 22 *through (M) (as redesignated by section*
 23 *301(b)(2) of this Act) as subparagraphs (H)*
 24 *through (N), respectively;*

1 (B) by inserting after subparagraph (F) the
2 following:

3 “(G) education or counseling services de-
4 signed to improve the financial literacy and eco-
5 nomic literacy of students and, as appropriate,
6 their parents;”; and

7 (C) in subparagraph (N), as redesignated
8 by subparagraph (A), by striking “subpara-
9 graphs (A) through (K)” and inserting “sub-
10 paragraphs (A) through (M)”;

11 (6) in section 317(c)(2) (20 U.S.C. 1059d(c)(2)),
12 by inserting after subparagraph (I) (as added by sec-
13 tion 302(a)(6) of this Act) the following:

14 “(J) education or counseling services de-
15 signed to improve the financial literacy and eco-
16 nomic literacy of students and, as appropriate,
17 their parents.”;

18 (7) in section 323(a) (20 U.S.C. 1062(a))—

19 (A) by striking “section 360(a)(2)” and in-
20 serting “section 399(a)(2)”;

21 (B) by redesignating paragraphs (7)
22 through (12) as paragraphs (8) through (13), re-
23 spectively; and

24 (C) by inserting after paragraph (6) the fol-
25 lowing:

1 “(7) *Education or counseling services designed to*
 2 *improve the financial literacy and economic literacy*
 3 *of students and, as appropriate, their parents.*”;

4 (8) *in section 324(d)(2) (20 U.S.C. 1063(d)(2)),*
 5 *by striking “section 360(a)(2)(A)” and inserting “sec-*
 6 *tion 399(a)(2)(A)”;*

7 (9) *in section 326(e)(1) (20 U.S.C. 1063b(e)(1)),*
 8 *in the matter preceding subparagraph (A), by insert-*
 9 *ing a colon after “the following”;*

10 (10) *in section 327(b) (20 U.S.C. 1063c(b)), by*
 11 *striking “initial”;*

12 (11) *in section 342(5)(C) (20 U.S.C.*
 13 *1066a(5)(C))—*

14 (A) *by inserting a comma after “equip-*
 15 *ment” the first place it appears; and*

16 (B) *by striking “technology,,” and inserting*
 17 *“technology,”;*

18 (12) *in section 343(e) (20 U.S.C. 1066b(e)), by*
 19 *inserting after the subsection designation the fol-*
 20 *lowing: “SALE OF QUALIFIED BONDS.—”;*

21 (13) *in section 351(a) (20 U.S.C. 1067a(a)), by*
 22 *striking “of 1979”;*

23 (14) *in section 391(b)(7)(E) (20 U.S.C.*
 24 *1068(b)(7)(E)), by striking “subparagraph (E)” and*
 25 *inserting “subparagraph (D)”;* and

1 (15) in section 396 (20 U.S.C. 1068e), by strik-
 2 ing “section 360” and inserting “section 399”.

3 (b) *REPEAL*.—Section 1024 (20 U.S.C. 1135b–3), as
 4 transferred by section 301(a)(5) of the *Higher Education*
 5 *Amendments of 1998* (Public Law 105–244; 112 Stat.
 6 1636), is repealed.

7 **SEC. 305. TITLE III AUTHORIZATIONS.**

8 Section 399(a) (20 U.S.C. 1068h(a)) is amended—

9 (1) by striking “1999” each place it appears and
 10 inserting “2006”;

11 (2) by striking “4 succeeding fiscal years” each
 12 place it appears and inserting “5 succeeding fiscal
 13 years”;

14 (3) in paragraph (1)—

15 (A) by striking “\$10,000,000” in subpara-
 16 graph (B) and inserting “\$23,800,000”; and

17 (B) by striking “\$5,000,000” in subpara-
 18 graph (C) and inserting “\$11,900,000”;

19 (4) in paragraph (2)—

20 (A) by striking “\$135,000,000” in subpara-
 21 graph (A) and inserting “\$241,000,000”; and

22 (B) by striking “\$35,000,000” in subpara-
 23 graph (B) and inserting “\$59,000,000”; and

24 (5) in paragraph (4), by striking “\$110,000”
 25 and inserting “\$212,000”.

1 ***TITLE IV—STUDENT ASSISTANCE***

2 ***PART A—GRANTS TO STUDENTS***

3 ***SEC. 401. PELL GRANTS.***

4 (a) *EXTENSION OF AUTHORITY.*—Section 401(a) (20
5 U.S.C. 1070a(a)) is amended by striking “2004” and in-
6 serting “2012”.

7 (b) *DIRECT PAYMENT.*—Section 401(a) (20 U.S.C.
8 1070a(a)) is further amended—

9 (1) by striking paragraph (2); and

10 (2) by redesignating paragraph (3) as para-
11 graph (2).

12 (c) *MAXIMUM PELL GRANT INCREASE.*— Paragraph
13 (2)(A) of section 401(b) 20 U.S.C. 1070a(b)(2)(A)) is
14 amended to read as follows:

15 “(2)(A) The amount of the Federal Pell Grant for a
16 student eligible under this part shall be \$6,000 for academic
17 years 2006–2007 through 2012–2013, less an amount equal
18 to the amount determined to be the expected family con-
19 tribution with respect to that student for that year.”.

20 (d) *TUITION SENSITIVITY.*—Section 401(b) is further
21 amended—

22 (1) by striking paragraph (3); and

23 (2) by redesignating paragraphs (4) through (8)
24 as paragraphs (3) through (7), respectively.

1 (e) *MULTIPLE GRANTS.*—Paragraph (5) of section
2 401(b) (as redesignated by subsection (d)(2)) is amended
3 to read as follows:

4 “(5) *YEAR-ROUND PELL GRANTS.*—

5 “(A) *IN GENERAL.*—The Secretary shall, for
6 students enrolled full time in a baccalaureate or
7 associate’s degree program of study at an eligible
8 institution, award such students two Pell grants
9 during a single award year to permit such stu-
10 dents to accelerate progress toward their degree
11 objectives by enrolling in academic programs for
12 12 months rather than 9 months.

13 “(B) *LIMITATION.*—The Secretary shall
14 limit the awarding of additional Pell grants
15 under this paragraph in a single award year to
16 students attending—

17 “(i) baccalaureate degree granting in-
18 stitutions that have a graduation rate as re-
19 ported by the Integrated Postsecondary
20 Education Data System for the 4 preceding
21 academic years of at least 30 percent; or

22 “(ii) two-year institutions that have a
23 graduation rate as reported by the Inte-
24 grated Postsecondary Education Data Sys-
25 tems, in at least one of the last 3 years for

1 *which data is available, that is above the*
 2 *average for the applicable year for the insti-*
 3 *tution's type and control.*

4 “(C) *EVALUATION.*—*The Secretary shall*
 5 *conduct an evaluation of the program under this*
 6 *paragraph and submit to the Congress an eval-*
 7 *uation report no later than October 1, 2011.*

8 “(D) *REGULATIONS REQUIRED.*—*The Sec-*
 9 *retary shall promulgate regulations imple-*
 10 *menting this paragraph.”.*

11 (f) *INELIGIBILITY BASED ON INVOLUNTARY CIVIL*
 12 *COMMITMENT FOR SEXUAL OFFENSES.*—*Paragraph (7) of*
 13 *section 401(b) (as redesignated by subsection (d)(2)) is*
 14 *amended by inserting before the period the following: “or*
 15 *who is subject to an involuntary civil commitment upon*
 16 *completion of a period of incarceration for a sexual offense*
 17 *(as determined under regulations of the Secretary)”.*

18 (g) *PELL GRANT ELIGIBILITY DURATION.*—*Section*
 19 *401(c) (20 U.S.C. 1070a(c)) is amended—*

20 (1) *in paragraph (1)—*

21 (A) *by striking “The period” and inserting*
 22 *in lieu thereof “Subject to paragraph (5), the pe-*
 23 *riod”; and*

1 (B) by striking the period at the end thereof
2 and inserting “but shall be subject to the limita-
3 tion described in paragraph (5).”; and

4 (2) by adding at the end the following new para-
5 graph:

6 “(5) The period during which a student may receive
7 Federal Pell Grants shall not exceed the equivalent of 18
8 semesters or 27 quarters in duration (as determined by the
9 Secretary by regulation), without regard to whether the stu-
10 dent is enrolled on a full-time basis during any portion
11 of that period, and including any period of time for which
12 the student received Federal Pell Grants prior to the date
13 of enactment of the College Access and Opportunity Act of
14 2005.”.

15 (h) *ELIGIBILITY PERIOD*.—Section 401(c)(2) (20
16 U.S.C. 1070a(c)(2)) is amended by inserting “, for not more
17 than one academic year,” after “which are determined by
18 the institution” in the first sentence.

19 (i) *PELL GRANTS PLUS: ACHIEVEMENT GRANTS FOR*
20 *STATE SCHOLARS PROGRAM*.—

21 (1) *AMENDMENT*.—Subpart 1 of part A of title
22 IV is amended by inserting after section 401 (20
23 U.S.C. 1070a) the following new section:

1 **“SEC. 401A. PELL GRANTS PLUS: ACHIEVEMENT GRANTS**
2 **FOR STATE SCHOLARS.**

3 “(a) *GRANTS AUTHORIZED.*—From sums appro-
4 priated to carry out section 401, the Secretary shall estab-
5 lish a program to award Pell Grants Plus to students
6 who—

7 “(1) *have successfully completed a rigorous high*
8 *school program of study established by a State or*
9 *local educational agency in consultation with a State*
10 *coalition assisted by the Center for State Scholars;*

11 “(2) *are enrolled full-time in the first academic*
12 *year of undergraduate education, and have not been*
13 *previously enrolled in a program of undergraduate*
14 *education; and*

15 “(3) *are eligible to receive Federal Pell Grants*
16 *for the year in which the grant is awarded.*

17 “(b) *AMOUNT OF GRANTS.*—

18 “(1) *IN GENERAL.*—Except as provided in para-
19 graph (2), the amount of the grant awarded under
20 this section shall be \$1,000.

21 “(2) *ASSISTANCE NOT TO EXCEED COST OF AT-*
22 *TENDANCE.*—A grant awarded under this section to
23 any student, in combination with the Federal Pell
24 Grant assistance and other student financial assist-
25 ance available to such student, may not exceed the
26 student’s cost of attendance.

1 “(c) *SELECTION OF RECIPIENTS.*—

2 “(1) *PROCEDURES ESTABLISHED BY REGULA-*
3 *TION.*—*The Secretary shall establish by regulation*
4 *procedures for the determination of eligibility of stu-*
5 *dents for the grants awarded under this section. Such*
6 *procedures shall include measures to ensure that eligi-*
7 *bility is determined in a timely and accurate manner*
8 *consistent with the requirements of section 482 and*
9 *the submission of the financial aid form required by*
10 *section 483.*

11 “(2) *REQUIRED INFORMATION.*—*Each eligible*
12 *student desiring an award under this section shall*
13 *submit at such time and in such manner such infor-*
14 *mation as the Secretary may reasonably require.*

15 “(3) *CONTINUATION OF GRANT REQUIRE-*
16 *MENTS.*—*In order for a student to continue to be eli-*
17 *gible to receive an award under this section for the*
18 *second year of undergraduate education, the eligible*
19 *student must—*

20 “(A) *maintain eligibility to receive a Fed-*
21 *eral Pell Grant for that year;*

22 “(B) *obtain a grade point average of at*
23 *least 3.0 (or the equivalent as determined under*
24 *regulations prescribed by the Secretary) for the*
25 *first year of undergraduate education; and*

1 “(C) be enrolled full-time and fulfill the re-
 2 quirements for satisfactory progress described in
 3 section 484(c).

4 “(d) *EVALUATION, AND REPORTS.*—The Secretary
 5 shall monitor the progress, retention, and completion rates
 6 of the students to whom awards are provided under this
 7 section. In doing so, the Secretary shall evaluate the impact
 8 of the Pell Grants Plus Program and report, not less than
 9 biennially, to the authorizing committees of the House of
 10 Representatives and the Senate.”.

11 (2) *CONFORMING AMENDMENT.*—Chapter 3 of
 12 subpart 2 of part A of title IV (20 U.S.C. 1070a–31
 13 through 1070a–35) is repealed.

14 **SEC. 402. TRIO PROGRAMS.**

15 (a) *DURATION OF GRANTS.*—

16 (1) *AMENDMENT.*—Section 402A(b)(2) (20
 17 U.S.C. 1070a–11(b)(2)) is amended to read as follows:

18 “(2) *DURATION.*—Grants or contracts awarded
 19 under this chapter shall be awarded for a period of
 20 5 years, except that—

21 “(A) grants under section 402G shall be
 22 awarded for a period of 2 years; and

23 “(B) grants under section 402H shall be
 24 awarded for a period determined by the Sec-
 25 retary.”.

1 (2) *TRANSITION TO SYNCHRONOUS GRANT PERI-*
2 *ODS.—Notwithstanding section 402A(b)(2) of the*
3 *Higher Education Act of 1965 (as in effect both prior*
4 *to and after the amendment made by paragraph (1)*
5 *of this subsection), the Secretary of Education may*
6 *continue an award made before the date of enactment*
7 *of this Act under section 402B, 402C, 402D, 402E, or*
8 *402F of such Act as necessary to permit all the*
9 *awards made under such a section to expire at the*
10 *end of the same fiscal year, and thereafter to expire*
11 *at the end of 5 years as provided in the amendment*
12 *made by paragraph (1) of this subsection.*

13 (b) *MINIMUM GRANTS.—Section 402A(b)(3) (20*
14 *U.S.C. 1070a–11(b)(3)) is amended to read as follows:*

15 “(3) *MINIMUM GRANTS.—Unless the institution*
16 *or agency requests a smaller amount, individual*
17 *grants for programs authorized under this chapter*
18 *shall be no less than \$200,000, except that individual*
19 *grants for programs authorized under section 402G*
20 *shall be no less than \$170,000.”.*

21 (c) *PRIOR EXPERIENCE; NOVICE APPLICANTS.—Sec-*
22 *tion 402A(c)(2) (20 U.S.C. 1070a–11(c)(2)) is amended—*
23 *(1) by striking “In making grants” and insert-*
24 *ing “(A) Subject to subparagraph (B), in making*
25 *grants”; and*

1 (2) by adding at the end the following new sub-
2 paragraph:

3 “(B) From the amount available under sub-
4 section (h) for a program under this chapter (other
5 than a program under section 402G or 402H) for any
6 fiscal year in which the Secretary conducts a competi-
7 tion for the award of grants or contracts under such
8 program, the Secretary shall reserve 10 percent of
9 such available amount for purposes of funding appli-
10 cations from novice applicants. If the Secretary deter-
11 mines that there are an insufficient number of quali-
12 fied novice applicants to utilize the amount so re-
13 served, the Secretary shall restore the unutilized re-
14 mainder of the amount reserved for use by applicants
15 qualifying under subparagraph (A).”.

16 (d) *APPLICATION STATUS*.—Section 402A(c) (20
17 U.S.C. 1070a–11(c)) is amended by striking paragraph (7).

18 (e) *DOCUMENTATION OF STATUS*.—Section 402A(e)
19 (20 U.S.C. 1070a–11(e)) is amended by striking “(g)(2)”
20 each place it appears in paragraphs (1) and (2) and insert-
21 ing “(i)(4)”.

22 (f) *HOMELESS AND UNACCOMPANIED YOUTH*.—Sec-
23 tion 402A(e) is further amended by adding at the end the
24 following new paragraph:

1 “(3) *Notwithstanding this subsection and subsection*
 2 *(i)(4), individuals who are homeless or unaccompanied*
 3 *youth as defined in section 725 of the McKinney-Vento*
 4 *Homeless Assistance Act shall be eligible to participate in*
 5 *programs under sections 402B, 402C, 402D, and 402F of*
 6 *this chapter.*”.

7 (g) *AUTHORIZATION OF APPROPRIATIONS.—Section*
 8 *402A(f) (20 U.S.C. 1070a–11(f)) is amended by striking*
 9 *“\$700,000,000 for fiscal year 1999, and such sums as may*
 10 *be necessary for each of the 4 succeeding fiscal years” and*
 11 *inserting “\$836,500,000 for fiscal year 2006 and such sums*
 12 *as may be necessary for each of the 5 succeeding fiscal*
 13 *years”.*

14 (h) *DEFINITION.—Section 402A(g) (20 U.S.C. 1070a–*
 15 *11(g)) is amended—*

16 (1) *in paragraph (3), by striking “by reason of*
 17 *such individual’s age”;*

18 (2) *by redesignating paragraphs (1) through (4)*
 19 *as paragraphs (3) through (6), respectively; and*

20 (3) *by inserting before paragraph (3), as redesign-*
 21 *ated, the following:*

22 “(1) *DIFFERENT CAMPUS.—The term ‘different*
 23 *campus’ means an institutional site that—*

24 “(A) *is geographically apart from the main*
 25 *campus of the institution;*

1 “(B) is permanent in nature; and

2 “(C) offers courses in educational programs
3 leading to a degree, certificate, or other recog-
4 nized educational credential.

5 “(2) *DIFFERENT POPULATION.*—The term ‘dif-
6 ferent population’ means a group of individuals, with
7 respect to whom an entity seeks to serve through an
8 application for funding under this chapter, that—

9 “(A) is separate and distinct from any
10 other population that the entity seeks to serve
11 through an application for funding under this
12 chapter; or

13 “(B) while sharing some of the same needs
14 as another population that the entity seeks to
15 serve through an application for funding under
16 this chapter, has distinct needs for specialized
17 services.”.

18 (i) *EDUCATION AND COUNSELING SERVICES.*—Chapter
19 1 of subpart 2 of part A of title IV is further amended—

20 (1) in section 402B(b) (20 U.S.C. 1070a–
21 12(b))—

22 (A) by redesignating paragraphs (3)
23 through (10) as paragraphs (4) through (11), re-
24 spectively;

1 (B) by inserting after paragraph (2) the fol-
 2 lowing:

3 “(3) education or counseling services designed to
 4 improve the financial literacy and economic literacy
 5 of students and, as appropriate, their parents;”; and

6 (C) in paragraph (11), as redesignated by
 7 subparagraph (A), by striking “paragraphs (1)
 8 through (9)” and inserting “paragraphs (1)
 9 through (10)”;

10 (2) in section 402C (20 U.S.C. 1070a–13)—

11 (A) in subsection (b)—

12 (i) by redesignating paragraphs (2)
 13 through (12) as paragraphs (3) through
 14 (13), respectively;

15 (ii) by inserting after paragraph (1)
 16 the following:

17 “(2) education or counseling services designed to
 18 improve the financial literacy and economic literacy
 19 of students and, as appropriate, their parents;”;

20 (iii) in paragraph (12), as redesign-
 21 ated by clause (i), by inserting “, specifi-
 22 cally in the fields of math and science”
 23 after “postsecondary education”; and

24 (iv) in paragraph (13), as redesignated
 25 by clause (i), by striking “paragraphs (1)

1 *through (11)” and inserting “paragraphs*
2 *(1) through (12)”;* and

3 *(B) in subsection (e), by striking “sub-*
4 *section (b)(10)” and inserting “subsection*
5 *(b)(11)”;*

6 *(3) in section 402D(b) (20 U.S.C. 1070a–*
7 *14(b))—*

8 *(A) by redesignating paragraphs (2)*
9 *through (10) as paragraphs (3) through (11), re-*
10 *spectively;*

11 *(B) by inserting after paragraph (1) the fol-*
12 *lowing:*

13 *“(2) education or counseling services designed to*
14 *improve the financial literacy and economic literacy*
15 *of students and, as appropriate, their parents;”;* and

16 *(C) in paragraph (11), as redesignated by*
17 *subparagraph (A), by striking “paragraphs (1)*
18 *through (9)” and inserting “paragraphs (1)*
19 *through (10)”;*

20 *(4) in section 402E(b) (20 U.S.C. 1070a–*
21 *15(b))—*

22 *(A) by redesignating paragraphs (7) and*
23 *(8) as paragraphs (8) and (9), respectively; and*

24 *(B) by inserting after paragraph (6) the fol-*
25 *lowing:*

1 “(7) education or counseling services designed to
 2 improve the financial literacy and economic literacy
 3 of students and, as appropriate, their parents;”; and
 4 (5) in section 402F(b) (20 U.S.C. 1070a–
 5 16(b))—

6 (A) by redesignating paragraphs (4)
 7 through (10) as paragraphs (5) through (11), re-
 8 spectively;

9 (B) by inserting after paragraph (3) the fol-
 10 lowing:

11 “(4) education or counseling services designed to
 12 improve the financial literacy and economic literacy
 13 of students and, as appropriate, their parents;”; and

14 (C) in paragraph (11), as redesignated by
 15 subparagraph (A), by striking “paragraphs (1)
 16 through (9)” and inserting “paragraphs (1)
 17 through (10)”.

18 (j) *MAXIMUM STIPENDS*.—Section 402C(e) (20 U.S.C.
 19 1070a–13(e)) is amended—

20 (1) by striking “\$60” and inserting “\$100”; and
 21 (2) by striking “\$40” and inserting “\$60”.

22 (k) *STUDENT SUPPORT SERVICES*.—Section
 23 402D(d)(6) (20 U.S.C. 1070a–14(d)(6)) is amended—

24 (1) by striking “and” at the end of subpara-
 25 graph (A);

1 (2) *by striking the period at the end of subpara-*
 2 *graph (B) and inserting “; and”; and*

3 (3) *by inserting after subparagraph (B) the fol-*
 4 *lowing new subparagraph:*

5 “(C) *working with other entities that serve*
 6 *low-income working adults to increase access to*
 7 *and successful progress in postsecondary edu-*
 8 *cation by low-income working adults seeking*
 9 *their first postsecondary degree or certificate.”.*

10 (l) *POSTBACCALAUREATE ACHIEVEMENT MAXIMUM*
 11 *STIPENDS.—Section 402E(e)(1) (20 U.S.C. 1070a–*
 12 *15(e)(1)) is amended by striking “\$2,800” and inserting*
 13 *“\$5,000”.*

14 (m) *EDUCATIONAL OPPORTUNITY CENTERS: APPLICA-*
 15 *TION APPROVAL.—Section 402F(c) (20 U.S.C. 1070a–16(c))*
 16 *is amended—*

17 (1) *by striking “and” at the end of paragraph*
 18 (2);

19 (2) *by striking the period at the end of para-*
 20 *graph (3) and inserting “; and”; and*

21 (3) *by inserting after paragraph (3) the fol-*
 22 *lowing new paragraph:*

23 “(4) *consider the extent to which the proposed*
 24 *project would provide services to low-income working*
 25 *adults in the region to be served, in order to increase*

1 *access to postsecondary education by low-income*
 2 *working adults.”.*

3 **SEC. 403. TRIO REFORM.**

4 (a) *PERFORMANCE MEASURES.*—Section 402A (20
 5 *U.S.C. 1070a-11)* is amended—

6 (1) *by redesignating subsections (c), (d), (e), (f),*
 7 *and (g) as subsections (d), (e), (g), (h), and (i), re-*
 8 *spectively; and*

9 (2) *by inserting after subsection (b) the following*
 10 *new subsection:*

11 “(c) *PERFORMANCE MEASURES.*—

12 “(1) *IN GENERAL.*—*The Secretary shall establish*
 13 *expected program outcomes and procedures for meas-*
 14 *uring, annually and for longer periods, the quality*
 15 *and effectiveness of programs operated under this*
 16 *chapter, and the impact of the services provided*
 17 *through the programs to support the attainment of*
 18 *higher education for students from disadvantaged*
 19 *backgrounds, low-income individuals, and prospective*
 20 *first-generation college students.*

21 “(2) *USE OF MEASURES.*—*The performance*
 22 *measures described in paragraph (1) shall be used*
 23 *to—*

24 “(A) *assess the impact of the specific serv-*
 25 *ices provided by recipients of grants or contracts*

1 under this chapter and, to the extent the Sec-
 2 retary finds appropriate, administrative and fi-
 3 nancial management practices of such programs;

4 “(B) identify strengths and weaknesses in
 5 the provision of services provided by grantees
 6 under this chapter;

7 “(C) identify project operations that may
 8 require training and technical assistance re-
 9 sources.

10 “(3) *ADDITIONAL MEASURES.*—In addition to
 11 the performance measures in paragraph (1), each
 12 grant recipient may establish local performance meas-
 13 ures.”.

14 (b) *SELECTION.*—Subsection (d) of such section (as re-
 15 designated by subsection (a)(1) of this section) is amend-
 16 ed—

17 (1) by redesignating paragraphs (2) through (6)
 18 as paragraphs (3) through (7), respectively; and

19 (2) by inserting after paragraph (1) the fol-
 20 lowing new paragraph:

21 “(2) *SELECTION.*—

22 “(A) *IN GENERAL.*—In awarding grants
 23 from among qualified applicants, the Secretary
 24 shall consider the effectiveness of each applicant

1 *in providing services under this chapter, based*
 2 *on—*

3 “(i) *the plan of such applicant to de-*
 4 *liver program services and achieve expected*
 5 *program outcomes established by the Sec-*
 6 *retary;*

7 “(ii) *the plan of such applicant to co-*
 8 *ordinate program services with other pro-*
 9 *grams for disadvantaged students; and*

10 “(iii) *any prior experience of such ap-*
 11 *plicant in achieving expected program out-*
 12 *comes under this chapter.*

13 “(B) *ADDITIONAL CRITERIA.—The Sec-*
 14 *retary may establish additional selection criteria*
 15 *as necessary to identify the most qualified appli-*
 16 *cants.”.*

17 (c) *PRIOR EXPERIENCE.—Paragraph (3) of such sub-*
 18 *section (d) (as amended by section 402(c) and redesignated*
 19 *by subsection (b)(1) of this section) is amended—*

20 (1) *by striking subparagraph (A) and inserting*

21 “(A) *In making grants under this chapter, the Sec-*
 22 *retary shall use the measures described in subsection*
 23 *(c)(1) to evaluate each applicant’s prior experience in*
 24 *achieving expected program outcomes under the par-*
 25 *ticular program for which funds are sought.”; and*

1 (2) *by adding at the end the following new sub-*
 2 *paragraph:*

3 “(C) *The Secretary shall not give prior experi-*
 4 *ence points to any current grantee that during the*
 5 *then most recent period for which funds were pro-*
 6 *vided—*

7 *“(i) failed to meet one or more expected pro-*
 8 *gram outcomes based on the performance meas-*
 9 *ures described in subsection (c); or*

10 *“(ii) expended funds for indirect costs in an*
 11 *amount that exceeded 8 percent of the total grant*
 12 *award.”.*

13 (d) *ORDER OF AWARDS.—Paragraph (4) of such sub-*
 14 *section (d) (as redesignated by subsection (b)(1) of this sec-*
 15 *tion) is amended—*

16 (1) *in subparagraph (A)—*

17 (A) *by striking “under paragraph (4)” and*
 18 *inserting “under paragraph (5)”;* and

19 (B) *by striking “with paragraph (2)” and*
 20 *inserting “with paragraph (3)”;* and

21 (2) *by amending subparagraph (B) to read as*
 22 *follows:*

23 “(B) *The Secretary shall not provide assistance*
 24 *to an entity if the Secretary has determined that such*

1 *entity has involved the fraudulent use of public or*
 2 *private funds.”.*

3 *(e) TECHNICAL ASSISTANCE.—Paragraph (3) of sub-*
 4 *section (e) of such section (as redesignated by subsection*
 5 *(a)(1) of this section) is amended to read as follows:*

6 *“(3) TECHNICAL ASSISTANCE.—The Secretary*
 7 *shall provide technical assistance to applicants for*
 8 *projects and programs authorized under this chapter.*
 9 *The Secretary shall give priority to serving programs*
 10 *and projects that serve geographic areas and eligible*
 11 *populations which have been underserved by the pro-*
 12 *grams assisted under this chapter. Technical training*
 13 *activities shall include the provision of information*
 14 *on authorizing legislation, goals and objectives of the*
 15 *program, required activities, eligibility requirements,*
 16 *the application process and application deadlines,*
 17 *and assistance in the development of program pro-*
 18 *posals and the completion of program applications.”.*

19 *(f) RECORDKEEPING AND REPORTING.—Section 402A*
 20 *is further amended by inserting after subsection (e) of such*
 21 *section (as redesignated by subsection (a)(1) of this section)*
 22 *the following new subsection:*

23 *“(f) RECORDKEEPING AND REPORTING.—*

24 *“(1) IN GENERAL.—The Secretary shall establish*
 25 *uniform reporting requirements and require each re-*

1 *recipient of funds under this chapter to submit annu-*
2 *ally and in electronic form such information in such*
3 *manner and form and at such time as the Secretary*
4 *may require, except that reporting such information*
5 *shall not reveal personally identifiable information*
6 *about an individual student.*

7 *“(2) REPORT TO CONGRESS.—At least once every*
8 *2-year period, the Secretary shall prepare and submit*
9 *to the authorizing committees, a report on the services*
10 *provided to students that shall include—*

11 *“(A) a statement for the then most recently*
12 *concluded fiscal year specifying—*

13 *“(i) the amount of funds received by*
14 *grantees to provide services under this chap-*
15 *ter; and*

16 *“(ii) the amount of funds received by*
17 *new grantees to provide services under this*
18 *chapter;*

19 *“(B) a description of the specific services*
20 *provided to students;*

21 *“(C) a summary of the overall success in*
22 *achieving specific program outcomes or progress*
23 *toward such outcomes;*

24 *“(D) a report of the number of students*
25 *served by types of service received;*

1 “(E) information summarizing the types of
2 organizations that received funds under this
3 chapter; and

4 “(F) a summary of the research and evalua-
5 tion activities under section 402H, including—

6 “(i) a status report on ongoing activi-
7 ties; and

8 “(ii) results, conclusions, and rec-
9 ommendations of such activities available
10 after the then most recent report.”.

11 (g) *INCREASED MONITORING.*—Subsection (h) of such
12 section (as redesignated by subsection (a)(1) of this section)
13 is amended by striking everything after the first sentence
14 and inserting the following: “Of the amount appropriated
15 under this chapter, the Secretary may use no more than
16 one half of 1 percent of such amount to support the admin-
17 istration of the Federal TRIO programs including to in-
18 crease the level of oversight monitoring, to support impact
19 studies, program assessments and reviews, and to provide
20 technical assistance to prospective applicants and current
21 grantees.”.

22 (h) *EXPECTED PROGRAM OUTCOME.*—

23 (1) Section 402B (20 U.S.C. 1070a-12) is
24 amended by adding at the end the following new sub-
25 section:

1 “(d) *EXPECTED PROGRAM OUTCOME.*—For the pur-
 2 poses of assessing an applicant’s past performance under
 3 section 402A(c)(1), and prior experience under section
 4 402A(d)(3), the Secretary shall consider the college-going
 5 rate of the participants served by the program compared
 6 to that of other applicants eligible to receive consideration
 7 of prior experience.”.

8 (2) Section 402C (20 U.S.C. 1070a-12) is
 9 amended by adding at the end the following new sub-
 10 section:

11 “(f) *EXPECTED PROGRAM OUTCOME.*—For the pur-
 12 poses of assessing an applicant’s past performance under
 13 section 402A(c)(1), and prior experience under section
 14 402A(d)(3), the Secretary shall consider the college-going
 15 rate of the participants served by the program compared
 16 to that of other applicants eligible to receive consideration
 17 of prior experience.”.

18 (3) Section 402D (20 U.S.C. 1070a-12) is
 19 amended by adding at the end the following new sub-
 20 section:

21 “(e) *EXPECTED PROGRAM OUTCOME.*—For the pur-
 22 poses of assessing an applicant’s past performance under
 23 section 402A(c)(1), and prior experience under section
 24 402A(d)(3), the Secretary shall consider the college-going
 25 rate of the participants served by the program compared

1 *to that of other applicants eligible to receive consideration*
2 *of prior experience.”.*

3 (4) *Section 402E (20 U.S.C. 1070a-12) is*
4 *amended by striking subsection (f) and inserting the*
5 *following:*

6 “(f) *EXPECTED PROGRAM OUTCOME.—For the pur-*
7 *poses of assessing an applicant’s past performance under*
8 *section 402A(c)(1), and prior experience under section*
9 *402A(d)(3), the Secretary shall consider the college-going*
10 *rate of the participants served by the program compared*
11 *to that of other applicants eligible to receive consideration*
12 *of prior experience.”.*

13 (5) *Section 402F (20 U.S.C. 1070a-12) is*
14 *amended by adding at the end the following new sub-*
15 *section:*

16 “(d) *EXPECTED PROGRAM OUTCOME.—For the pur-*
17 *poses of assessing an applicant’s past performance under*
18 *section 402A(c)(1), and prior experience under section*
19 *402A(d)(3), the Secretary shall consider the college-going*
20 *rate of the participants served by the program compared*
21 *to that of other applicants eligible to receive consideration*
22 *of prior experience.”.*

23 (i) *STAFF DEVELOPMENT.—Section 402G (20 U.S.C.*
24 *1070a-17) is amended to read as follows:*

1 **“SEC. 402G. STAFF DEVELOPMENT ACTIVITIES.**

2 “(a) *SECRETARY’S AUTHORITY.*—For the purpose of
3 *improving the operation of the programs and projects au-*
4 *thorized by this chapter, the Secretary is authorized to make*
5 *grants to institutions of higher education and other public*
6 *and private nonprofit institutions and organizations to*
7 *provide training and technical assistance for staff and lead-*
8 *ership personnel employed in, participating in, or pre-*
9 *paring for employment in, such programs and projects.*

10 “(b) *CONTENTS OF TRAINING PROGRAMS.*—Such
11 *training shall be provided to assist programs and projects*
12 *in—*

13 “(1) *achieving the expected program outcomes*
14 *stated under this chapter or additional outcomes*
15 *identified by individual programs or projects;*

16 “(2) *addressing any identified program weak-*
17 *nesses in the overall development, conduct, or admin-*
18 *istration of a grant or contract;*

19 “(3) *improving the quality of services provided*
20 *to eligible students; or*

21 “(4) *additional areas in need of program im-*
22 *provement as identified by the Secretary or as re-*
23 *quested by grantees in order to enhance program op-*
24 *erations and outcomes.*

25 “(c) *CONSULTATION.*—Grants for the purposes of this
26 *section shall be made only after consultation with regional*

1 *and State professional associations of persons having spe-*
 2 *cial knowledge with respect to the needs and problems of*
 3 *such programs and projects.”.*

4 (j) *EVALUATIONS.—Section 402H (20 U.S.C. 1070a-*
 5 *18) is amended to read as follows:*

6 **“SEC. 402H. EVALUATIONS.**

7 “(a) *EVALUATIONS.—*

8 “(1) *IN GENERAL.—For the purpose of improv-*
 9 *ing the effectiveness of the programs and projects as-*
 10 *sisted under this chapter, the Secretary shall make*
 11 *grants to or enter into contracts with one or more or-*
 12 *ganizations to—*

13 “(A) *evaluate the effectiveness of the pro-*
 14 *grams and projects assisted under this chapter;*
 15 *and*

16 “(B) *disseminate information on the impact*
 17 *of the programs in increasing the education level*
 18 *of participating students, as well as other appro-*
 19 *priate measures.*

20 “(2) *ISSUES TO BE EVALUATED.—The evalua-*
 21 *tions described in paragraph (1) shall measure the ef-*
 22 *fectiveness of programs under this chapter in—*

23 “(A) *meeting the expected program out-*
 24 *comes stated under this chapter and all perform-*
 25 *ance measures identified by the Secretary;*

1 “(B) enhancing the access of low-income in-
2 dividuals and first-generation college students to
3 postsecondary education;

4 “(C) preparing individuals and students for
5 postsecondary education;

6 “(D) comparing the level of education com-
7 pleted by students who participate in the pro-
8 grams funded under this chapter with the level
9 of education completed by students of similar
10 backgrounds who do not participate in such pro-
11 grams;

12 “(E) comparing the retention rates, dropout
13 rates, graduation rates, and college admission
14 and completion rates of students who participate
15 in the programs funded under this chapter with
16 the rates of students of similar backgrounds who
17 do not participate in such programs; and

18 “(F) such other issues as the Secretary con-
19 siders appropriate for inclusion in the evalua-
20 tion.

21 “(3) *PROGRAM METHODS*.—Such evaluations
22 shall also investigate the effectiveness of alternative
23 and innovative methods within Federal TRIO pro-
24 grams of increasing access to, and retention of, stu-
25 dents in postsecondary education.

1 “(b) *RESULTS.*—*The Secretary shall submit to the au-*
2 *thorizing committees—*

3 “(1) *an annual interim report on the progress*
4 *and preliminary results of the evaluation of each pro-*
5 *gram funded under this chapter no later than 2 years*
6 *following the date of enactment of the College Access*
7 *and Opportunity Act of 2005; and*

8 “(2) *a final report not later than 3 years fol-*
9 *lowing the date of enactment of such Act.*

10 “(c) *PUBLIC AVAILABILITY.*—*All reports and under-*
11 *lying data gathered pursuant to this section shall be made*
12 *available to the public upon request, in a timely manner*
13 *following submission of the applicable reports under sub-*
14 *section (b), except that any personally identifiable informa-*
15 *tion on students participating in any TRIO program shall*
16 *not be disclosed or made available to the public.”.*

17 **SEC. 404. GEARUP.**

18 (a) *DURATION OF AWARDS.*—*Section 404A(b) (20*
19 *U.S.C. 1070a–21(b)) is amended—*

20 (1) *in paragraph (2)(B), by striking “Higher*
21 *Education Amendments of 1998” and inserting “Col-*
22 *lege Access and Opportunity Act of 2005”; and*

23 (2) *by adding at the end thereof the following*
24 *new paragraph:*

1 “(3) *DURATION*.—An award made by the Sec-
 2 retary under this chapter to an eligible entity de-
 3 scribed in paragraph (1) or (2) of subsection (c) shall
 4 be for the period of 6 years.”.

5 (b) *CONTINUING ELIGIBILITY*.—Section 404A (20
 6 U.S.C. 1070a–21) is amended by adding at the end the fol-
 7 lowing new subsection:

8 “(d) *CONTINUING ELIGIBILITY*.—An eligible entity
 9 shall not cease to be an eligible entity upon the expiration
 10 of any grant under this chapter (including a continuation
 11 award).”.

12 (c) *CONTINUITY OF SERVICE*.—

13 (1) *COHORT APPROACH*.—Section 404B(g)(1)(B)
 14 (20 U.S.C. 1070a–22(g)(1)(B)) is amended by insert-
 15 ing “and provide the option of continued services
 16 through the student’s first year of attendance at an el-
 17 igible institution of higher education” after “grade
 18 level”.

19 (2) *EARLY INTERVENTION*.—Section 404D (20
 20 U.S.C. 1070a–24) is amended—

21 (A) in subsection (b)(2)(A), by inserting
 22 “and students in the first year of attendance at
 23 an eligible institution of higher education” after
 24 “grade 12”; and

1 (B) in subsection (c), by inserting “, and
 2 may consider students in their first year of at-
 3 tendance at an eligible institution,” after “grade
 4 12”.

5 (d) *COORDINATION*.—Section 404C(a)(2) (20 U.S.C.
 6 1070a-23(a)(2)) is amended—

7 (1) by striking “and” at the end of subpara-
 8 graph (A);

9 (2) by redesignating subparagraph (B) as sub-
 10 paragraph (C); and

11 (3) by inserting after subparagraph (A) the fol-
 12 lowing new subparagraph:

13 “(B) describe activities for coordinating,
 14 complementing, and enhancing services under
 15 this chapter provided by other eligible entities in
 16 the State; and”.

17 (e) *EDUCATION AND COUNSELING SERVICES*.—Section
 18 404D(b)(2)(A)(ii) (20 U.S.C. 1070a-24(b)(2)(A)(ii)) is
 19 amended by striking “and academic counseling” and in-
 20 serting “academic counseling, and financial literacy and
 21 economic literacy education or counseling”.

22 (f) *HOMELESS AND UNACCOMPANIED YOUTH*.—Sec-
 23 tion 404D is further amended by adding at the end the fol-
 24 lowing new subsection:

1 “(e) *HOMELESS AND UNACCOMPANIED YOUTH*.—Not-
 2 *withstanding any other provision of this chapter, individ-*
 3 *uals who are homeless or unaccompanied youth as defined*
 4 *in section 725 of the McKinney-Vento Homeless Assistance*
 5 *Act shall be eligible to participate in programs under this*
 6 *section.*”.

7 (g) *REAUTHORIZATION*.—Section 404H (20 U.S.C.
 8 1070a–28) is amended by striking “\$200,000,000 for fiscal
 9 year 1999 and such sums as may be necessary for each of
 10 the 4 succeeding fiscal years” and inserting “\$306,500,000
 11 for fiscal year 2006 and such sums as may be necessary
 12 for each of the 5 succeeding fiscal years”.

13 **SEC. 405. FEDERAL SUPPLEMENTAL EDUCATIONAL OPPOR-**
 14 **TUNITY GRANTS.**

15 (a) *AUTHORIZATION OF APPROPRIATIONS*.—Section
 16 413A(b)(1) (20 U.S.C. 1070b(b)(1)) is amended by striking
 17 “\$675,000,000 for fiscal year 1999 and such sums as may
 18 be necessary for the 4 succeeding fiscal years” and inserting
 19 “\$779,000,000 for fiscal year 2006 and such sums as may
 20 be necessary for the 5 succeeding fiscal years”.

21 (b) *PRIORITY OF AWARDS*.—Paragraph (2) of section
 22 413C(c) (20 U.S.C. 1070b–2(c)(2)) is amended to read as
 23 follows:

24 “(2) *In carrying out paragraph (1) of this subsection,*
 25 *each institution of higher education shall, in the agreement*

1 *made under section 487, assure that the selection proce-*
 2 *dures—*

3 “(A) *will give a priority for supplemental grants*
 4 *under this subpart to students who receive Pell*
 5 *Grants and meet the requirements of section 484; and*

6 “(B) *will award no more than 10 percent of each*
 7 *institution’s allocation received under section 413D to*
 8 *students who did not receive Federal Pell Grants in*
 9 *a prior year.”.*

10 (c) *PHASEOUT OF ALLOCATION BASED ON PREVIOUS*
 11 *ALLOCATIONS.—*

12 (1) *AMENDMENT.—Subsection (a) of section*
 13 *413D (20 U.S.C. 1070b–3(a)) is amended to read as*
 14 *follows:*

15 “(a) *ALLOCATION BASED ON PREVIOUS ALLOCA-*
 16 *TION.—*

17 “(1) *BASE GUARANTEE.—From the amount ap-*
 18 *propriated pursuant to section 413A(b) for each fiscal*
 19 *year after fiscal year 2007, the Secretary shall, sub-*
 20 *ject to paragraph (2), first allocate to each eligible in-*
 21 *stitution an amount equal to the following percentage*
 22 *of the amount such institution received under sub-*
 23 *section (a) of this section for fiscal year 2007 (as such*
 24 *subsection was in effect with respect to allocations for*
 25 *such fiscal year):*

1 “(A) 80 percent for fiscal years 2008 and
2 2009;

3 “(B) 60 percent for fiscal years 2010 and
4 2011;

5 “(C) 40 percent for fiscal years 2012 and
6 2013;

7 “(D) 20 percent for fiscal years 2014 and
8 2015; and

9 “(E) 0 percent for fiscal year 2016 and any
10 succeeding fiscal year.

11 “(2) *RATABLE REDUCTIONS FOR INSUFFICIENT*
12 *APPROPRIATIONS.—*

13 “(A) *REDUCTION OF BASE GUARANTEE.—If*
14 *the amount appropriated for any fiscal year is*
15 *less than the amount required to be allocated to*
16 *all institutions under this subsection, then the*
17 *amount of the allocation to each such institution*
18 *shall be ratably reduced.*

19 “(B) *ADDITIONAL APPROPRIATIONS ALLOCA-*
20 *TION.—If additional amounts are appropriated*
21 *for any such fiscal year, such reduced amounts*
22 *shall be increased on the same basis as they were*
23 *reduced (until the amount allocated equals the*
24 *amount required to be allocated under this sub-*
25 *section).*

1 “(3) *ADDITIONAL ALLOCATIONS FOR CERTAIN IN-*
2 *STITUTIONS.*—

3 “(A) *ALLOCATIONS PERMITTED.*—*Notwith-*
4 *standing any other provision of this section, the*
5 *Secretary may allocate an amount equal to not*
6 *more than 10 percent of the amount by which the*
7 *amount appropriated in any fiscal year to carry*
8 *out this subpart exceeds \$700,000,000 among eli-*
9 *gible institutions described in subparagraph (B).*

10 “(B) *ELIGIBLE INSTITUTIONS.*—*An other-*
11 *wise eligible institution may receive a portion of*
12 *the allocation described in subparagraph (A)*
13 *if—*

14 “(i) *not less than 10 percent of the stu-*
15 *dents attending the institution receive Fed-*
16 *eral Pell Grants; and*

17 “(ii)(I) *in the case of an institution*
18 *that offers programs of at least 4 years in*
19 *duration, if its graduation rate for Federal*
20 *Pell Grant recipients attending the institu-*
21 *tion and graduating within the period of*
22 *time equal to normal duration of the longest*
23 *undergraduate program offered by the insti-*
24 *tution, as measured from the first day of*
25 *their enrollment, exceeds the median rate for*

the class of institution (as defined in section 131(f)(5)(C)); or

“(II) in the case of an institution that offers programs of at least 2, but less than 4, years in duration, if its rate for Federal Pell Grant recipients attending the institution and graduating or transferring to an institution that offers programs of at least 4 years in duration within the period of time equal to the normal duration of the program offered, as measured from the first day of their enrollment, exceeds the median rate for the class of institution (as defined in section 131(f)(5)(C)).”.

(2) *EFFECTIVE DATE.*—The amendment made by paragraph (1) shall apply with respect to any amounts appropriated under section 413A(b) of the Higher Education Act of 1965 (20 U.S.C. 1070b(b)) for fiscal year 2008 or any succeeding fiscal year.

(d) *BOOKS AND SUPPLIES.*—Section 413D(c)(3)(D) (20 U.S.C. 1070–3(c)(3)(D)) is amended by striking “\$450” and inserting “\$600”.

SEC. 406. LEAP.

Section 415A(b)(1) (20 U.S.C. 1070c(b)(1)) is amended—

1 (1) *by striking “1999” and inserting “2006”;*
 2 *and*

3 (2) *by striking “4 succeeding” and inserting “5*
 4 *succeeding”.*

5 **SEC. 407. HEP/CAMP PROGRAM.**

6 *Section 418A (20 U.S.C. 1070d-2) is amended—*

7 (1) *in subsection (b)(1)(B)(i), by inserting “, or*
 8 *whose spouse” after “themselves”;*

9 (2) *in subsection (b)(3)(B), by inserting “, in-*
 10 *cluding preparation for college entrance exams” after*
 11 *“program”;*

12 (3) *in subsection (b)(8), by inserting “, includ-*
 13 *ing child care and transportation” after “supportive*
 14 *services”;*

15 (4) *by striking “and” at the end of subsection*
 16 *(b)(7), by striking the period at the end of subsection*
 17 *(b)(8) and inserting “; and”, and by adding at the*
 18 *end of subsection (b) the following new paragraph:*

19 *“(9) follow-up activity and reporting require-*
 20 *ments, except that not more than 2 percent of the*
 21 *funds provided under this section may be used for*
 22 *such purposes.”;*

23 (5) *in subsection (c)(1)(A), by inserting “, or*
 24 *whose spouse” after “themselves”;*

1 (6) in subsection (c)(1)(B), by striking clause (i)
2 and inserting the following:

3 “(i) personal, academic, career, and eco-
4 nomic education or personal finance counseling
5 as an ongoing part of the program;”;

6 (7) in subsection (c)(2)(B), by inserting “(in-
7 cluding mentoring and guidance of such students)”
8 after “services”;

9 (8) in subsection (c)(2), by striking “and” at the
10 end of subparagraph (A), by striking the period at the
11 end of subparagraph (B) and inserting “; and”, and
12 by adding at the end of subsection (c)(2) the following
13 new subparagraph:

14 “(C) for students in any program that does not
15 award a bachelor’s degree, encouraging the transfer
16 to, and persistence in, such a program, and moni-
17 toring the rate of such transfer, persistence, and com-
18 pletion.”;

19 (9) in subsection (e), by striking “section
20 402A(c)(1)” and inserting “section 402A(c)(2)”; and

21 (10) in subsection (h)—

22 (A) in paragraph (1), by striking
23 “\$15,000,000 for fiscal year 1999 and such sums
24 as may be necessary for each of the 4 succeeding
25 fiscal years” and inserting “\$24,000,000 for fis-

1 *cal year 2006 and such sums as may be nec-*
 2 *essary for each of the 5 succeeding fiscal years”;*
 3 *and*

4 *(B) in paragraph (2), by striking*
 5 *“\$5,000,000 for fiscal year 1999 and such sums*
 6 *as may be necessary for each of the 4 succeeding*
 7 *fiscal years” and inserting “\$16,000,000 for fis-*
 8 *cal year 2006 and such sums as may be nec-*
 9 *essary for each of the 5 succeeding fiscal years”.*

10 **SEC. 408. ROBERT C. BYRD HONORS SCHOLARSHIP PRO-**
 11 **GRAM.**

12 *Subpart 6 of part A of title IV is amended to read*
 13 *as follows:*

14 **“Subpart 6—Robert C. Byrd Honors Scholarship**
 15 **Program**

16 **“SEC. 419A. ROBERT C. BYRD MATHEMATICS AND SCIENCE**
 17 **HONORS SCHOLARSHIP PROGRAM.**

18 *“(a) PURPOSE.—The purpose of this section is to*
 19 *award scholarships to students who are enrolled in studies*
 20 *leading to baccalaureate and advanced degrees in physical,*
 21 *life, or computer sciences, mathematics, and engineering.*

22 *“(b) DEFINITIONS.—As used in this section—*

23 *“(1) the term ‘computer science’ means the*
 24 *branch of knowledge or study of computers, including*
 25 *such fields of knowledge or study as computer hard-*

ware, computer software, computer engineering, information systems, and robotics;

“(2) the term ‘eligible student’ means a student who—

“(A) is a citizen of the United States;

“(B) is selected by the managing agent to receive a scholarship;

“(C) is enrolled full-time in an institution of higher education, other than a United States service academy; and

“(D) has shown a commitment to and is pursuing a major in studies leading to a baccalaureate, masters, or doctoral degree (or a combination thereof) in physical, life, or computer sciences, mathematics, or engineering;

“(3) the term ‘engineering’ means the science by which the properties of matter and the sources of energy in nature are made useful to humanity in structures, machines, and products, as in the construction of engines, bridges, buildings, mines, and chemical plants, including such fields of knowledge or study as aeronautical engineering, chemical engineering, civil engineering, electrical engineering, industrial engineering, materials engineering, manufacturing engineering, and mechanical engineering;

1 “(4) the term ‘life sciences’ means the branch of
2 knowledge or study of living things, including such
3 fields of knowledge or study as biology, biochemistry,
4 biophysics, microbiology, genetics, physiology, botany,
5 zoology, ecology, and behavioral biology, except that
6 the term does not encompass social psychology or the
7 health professions;

8 “(5) the term ‘managing agent’ means an entity
9 to which an award is made under subsection (c) to
10 manage a program of Mathematics and Science Hon-
11 ors Scholarships;

12 “(6) the term ‘mathematics’ means the branch of
13 knowledge or study of numbers and the systematic
14 treatment of magnitude, relationships between figures
15 and forms, and relations between quantities expressed
16 symbolically, including such fields of knowledge or
17 study as statistics, applied mathematics, and oper-
18 ations research; and

19 “(7) the term ‘physical sciences’ means the
20 branch of knowledge or study of the material universe,
21 including such fields of knowledge or study as astron-
22 omy, atmospheric sciences, chemistry, earth sciences,
23 ocean sciences, physics, and planetary sciences.

24 “(c) AWARD.—

1 “(1)(A) *From funds authorized under section*
2 *419D to carry out this section, the Secretary is au-*
3 *thorized, through a grant or cooperative agreement, to*
4 *make an award to a private, non-profit organization,*
5 *other than an institution of higher education or sys-*
6 *tem of institutions of higher education, to manage,*
7 *through a public and private partnership, a program*
8 *of Mathematics and Science Honors Scholarships*
9 *under this section.*

10 “(B) *The award under subparagraph (A) shall*
11 *be for a five-year period.*

12 “(2)(A) *One hundred percent of the funds award-*
13 *ed under paragraph (1)(A) for any fiscal year shall*
14 *be obligated and expended solely on scholarships to el-*
15 *igible students.*

16 “(B) *No Federal funds shall be used to provide*
17 *more than 50 percent of the cost of any scholarship*
18 *to an eligible student.*

19 “(C) *The maximum scholarship award shall be*
20 *the difference between an eligible student’s cost of at-*
21 *tendance minus any non-loan based aid such student*
22 *receives.*

23 “(3)(A) *The secretary may establish—*

1 “(i) *eligibility criteria for applicants for*
2 *managing agent, including criteria regarding fi-*
3 *nancial and administrative capability; and*

4 “(ii) *operational standards for the man-*
5 *aging agent, including management and per-*
6 *formance requirements, such as audit, record-*
7 *keeping, record retention, and reporting proce-*
8 *dures and requirements.*

9 “(B) *The Secretary, as necessary, may review*
10 *and revise any criteria, standards, and rules estab-*
11 *lished under this paragraph and, through the agree-*
12 *ment with the managing agent, see that any revisions*
13 *are implemented.*

14 “(4) *If the managing agent fails to meet the re-*
15 *quirements of this section the Secretary may termi-*
16 *nate the award to the managing agent.*

17 “(5) *The Secretary shall conduct outreach efforts*
18 *to help raise awareness of the Mathematics and*
19 *Science Honors Scholarships.*

20 “(d) *DUTIES OF THE MANAGING AGENT.—The man-*
21 *aging agent shall—*

22 “(1) *develop criteria to award Mathematics and*
23 *Science Honors Scholarships based on established*
24 *measurements available to secondary students who*

1 *wish to pursue degrees in physical, life, or computer*
2 *sciences, mathematics, and engineering;*

3 *“(2) establish a Mathematics and Science Hon-*
4 *ors Scholarship Fund in a separate, named account*
5 *that clearly discloses the amount of Federal and non-*
6 *Federal funds deposited in the account and used for*
7 *scholarships under this section;*

8 *“(3) solicit funds for scholarships and for the ad-*
9 *ministration of the program from non-Federal*
10 *sources;*

11 *“(4) solicit applicants for scholarships;*

12 *“(5) from the amounts in the Fund, award schol-*
13 *arships to eligible students and transfer such funds to*
14 *the institutions of higher education that they attend;*
15 *and*

16 *“(6) annually submit to the Secretary a finan-*
17 *cial audit and a report on the progress of the pro-*
18 *gram, and such other documents as the Secretary may*
19 *require to determine the effective management of the*
20 *program.*

21 *“(e) APPLICATIONS.—*

22 *“(1) Any eligible entity that desires to be the*
23 *managing agent under this section shall submit an*
24 *application to the Secretary, in such form and con-*

1 *taining such information, as the Secretary may re-*
2 *quire.*

3 *“(2) Each application shall include a descrip-*
4 *tion of—*

5 *“(A) how the applicant meets or will meet*
6 *requirements established under subsections*
7 *(c)(3)(A) and (d);*

8 *“(B) how the applicant will solicit funds for*
9 *scholarships and for the administration of the*
10 *program from non-Federal sources;*

11 *“(C) how the applicant will provide nation-*
12 *wide outreach to inform students about the pro-*
13 *gram and to encourage students to pursue de-*
14 *grees in physical, life, or computer sciences,*
15 *mathematics, and engineering;*

16 *“(D) how the applicant will solicit applica-*
17 *tions for scholarships, including how the appli-*
18 *cant will balance efforts in urban and rural*
19 *areas;*

20 *“(E) the selection criteria based on estab-*
21 *lished measurements available to secondary stu-*
22 *dents the applicant will use to award scholar-*
23 *ships and to renew those awards;*

24 *“(F) how the applicant will inform the in-*
25 *stitution of higher education chosen by the re-*

1 *recipient of the name and scholarship amount of*
2 *the recipient;*

3 *“(G) what procedures and assurances the*
4 *applicant and the institution of higher education*
5 *that the recipient attends will use to verify stu-*
6 *dent eligibility, attendance, degree progress, and*
7 *academic performance and to deliver and ac-*
8 *count for payments to such institution;*

9 *“(H) the management (including audit and*
10 *accounting) procedures the applicant will use for*
11 *the program;*

12 *“(I) the human, financial, and other re-*
13 *sources that the applicant will need and use to*
14 *manage the program;*

15 *“(J) how the applicant will evaluate the*
16 *program and report to the Secretary annually;*
17 *and*

18 *“(K) a description of how the entity will co-*
19 *ordinate with, complement, and build on similar*
20 *public and private mathematics and science pro-*
21 *grams.*

22 *“(f) SCHOLARSHIP RECIPIENTS.—*

23 *“(1) A student receiving a scholarship under this*
24 *section shall be known as a ‘Byrd Mathematics and*
25 *Science Honors Scholar’.*

1 “(2) *Any student desiring to receive a scholar-*
2 *ship under this section shall submit an application to*
3 *the managing agent in such form, and containing*
4 *such information, as the managing agent may re-*
5 *quire.*

6 “(3) *Any student that receives a scholarship*
7 *under this section shall enter into an agreement with*
8 *the managing agent to complete 5 consecutive years*
9 *of service to begin no later than 12 months following*
10 *completion of the final degree in a position related to*
11 *physical, life, or computer sciences, mathematics, or*
12 *engineering as defined under this section.*

13 “(4) *If any student that receives a scholarship*
14 *under this section fails to earn at least a bacca-*
15 *laureate degree in physical, life, or computer sciences,*
16 *mathematics, or engineering as defined under this sec-*
17 *tion, the student shall repay to the managing agent*
18 *the amount of any financial assistance paid to such*
19 *student.*

20 “(5) *If any student that receives a scholarship*
21 *under this section fails to meet the requirements of*
22 *paragraph (3), the student shall repay to the man-*
23 *aging agent the amount of any financial assistance*
24 *paid to such student.*

1 “(6)(A) Scholarships shall be awarded for only
2 one academic year of study at a time.

3 “(B)(i) A scholarship shall be renewable on an
4 annual basis for the established length of the academic
5 program if the student awarded the scholarship re-
6 mains eligible.

7 “(ii) The managing agent may condition re-
8 newal of a scholarship on measures of academic
9 progress and achievement, with the approval of the
10 Secretary.

11 “(C)(i) If a student fails to either remain eligible
12 or meet established measures of academic progress
13 and achievement, the managing agent shall instruct
14 the student’s institution of higher education to sus-
15 pend payment of the student’s scholarship.

16 “(ii) A suspension of payment shall remain in
17 effect until the student is able to demonstrate to the
18 satisfaction of the managing agent that he or she is
19 again eligible and meets the established measures of
20 academic progress and achievement.

21 “(iii) A student’s eligibility for a scholarship
22 shall be terminated if a suspension period exceeds 12
23 months.

24 “(D)(i)(I) A student awarded a scholarship may,
25 in a manner and under the terms established by, and

1 *with the approval of, the managing agent, postpone*
2 *or interrupt his or her enrollment at an institution*
3 *of higher education for up to 12 months.*

4 “(II) *Such a postponement or interruption*
5 *shall not be considered a suspension for purposes*
6 *of subparagraph (C).*

7 “(ii) *Neither a student nor the student’s institu-*
8 *tion of higher education shall receive the student’s*
9 *scholarship payments during the period of postpone-*
10 *ment or interruption, but such payments shall resume*
11 *upon enrollment or reenrollment.*

12 “(iii) *In exceptional circumstances, such as seri-*
13 *ous injury or illness or the necessity to care for fam-*
14 *ily members, the student’s postponement or interrup-*
15 *tion may, upon notification and approval of the*
16 *managing agent, be extended beyond the 12 month pe-*
17 *riod described in clause (i)(I).*

18 “(g) *RESPONSIBILITIES OF INSTITUTION OF HIGHER*
19 *EDUCATION.—*

20 “(1) *The managing agent shall require any in-*
21 *stitution of higher education that enrolls a student*
22 *who receives a scholarship under this section to annu-*
23 *ally provide an assurance, prior to making any pay-*
24 *ment, that the student—*

1 “(A) is eligible in accordance with subsection
2 (b)(2); and

3 “(B) has provided the institution with a written
4 commitment to attend, or is attending, classes and is
5 satisfactorily meeting the institution’s academic cri-
6 teria for enrollment in its program of study.

7 “(2)(A) The managing agent shall provide the
8 institution of higher education with payments from
9 the Fund for selected recipients in at least two install-
10 ments.

11 “(B) An institution of higher education shall re-
12 turn prorated amounts of any scholarship payment to
13 the managing agent, who shall deposit it in to the
14 Fund, if a recipient declines a scholarship, does not
15 attend courses, transfers to another institution of
16 higher education, or becomes ineligible for a scholar-
17 ship.

18 **“SEC. 419B. MATHEMATICS AND SCIENCE INCENTIVE PRO-**
19 **GRAM.**

20 “(a) PROGRAM.—

21 “(1) IN GENERAL.—The Secretary is authorized
22 to carry out a program of assuming the obligation to
23 pay, pursuant to the provisions of this section, the in-
24 terest on a loan made, insured, or guaranteed under
25 part B or D of this title.

1 “(2) *ELIGIBILITY.*—*The Secretary may assume*
2 *interest payments under paragraph (1) only for a*
3 *borrower who—*

4 “(A) *has submitted an application in com-*
5 *pliance with subsection (d);*

6 “(B) *obtained one or more loans described*
7 *in paragraph (1) as an undergraduate student;*

8 “(C) *is a new borrower (within the meaning*
9 *of section 103(7) of this Act) on or after the date*
10 *of enactment of the College Access and Oppor-*
11 *tunity Act of 2005;*

12 “(D) *is a highly qualified teacher of science,*
13 *technology, engineering or mathematics at an el-*
14 *ementary or secondary school in a high need*
15 *local educational agency, or is a mathematics,*
16 *science, or engineering professional; and*

17 “(E) *enters into an agreement with the Sec-*
18 *retary to complete 5 consecutive years of service*
19 *in a position described in subparagraph (D),*
20 *starting on the date of the agreement.*

21 “(3) *PRIOR INTEREST LIMITATIONS.*—*The Sec-*
22 *retary shall not make any payments for interest*
23 *that—*

24 “(A) *accrues prior to the beginning of the*
25 *repayment period on a loan in the case of a loan*

1 *made under section 428H or a Federal Direct*
2 *Unsubsidized Stafford Loan; or*

3 *“(B) has accrued prior to the signing of an*
4 *agreement under paragraph (2)(E).*

5 *“(4) INITIAL SELECTION.—In selecting partici-*
6 *pants for the program under this section, the Sec-*
7 *retary—*

8 *“(A) shall choose among eligible applicants*
9 *on the basis of—*

10 *“(i) the national security, homeland se-*
11 *curity, and economic security needs of the*
12 *United States, as determined by the Sec-*
13 *retary, in consultation with other Federal*
14 *agencies, including the Departments of*
15 *Labor, Defense, Homeland Security, Com-*
16 *merce, and Energy, the Central Intelligence*
17 *Agency, and the National Science Founda-*
18 *tion; and*

19 *“(ii) the academic record or job per-*
20 *formance of the applicant; and*

21 *“(B) may choose among eligible applicants*
22 *on the basis of—*

23 *“(i) the likelihood of the applicant to*
24 *complete the 5-year service obligation;*

1 “(ii) the likelihood of the applicant to
2 remain in science, mathematics, or engi-
3 neering after the completion of the service
4 requirement; or

5 “(iii) other relevant criteria deter-
6 mined by the Secretary.

7 “(5) AVAILABILITY SUBJECT TO APPROPRIA-
8 TIONS.—Loan interest payments under this section
9 shall be subject to the availability of appropriations.
10 If the amount appropriated for any fiscal year is not
11 sufficient to provide interest payments on behalf of all
12 qualified applicants, the Secretary shall give priority
13 to those individuals on whose behalf interest payments
14 were made during the preceding fiscal year.

15 “(6) REGULATIONS.—The Secretary is author-
16 ized to prescribe such regulations as may be necessary
17 to carry out the provisions of this section.

18 “(b) DURATION AND AMOUNT OF INTEREST PAY-
19 MENTS.—The period during which the Secretary shall pay
20 interest on behalf of a student borrower who is selected
21 under subsection (a) is the period that begins on the effective
22 date of the agreement under subsection (a)(2)(E), continues
23 after successful completion of the service obligation, and
24 ends on the earlier of—

1 “(1) the completion of the repayment period of
2 the loan;

3 “(2) payment by the Secretary of a total of
4 \$5,000 on behalf of the borrower;

5 “(3) if the borrower ceases to fulfill the service
6 obligation under such agreement prior to the end of
7 the 5-year period, as soon as the borrower is deter-
8 mined to have ceased to fulfill such obligation in ac-
9 cordance with regulations of the Secretary; or

10 “(4) 6 months after the end of any calendar year
11 in which the borrower’s gross income equals or exceeds
12 4 times the national per capita disposable personal
13 income (current dollars) for such calendar year, as
14 determined on the basis of the National Income and
15 Product Accounts Tables of the Bureau of Economic
16 Analysis of the Department of Commerce, as deter-
17 mined in accordance with regulations prescribed by
18 the Secretary.

19 “(c) *REPAYMENT TO ELIGIBLE LENDERS*.—Subject to
20 the regulations prescribed by the Secretary by regulation
21 under subsection (a)(6), the Secretary shall pay to each eli-
22 gible lender or holder for each payment period the amount
23 of the interest that accrues on a loan of a student borrower
24 who is selected under subsection (a).

25 “(d) *APPLICATION FOR REPAYMENT*.—

1 “(1) *IN GENERAL.*—*Each eligible individual de-*
 2 *siring loan interest payment under this section shall*
 3 *submit a complete and accurate application to the*
 4 *Secretary at such time, in such manner, and con-*
 5 *taining such information as the Secretary may re-*
 6 *quire.*

7 “(2) *FAILURE TO COMPLETE SERVICE AGREE-*
 8 *MENT.*—*Such application shall contain an agreement*
 9 *by the individual that, if the individual fails to com-*
 10 *plete the 5 consecutive years of service required by*
 11 *subsection (a)(2)(E), the individual agrees to repay*
 12 *the Secretary the amount of any interest paid by the*
 13 *Secretary on behalf of the individual.*

14 “(e) *TREATMENT OF CONSOLIDATION LOANS.*—*A con-*
 15 *solidation loan made under section 428C of this Act, or a*
 16 *Federal Direct Consolidation Loan made under part D of*
 17 *title IV of this Act, may be a qualified loan for the purpose*
 18 *of this section only to the extent that such loan amount was*
 19 *used by a borrower who otherwise meets the requirements*
 20 *of this section to repay—*

21 “(1) *a loan made under section 428 or 428H of*
 22 *this Act; or*

23 “(2) *a Federal Direct Stafford Loan, or a Fed-*
 24 *eral Direct Unsubsidized Stafford Loan, made under*
 25 *part D of title IV of this Act.*

1 “(f) *PREVENTION OF DOUBLE BENEFITS.*—No bor-
 2 rower may, for the same service, receive a benefit under both
 3 this section and—

4 “(1) any loan forgiveness program under title IV
 5 of this Act; or

6 “(2) subtitle D of title I of the National and
 7 Community Service Act of 1990 (42 U.S.C. 12601 et
 8 seq.).

9 “(g) *DEFINITIONS.*—As used in this section—

10 “(1) the term ‘high need local educational agen-
 11 cy’ has the same meaning given such term in section
 12 201(b)(4); and

13 “(2) the term ‘mathematics, science, or engineer-
 14 ing professional’ means a person who—

15 “(A) holds a baccalaureate, masters, or doc-
 16 toral degree (or a combination thereof) in
 17 science, mathematics, or engineering; and

18 “(B) works in a field the Secretary deter-
 19 mines is closely related to that degree, which
 20 shall include working as a professor at a two- or
 21 four-year institution of higher education.

22 **“SEC. 419C. MATHEMATICS AND SCIENCE EDUCATION CO-
 23 ORDINATING COUNCIL GRANTS.**

24 “(a) *PURPOSES.*—The purposes of this section in-
 25 clude—

1 “(1) supporting programs that encourage stu-
 2 dents to enroll in and successfully complete bacca-
 3 laureate and advanced degrees in science, technology,
 4 engineering, and mathematics;

5 “(2) achieving the common objective of orga-
 6 nizing, leading, and implementing State-based reform
 7 agendas that support the continuing improvement of
 8 mathematics and science education; and

9 “(3) improving collaboration in a State among
 10 the State educational agency, 2-year and 4-year insti-
 11 tutions of higher education, and the business commu-
 12 nity through the development or improvement of a co-
 13 ordinating council.

14 “(b) *DEFINITIONS.*—For the purposes of this section:

15 “(1) the term ‘eligible State’ means—

16 “(A) the Governor of a State; or

17 “(B) in the case of a State for which the
 18 constitution or laws of the State designate an in-
 19 dividual, entity, or agency in the State, other
 20 than the Governor, to be responsible for coordi-
 21 nation among segments of the State’s educational
 22 systems, such individual, entity, or agency.

23 “(2) the term ‘mathematics and science edu-
 24 cation coordinating council’ means an organization
 25 that is charged by a State with coordinating mathe-

1 *matics and science education in the State. Such a*
2 *council shall be composed of education, business, and*
3 *community leaders working together to increase stu-*
4 *dent participation and academic achievement in*
5 *mathematics and science.*

6 “(c) *STATE GRANTS.*—*From amounts made available*
7 *under section 419D for this section, the Secretary is author-*
8 *ized to use not more than \$5,000,000 to award grants on*
9 *a competitive basis to eligible States for the purpose of car-*
10 *rying out activities described in subsection (d).*

11 “(d) *USES OF FUNDS.*—*An eligible State that receives*
12 *a grant under this section is authorized to use grant funds*
13 *to carry out one or more of the following activities:*

14 “(1) *In a State in which a mathematics and*
15 *science education coordinating council does not exist,*
16 *planning and establishing such a council.*

17 “(2) *In a State in which such a council exists,*
18 *reforming or expanding the activities of the council,*
19 *including implementing State-based reform agendas*
20 *that support the continuing improvement of mathe-*
21 *matics and science education, and support services*
22 *that lead to better teacher recruitment and training,*
23 *increased student academic achievement, and in-*
24 *creased student enrollment and degree attainment in*
25 *science, technology, engineering, and mathematics.*

1 “(3) *Coordinating with activities under part B*
2 *of title II of the Elementary and Secondary Edu-*
3 *cation Act of 1965 and with title II of this Act, espe-*
4 *cially as it pertains to the recruitment and prepara-*
5 *tion of highly qualified mathematics and science*
6 *teachers.*

7 “(e) *APPLICATION.—To be eligible to receive a grant*
8 *under this section, an eligible State shall submit an appli-*
9 *cation to the Secretary that—*

10 “(1) *describes the activities the State will carry*
11 *out with the funds;*

12 “(2) *contains a plan for continuing such activi-*
13 *ties once Federal funding ceases; and*

14 “(3) *contains such other information and assur-*
15 *ances as the Secretary may require.*

16 “(f) *CONSULTATION.—The Governor of a State, or the*
17 *individual, entity, or agency in the State described in sub-*
18 *section (b)(1)(B), shall consult with the State board of edu-*
19 *cation, State educational agency, and the State agency for*
20 *higher education, as appropriate, with respect to the activi-*
21 *ties assisted under this section. In the case of an individual,*
22 *entity, or agency described in subsection (b)(1)(B), such*
23 *consultation shall also include the Governor.*

24 “(g) *CONSTRUCTION.—Nothing in this section shall be*
25 *construed to negate or supersede the legal authority under*

1 *State law of any State agency, State entity, or State public*
2 *official over programs that are under the jurisdiction of the*
3 *agency, entity, or official.*

4 “(h) *ADMINISTRATIVE PROVISIONS.*—

5 “(1) *IN GENERAL.*—

6 “(A) *Grants awarded under this section*
7 *shall be awarded for a period not to exceed 5*
8 *years.*

9 “(B) *A grantee may receive a grant under*
10 *this part only once.*

11 “(C) *Payments of grant funds under this*
12 *section shall be annual.*

13 “(2) *SECRETARIAL SELECTIONS.*—*The Secretary*
14 *shall determine which applications receive funds*
15 *under this section, and the amount of the grant. In*
16 *determining grant amounts, the Secretary shall take*
17 *into account the total amount of funds available for*
18 *all grants under this section and the nature of each*
19 *grant proposal, including whether funds are being*
20 *sought to assist in the creation of a new State mathe-*
21 *matics and science education coordinating council or*
22 *to extend the work of an existing council. The Sec-*
23 *retary shall also take into account the equitable geo-*
24 *graphic distribution of grants throughout the United*
25 *States.*

1 “(3) *MATCHING REQUIREMENT.*—*Each eligible*
2 *State receiving a grant under this section shall pro-*
3 *vide, from non-Federal sources, an amount equal to*
4 *50 percent of the amount of the grant (in cash or in*
5 *kind) to carry out the activities supported by the*
6 *grant.*

7 “(i) *ACCOUNTABILITY AND EVALUATION.*—

8 “(1) *STATE GRANT ACCOUNTABILITY REPORT.*—
9 *An eligible State that receives a grant under this sec-*
10 *tion shall submit an annual accountability report to*
11 *the Secretary. Such report shall include a description*
12 *of the degree to which the eligible State, in using*
13 *grant funds, has made substantial progress in meet-*
14 *ing its objectives.*

15 “(2) *EVALUATION AND DISSEMINATION.*—*The*
16 *Secretary shall evaluate the activities funded under*
17 *this section and report the Secretary’s findings re-*
18 *garding such activities to the authorizing committees.*
19 *The Secretary shall broadly disseminate successful*
20 *practices developed by eligible States under this sec-*
21 *tion, and shall broadly disseminate information re-*
22 *garding such practices that were found to be ineffec-*
23 *tive.*

24 “(3) *REVOCATION.*—*If the Secretary determines*
25 *that an eligible State is not making substantial*

1 *progress in meeting the purposes, objectives, and*
 2 *measures, as appropriate, required under this section*
 3 *by the end of the second year of a grant, then the*
 4 *grant payment shall not be made for the third year*
 5 *and subsequent years of the grant.*

6 **“SEC. 419D. AUTHORIZATION OF APPROPRIATIONS.**

7 *“There are authorized to be appropriated \$41,000,000*
 8 *for fiscal year 2006 and such sums as may be necessary*
 9 *for each of the 5 succeeding fiscal years to carry out this*
 10 *subpart.”.*

11 **SEC. 409. CHILD CARE ACCESS.**

12 *Section 419N(g) (20 U.S.C. 1070e(g)) is amended—*

13 *(1) by striking “1999” and inserting “2006”;*

14 *and*

15 *(2) by striking “4 succeeding” and inserting “5*

16 *succeeding”.*

17 **SEC. 410. LEARNING ANYTIME ANYWHERE PARTNERSHIPS.**

18 *(a) REPEAL.—Subpart 8 of part A of title IV (20*
 19 *U.S.C. 1070f—1070f-6) is repealed.*

20 *(b) CONFORMING AMENDMENT.—Section 400(b) (20*

21 *U.S.C. 1070(b)) is amended by striking “through 8” and*

22 *inserting “through 7”.*

1 **PART B—FEDERAL FAMILY EDUCATION LOAN**
2 **PROGRAM**

3 **SEC. 421. REAUTHORIZATION OF FEDERAL FAMILY EDU-**
4 **CATION LOAN PROGRAM.**

5 (a) *AUTHORIZATION OF APPROPRIATIONS.*—Section
6 421(b)(5) (20 U.S.C. 1071(b)(5)) is amended by striking
7 “an administrative cost allowance” and inserting “a loan
8 processing and issuance fee”.

9 (b) *EXTENSION OF AUTHORITY.*—

10 (1) *FEDERAL INSURANCE LIMITATIONS.*—Section
11 424(a) (20 U.S.C. 1074(a)) is amended—

12 (A) by striking “2004” and inserting
13 “2012”; and

14 (B) by striking “2008” and inserting
15 “2016”.

16 (2) *GUARANTEED LOANS.*—Section 428(a)(5) (20
17 U.S.C. 1078(a)(5)) is amended—

18 (A) by striking “2004” and inserting
19 “2012”; and

20 (B) by striking “2008” and inserting
21 “2016”.

22 (3) *CONSOLIDATION LOANS.*—Section 428C(e)
23 (20 U.S.C. 1078–3(e)) is amended by striking “2004”
24 and inserting “2012”.

1 **SEC. 422. LOAN LIMITS.**

2 (a) *FEDERAL INSURANCE LIMITS.*—Section
3 425(a)(1)(A) (20 U.S.C. 1075(a)(1)(A)) is amended—

4 (1) in clause (i)(I), by striking “\$2,625” and in-
5 serting “\$3,500”; and

6 (2) in clause (ii)(I), by striking “\$3,500” and
7 inserting “\$4,500”.

8 (b) *GUARANTEE LIMITS.*—Section 428(b)(1)(A) (20
9 U.S.C. 1078(b)(1)(A)) is amended—

10 (1) in clause (i)(I), by striking “\$2,625” and in-
11 serting “\$3,500”; and

12 (2) in clause (ii)(I), by striking “\$3,500” and
13 inserting “\$4,500”.

14 (c) *COUNTING OF CONSOLIDATION LOANS AGAINST*
15 *LIMITS.*—Section 428C(a)(3)(B) (20 U.S.C. 1078–
16 3(a)(3)(B)) is amended by adding at the end the following
17 new clause:

18 “(ii) Loans made under this section shall, to the
19 extent used to pay off the outstanding principal bal-
20 ance on loans made under this title, excluding cap-
21 italized interest, be counted against the applicable
22 limitations on aggregate indebtedness contained in
23 sections 425(a)(2), 428(b)(1)(B), 428H(d), 455, and
24 464(a)(2)(B).”.

25 (d) *EFFECTIVE DATE.*—The amendments made by this
26 section shall apply with respect to any loan made, insured,

1 *or guaranteed under part B or part D of title IV of the*
 2 *Higher Education Act of 1965 for which the first disburse-*
 3 *ment of principal is made on or after July 1, 2007.*

4 **SEC. 423. INTEREST RATES AND SPECIAL ALLOWANCES.**

5 (a) *FFEL INTEREST RATES.*—Section 427A (20
 6 *U.S.C. 1077a(k)) is amended—*

7 (1) *in subsection (k)—*

8 (A) *by striking “, AND BEFORE JULY 1,*
 9 *2006” in the heading of such subsection; and*

10 (B) *by striking “, and before July 1, 2006,”*
 11 *each place it appears other than paragraph (4);*

12 (2) *by striking subsection (l); and*

13 (3) *by redesignating subsections (m) and (n) as*
 14 *subsections (l) and (m), respectively.*

15 (b) *DIRECT LOAN INTEREST RATES.*—Section 455(b)
 16 *(20 U.S.C. 1087e(b)) is amended—*

17 (1) *in paragraph (6)—*

18 (A) *by striking “, AND BEFORE JULY 1,*
 19 *2006” in the heading of such paragraph; and*

20 (B) *by striking “, and before July 1, 2006,”*
 21 *each place it appears other than subparagraph*

22 *(D);*

23 (2) *by striking paragraph (7); and*

24 (3) *by redesignating paragraphs (8) and (9) as*
 25 *paragraphs (7) and (8), respectively.*

1 (c) *CONSOLIDATION LOAN INTEREST RATES.*—

2 (1) *FFEL LOANS.*—Section 427A(k) (20 U.S.C.
3 1077a(k)) is further amended—

4 (A) in the heading of paragraph (4), by in-
5 serting “BEFORE JULY 1, 2006” after “LOANS”;

6 (B) by redesignating paragraph (5) as
7 paragraph (6); and

8 (C) by inserting after paragraph (4) the fol-
9 lowing:

10 “(5) *CONSOLIDATION LOANS ON OR AFTER JULY*
11 *1, 2006.*—

12 “(A) *BORROWER ELECTION.*—With respect
13 to any consolidation loan under section 428C for
14 which the application is received by an eligible
15 lender on or after July 1, 2006, the applicable
16 rate of interest shall, at the election of the bor-
17 rower at the time of application for the loan, be
18 either at the rate determined under subpara-
19 graph (B) or the rate determined under subpara-
20 graph (C).

21 “(B) *VARIABLE RATE.*—Except as provided
22 in subparagraph (D), the rate determined under
23 this subparagraph shall, during any 12-month
24 period beginning on July 1 and ending on June

1 30, be determined on the preceding June 1 and,
2 for such 12-month period, not be more than—

3 “(i) the bond equivalent rate of 91-day
4 Treasury bills auctioned at the final auc-
5 tion held prior to such June 1; plus

6 “(ii) 2.3 percent,
7 except that such rate shall not exceed 8.25 per-
8 cent.

9 “(C) *FIXED RATE.*—Except as provided in
10 subparagraph (D), the rate determined under
11 this subparagraph shall be determined for the
12 duration of the term of the loan on the July 1
13 that is or precedes the date on which the applica-
14 tion is received by an eligible lender, and shall
15 be, for such duration, not more than—

16 “(i) the bond equivalent rate of 91-day
17 Treasury bills auctioned at the final auc-
18 tion held prior to the June 1 immediately
19 preceding such July 1; plus

20 “(ii) 3.3 percent,
21 except that such rate shall not exceed 8.25 per-
22 cent.

23 “(D) *CONSOLIDATION OF PLUS LOANS.*—In
24 the case of any such consolidation loan that is
25 used to repay loans each of which was made

under section 428B or was a Federal Direct PLUS Loan (or both), the rates determined under clauses (B) and (C) shall be determined—

“(i) by substituting ‘3.1 percent’ for ‘2.3 percent’;

“(ii) by substituting ‘4.1 percent’ for ‘3.3 percent’; and

“(iii) by substituting ‘9.0 percent’ for ‘8.25 percent’.”.

(2) *DIRECT LOANS*.—Section 455(b)(6) (20 U.S.C. 1087e(b)(6)) is further amended—

(A) in the heading of subparagraph (D), by inserting “BEFORE JULY 1, 2006” after “LOANS”

(B) by redesignating subparagraph (E) as subparagraph (F); and

(C) by inserting after subparagraph (D) the following:

“(E) *CONSOLIDATION LOANS ON OR AFTER JULY 1, 2006*.—

“(i) *BORROWER ELECTION*.—Notwithstanding the preceding paragraphs of this subsection, with respect to any Federal Direct Consolidation Loan for which the application is received by an eligible lender on or after July 1, 2006, the applicable rate of

1 *interest shall, at the election of the borrower*
2 *at the time of application for the loan, be*
3 *either at the rate determined under clause*
4 *(ii) or the rate determined under clause*
5 *(iii).*

6 “(ii) *VARIABLE RATE.—Except as pro-*
7 *vided in clause (iv), the rate determined*
8 *under this clause shall, during any 12-*
9 *month period beginning on July 1 and end-*
10 *ing on June 30, be determined on the pre-*
11 *ceding June 1 and, for such 12-month pe-*
12 *riod, be equal to—*

13 “(I) *the bond equivalent rate of*
14 *91-day Treasury bills auctioned at the*
15 *final auction held prior to such June*
16 *1; plus*

17 “(II) *2.3 percent,*
18 *except that such rate shall not exceed 8.25*
19 *percent.*

20 “(iii) *FIXED RATE.—Except as pro-*
21 *vided in clause (iv), the rate determined*
22 *under this clause shall be determined for the*
23 *duration of the term of the loan on the July*
24 *1 that is or precedes the date on which the*

1 *application is received by an eligible lender,*
 2 *and shall be, for such duration, equal to—*

3 *“(I) the bond equivalent rate of*
 4 *91-day Treasury bills auctioned at the*
 5 *final auction held prior to the June 1*
 6 *immediately preceding such July 1;*
 7 *plus*

8 *“(II) 3.3 percent,*
 9 *except that such rate shall not exceed 8.25*
 10 *percent.*

11 *“(iv) CONSOLIDATION OF PLUS*
 12 *LOANS.—In the case of any such Federal*
 13 *Direct Consolidation Loan that is used to*
 14 *repay loans each of which was made under*
 15 *section 428B or was a Federal Direct*
 16 *PLUS Loan (or both), the rates determined*
 17 *under clauses (ii) and (iii) shall be deter-*
 18 *mined—*

19 *“(I) by substituting ‘3.1 percent’*
 20 *for ‘2.3 percent’;*

21 *“(II) by substituting ‘4.1 percent’*
 22 *for ‘3.3 percent’; and*

23 *“(III) by substituting ‘9.0 percent’*
 24 *for ‘8.25 percent’.”.*

1 (d) *CONSOLIDATION LOAN CONFORMING AMEND-*
 2 *MENT.—Section 428C(c)(1)(A)(ii) (20 U.S.C. 1078–*
 3 *3(c)(1)(A)(ii)) is amended by striking “section 427A(l)(3)”*
 4 *and inserting “section 427A(k)(5)”.*

5 (e) *CONFORMING AMENDMENTS FOR SPECIAL ALLOW-*
 6 *ANCES.—*

7 (1) *AMENDMENT.—Subparagraph (I) of section*
 8 *438(b)(2) (20 U.S.C. 1087–1(b)(2)) is amended—*
 9 *(A) by striking clause (ii) and inserting the*
 10 *following:*

11 “(ii) *IN SCHOOL AND GRACE PE-*
 12 *RIOD.—In the case of any loan for which*
 13 *the first disbursement is made on or after*
 14 *January 1, 2000, and for which the appli-*
 15 *cable interest rate is described in section*
 16 *427A(k)(2), clause (i)(III) of this subpara-*
 17 *graph shall be applied by substituting ‘1.74*
 18 *percent’ for ‘2.34 percent’.”;*

19 (B) *in clause (iii)—*

20 (i) *by striking “or (l)(2)”;* and

21 (ii) *by striking “, subject to clause (v)*
 22 *of this subparagraph”;*

23 (C) *in clause (iv)—*

24 (i) *by striking “or (l)(3)” and insert-*
 25 *ing “or (k)(5)”;* and

(ii) by striking “, subject to clause (vi) of this subparagraph”; and

(D) by striking clauses (v), (vi), and (vii) and inserting the following:

“(v) *RECAPTURE OF EXCESS INTEREST.*—

“(I) *EXCESS CREDITED.*—With respect to a loan on which the applicable interest rate is determined under section 427A(k) and for which the first disbursement of principal is made on or after July 1, 2006, if the applicable interest rate for any 3-month period exceeds the special allowance support level applicable to such loan under this subparagraph for such period, then an adjustment shall be made by calculating the excess interest in the amount computed under subclause (II) of this clause, and by crediting the excess interest to the Government not less often than annually.

“(II) *CALCULATION OF EXCESS.*—

The amount of any adjustment of interest on a loan to be made under this

subsection for any quarter shall be
equal to—

“(aa) the applicable interest
rate minus the special allowance
support level determined under
this subparagraph; multiplied by

“(bb) the average daily prin-
cipal balance of the loan (not in-
cluding unearned interest added
to principal) during such cal-
endar quarter; divided by

“(cc) four.

“(III) SPECIAL ALLOWANCE SUP-
PORT LEVEL.—For purposes of this
clause, the term ‘special allowance sup-
port level’ means, for any loan, a num-
ber expressed as a percentage equal to
the sum of the rates determined under
subclauses (I) and (III) of clause (i),
and applying any substitution rules
applicable to such loan under clauses
(ii), (iii), and (iv) in determining such
sum.”.

(2) EFFECTIVE DATE.—The amendments made
by this subsection shall not apply with respect to any

1 *special allowance payment made under section 438 of*
 2 *the Higher Education Act of 1965 (20 U.S.C 1087–*
 3 *1) before July 1, 2006.*

4 **SEC. 424. ADDITIONAL LOAN TERMS AND CONDITIONS.**

5 *(a) FEDERAL DEFAULT FEES.—*

6 *(1) IN GENERAL.—Subparagraph (H) of section*
 7 *428(b)(1) (20 U.S.C. 1078(b)(1)(H)) is amended to*
 8 *read as follows:*

9 *“(H) provides—*

10 *“(i) for loans for which the first dis-*
 11 *bursement of principal is made before July,*
 12 *1, 2006, for the collection of a single insur-*
 13 *ance premium equal to not more than 1.0*
 14 *percent of the principal amount of the loan,*
 15 *by deduction proportionately from each in-*
 16 *stallment payment of the proceeds of the*
 17 *loan to the borrower, and insures that the*
 18 *proceeds of the premium will not be used for*
 19 *incentive payments to lenders; or*

20 *“(ii) for loans for which the first dis-*
 21 *bursement of principal is made on or after*
 22 *July 1, 2006, for the collection and deposit*
 23 *into the Federal Student Loan Reserve*
 24 *Fund under section 422A of a Federal de-*
 25 *fault fee of 1.0 percent of the principal*

1 *amount of such loan, which shall be de-*
2 *ducted proportionately from each install-*
3 *ment payment of the proceeds of the loan to*
4 *the borrower prior to payment to the bor-*
5 *rower, and insures that the proceeds of the*
6 *Federal default fee will not be used for in-*
7 *centive payments to lenders;”.*

8 (2) *UNSUBSIDIZED LOANS.—Section 428H(h)*
9 *(20 U.S.C. 1078–8(h)) is amended by adding at the*
10 *end the following new sentence: “In lieu of the insur-*
11 *ance premium authorized under the preceding sen-*
12 *tence, and effective for loans for which the first dis-*
13 *bursement of principal is made on or after July 1,*
14 *2006, each State or nonprofit private institution or*
15 *organization having an agreement with the Secretary*
16 *under section 428(b)(1) shall collect and deposit into*
17 *the Federal Student Loan Reserve Fund under section*
18 *422A a Federal default fee of 1.0 percent of the prin-*
19 *cipal amount of the loan, obtained by deduction pro-*
20 *portionately from each installment payment of the*
21 *proceeds of the loan to the borrower.”.*

22 (3) *VOLUNTARY FLEXIBLE AGREEMENTS.—Sec-*
23 *tion 428A(a)(1) (20 U.S.C. 1078–1(a)(1)) is amend-*
24 *ed—*

1 (A) by striking “or” at the end of subpara-
2 graph (A);

3 (B) by striking the period at the end of sub-
4 paragraph (B) and inserting “; or”; and

5 (C) by adding at the end the following new
6 subparagraph:

7 “(C) the Federal default fee required by sec-
8 tion 428(b)(1)(H) and the second sentence of sec-
9 tion 428H(h).”.

10 (b) *DISBURSEMENT*.—Section 428(b)(1)(N) (20 U.S.C.
11 1078(b)(1)(N)(ii)) is amended—

12 (1) in clause (i), by inserting “(including an eli-
13 gible foreign institution, except as provided in clause
14 (ii))” after “institution”; and

15 (2) in clause (ii), by striking “or at an eligible
16 foreign institution”.

17 (c) *REPAYMENT PLANS*.—

18 (1) *FFEL LOANS*.—Section 428(b)(9)(A) (20
19 U.S.C. 1078(b)(9)(A)) is amended—

20 (A) by inserting before the semicolon at the
21 end of clause (ii) the following: “, and the Sec-
22 retary may not restrict the proportions or ratios
23 by which such payments may be graduated with
24 the informed agreement of the borrower”;

1 (B) by striking “and” at the end of clause
2 (iii);

3 (C) by redesignating clause (iv) as clause
4 (v); and

5 (D) by inserting after clause (iii) the fol-
6 lowing new clause:

7 “(iv) a delayed repayment plan under
8 which the borrower makes scheduled pay-
9 ments for not more than 2 years that are
10 annually not less than the amount of inter-
11 est due or \$600, whichever is greater, and
12 then makes payments in accordance with
13 clause (i), (ii), or (iii); and”.

14 (2) *DIRECT LOANS*.—Section 455(d)(1) (20
15 U.S.C. 1087e(d)(1)) is amended—

16 (A) by redesignating subparagraph (D) as
17 subparagraph (E); and

18 (B) by striking subparagraphs (A), (B),
19 and (C) and inserting the following:

20 “(A) a standard repayment plan, consistent
21 with subsection (a)(1) of this section and with
22 section 428(b)(9)(A)(i);

23 “(B) a graduated repayment plan, con-
24 sistent with section 428(b)(9)(A)(ii);

1 “(C) an extended repayment plan, con-
 2 sistent with section 428(b)(9)(A)(v), except that
 3 the borrower shall annually repay a minimum
 4 amount determined by the Secretary in accord-
 5 ance with section 428(b)(1)(L);

6 “(D) a delayed repayment plan under
 7 which the borrower makes scheduled payments
 8 for not more than 2 years that are annually not
 9 less than the amount of interest due or \$600,
 10 whichever is greater, and then makes payments
 11 in accordance with subparagraph (A), (B), or
 12 (C); and”.

13 (d) *ORIGINATION FEES.*—

14 (1) *FFEL PROGRAM.*—Paragraph (2) of section
 15 438(c) (20 U.S.C. 1087–1(c)) is amended—

16 (A) by striking the designation and heading
 17 of such paragraph and inserting the following:

18 “(2) *AMOUNT OF ORIGINATION FEES.*—

19 “(A) *IN GENERAL.*—”; and

20 (B) by adding at the end the following new
 21 subparagraph:

22 “(B) *SUBSEQUENT REDUCTIONS.*—Subpara-
 23 graph (A) shall be applied to loans made under
 24 this part (other than loans made under sections
 25 428C and 439(o))—

1 “(i) by substituting ‘2.0 percent’ for
2 ‘3.0 percent’ with respect to loans for which
3 the first disbursement of principal is made
4 on or after July 1, 2006, and before July 1,
5 2007;

6 “(ii) by substituting ‘1.5 percent’ for
7 ‘3.0 percent’ with respect to loans for which
8 the first disbursement of principal is made
9 on or after July 1, 2007, and before July 1,
10 2008;

11 “(iii) by substituting ‘1.0 percent’ for
12 ‘3.0 percent’ with respect to loans for which
13 the first disbursement of principal is made
14 on or after July 1, 2008, and before July 1,
15 2009;

16 “(iv) by substituting ‘0.5 percent’ for
17 ‘3.0 percent’ with respect to loans for which
18 the first disbursement of principal is made
19 on or after July 1, 2009, and before July 1,
20 2010; and

21 “(v) by substituting ‘0.0 percent’ for
22 ‘3.0 percent’ with respect to loans for which
23 the first disbursement of principal is made
24 on or after July 1, 2010.”.

1 (2) *DIRECT LOAN PROGRAM.*—*Subsection (c) of*
2 *section 455 (20 U.S.C. 1087e(c)) is amended to read*
3 *as follows:*

4 “(c) *LOAN FEE.*—

5 “(1) *IN GENERAL.*—*The Secretary shall charge*
6 *the borrower of a loan made under this part an origi-*
7 *nation fee of 4.0 percent of the principal amount of*
8 *loan.*

9 “(2) *SUBSEQUENT REDUCTION.*—*Paragraph (1)*
10 *shall be applied to loans made under this part, other*
11 *than consolidation loans and PLUS loans—*

12 “(A) *by substituting ‘not more or less than*
13 *3.0 percent’ for ‘4.0 percent’ with respect to loans*
14 *for which the first disbursement of principal is*
15 *made on or after July 1, 2006, and before July*
16 *1, 2007;*

17 “(B) *by substituting ‘not more or less than*
18 *2.5 percent’ for ‘4.0 percent’ with respect to loans*
19 *for which the first disbursement of principal is*
20 *made on or after July 1, 2007, and before July*
21 *1, 2008;*

22 “(C) *by substituting ‘not more or less than*
23 *2.0 percent’ for ‘4.0 percent’ with respect to loans*
24 *for which the first disbursement of principal is*

1 *made on or after July 1, 2008, and before July*
 2 *1, 2009;*

3 *“(D) by substituting ‘not more or less than*
 4 *1.5 percent’ for ‘4.0 percent’ with respect to loans*
 5 *for which the first disbursement of principal is*
 6 *made on or after July 1, 2009, and before July*
 7 *1, 2010; and*

8 *“(E) by substituting ‘not more or less than*
 9 *1.0 percent’ for ‘4.0 percent’ with respect to loans*
 10 *for which the first disbursement of principal is*
 11 *made on or after July 1, 2010.*

12 *“(3) WAIVERS AND REPAYMENT INCENTIVES PRO-*
 13 *HIBITED.—Beginning with loans made on or after*
 14 *July 1, 2006, the Secretary is prohibited—*

15 *“(A) from waiving any amount of the loan*
 16 *fee prescribed under this section as part of a re-*
 17 *payment incentive in section 455(b)(7); and*

18 *“(B) from providing any repayment incen-*
 19 *tive before the borrower enters repayment.”.*

20 *(e) FIXED RATE OFFSET CHARGE.—*

21 *(1) FFEL CONSOLIDATION LOANS.—Section*
 22 *438(c) (20 U.S.C. 1087–1(c)) is further amended—*

23 *(A) in paragraph (1)(A), by inserting after*
 24 *“paragraph (2) of this subsection” the following:*
 25 *“and the amount the lender is authorized to col-*

1 lect as a fixed rate offset charge in accordance
2 with paragraph (9) of this subsection”;

3 (B) in paragraph (1)(B)—

4 (i) by inserting “and the fixed rate off-
5 set charge” after “origination fee”; and

6 (ii) by inserting “and fixed rate offset
7 charges” after “origination fees”;

8 (C) in paragraphs (3) and (4), by inserting
9 “and fixed rate offset charge” after “origination
10 fee” each place it appears;

11 (D) in paragraph (5)—

12 (i) by inserting “or fixed rate offset
13 charge” after “origination fee”; and

14 (ii) by inserting “or fixed rate offset
15 charges” after “origination fees”;

16 (E) in paragraph (7), by inserting “and
17 fixed rate offset charges” after “origination fees”;
18 and

19 (F) by adding at the end the following new
20 paragraph:

21 “(9) *FIXED RATE OFFSET CHARGES FOR CON-*
22 *SOLIDATION LOANS.—For any loan under section*
23 *428C for which the borrower elects to take a fixed rate*
24 *under section 427A(k)(5)(C), the lender is authorized*
25 *to collect a fixed rate offset charge in an amount not*

1 to exceed 0.5 percent of the principal amount of the
 2 loan. Such amount may be added to the principal
 3 amount of the loan for repayment by the borrower.”.

4 (2) *DIRECT LOANS.*—Section 455(c) (20 U.S.C.
 5 1087e(c)), as amended by subsection (d)(2) of this sec-
 6 tion, is further amended by adding at the end the fol-
 7 lowing new paragraph:

8 “(4) *FIXED RATE OFFSET CHARGES FOR CON-*
 9 *SOLIDATION LOANS.*—For any Federal Direct Consoli-
 10 dation Loan for which the borrower elects to take a
 11 fixed rate under section 455(b)(6)(E)(iii), the Sec-
 12 retary shall collect a fixed rate offset charge in an
 13 amount not to exceed 0.5 percent of the principal
 14 amount of the loan. Such amount may be added to
 15 the principal amount of the loan for repayment by
 16 the borrower. Such amount is not subject to the re-
 17 quirements of paragraph (3) of this subsection.”.

18 **SEC. 425. CONSOLIDATION LOAN CHANGES.**

19 (a) *CROSS-CONSOLIDATION BETWEEN PROGRAMS.*—
 20 Section 428C (20 U.S.C. 1078–3) is amended—

21 (1) in subsection (a)(3)(B)(i)—

22 (A) by inserting “or under section 455(g)”
 23 after “under this section” both places it appears;

24 (B) by inserting “under both sections” after
 25 “terminates”

1 (C) by striking “and” at the end of sub-
2 clause (III);

3 (D) by striking the period at the end of sub-
4 clause (IV) and inserting “; and”; and

5 (E) by adding at the end the following new
6 subclause:

7 “(V) an individual may obtain a subse-
8 quent consolidation loan under section 455(g)
9 only for the purposes of obtaining an income
10 contingent repayment plan, and only if the loan
11 has been submitted to the guaranty agency for
12 default aversion.”; and

13 (2) in subsection (b)(5), by striking the first sen-
14 tence and inserting the following: “In the event that
15 a lender with an agreement under subsection (a)(1) of
16 this section denies a consolidation loan application
17 submitted to it by an eligible borrower under this sec-
18 tion, or denies an application submitted to it by such
19 a borrower for a consolidation loan with income-sen-
20 sitive repayment terms, the Secretary shall offer any
21 such borrower who applies for it, a direct consolida-
22 tion loan. The Secretary shall offer such a loan to a
23 borrower who has defaulted, for the purpose of resolv-
24 ing the default.”.

25 (b) *REPEAL OF IN-SCHOOL CONSOLIDATION.*—

1 (1) *DEFINITION OF REPAYMENT PERIOD.*—Section
 2 tion 428(b)(7)(A) (20 U.S.C. 1078(b)(7)(A)) is
 3 amended by striking “shall begin—” and all that fol-
 4 lows through “earlier date.” and inserting the fol-
 5 lowing: “shall begin the day after 6 months after the
 6 date the student ceases to carry at least one-half the
 7 normal full-time academic workload (as determined
 8 by the institution).”.

9 (2) *CONFORMING CHANGE TO ELIGIBLE BOR-*
 10 *ROWER DEFINITION.*—Section 428C(a)(3)(A)(ii)(I)
 11 (20 U.S.C. 1078–3(a)(3)(A)(ii)(I)) is amended by in-
 12 serting “as determined under section 428(b)(7)(A)”
 13 after “repayment status”.

14 (c) *ADDITIONAL AMENDMENTS.*—Section 428C (20
 15 U.S.C. 1078–3) is amended—

16 (1) in subsection (a)(3), by striking subpara-
 17 graph (C); and

18 (2) in subsection (b)(1)—

19 (A) by striking everything after “under this
 20 section” the first place it appears in subpara-
 21 graph (A) and inserting the following: “and that,
 22 if all the borrower’s loans under this part are
 23 held by a single holder, the borrower has notified
 24 such holder that the borrower is seeking to obtain
 25 a consolidation loan under this section;”;

1 (B) by striking “(i) which” and all that fol-
2 lows through “and (ii)” in subparagraph (C);

3 (C) by striking “and” at the end of sub-
4 paragraph (E);

5 (D) by redesignating subparagraph (F) as
6 subparagraph (G); and

7 (E) by inserting after subparagraph (E) the
8 following new subparagraph:

9 “(F) that the lender of the consolidation
10 loan shall, upon application for such loan, pro-
11 vide the borrower with a clear and conspicuous
12 notice of at least the following information:

13 “(i) the effects of consolidation on total
14 interest to be paid, fees to be paid, and
15 length of repayment;

16 “(ii) the effects of consolidation on a
17 borrower’s underlying loan benefits, includ-
18 ing loan forgiveness, cancellation,
19 deferment, and reduced interest rates on
20 those underlying loans;

21 “(iii) the ability of the borrower to
22 prepay the loan, pay on a shorter schedule,
23 and to change repayment plans;

24 “(iv) that borrower benefit programs
25 may vary among different loan holders, and

1 *a description of how the borrower benefits*
 2 *may vary among different loan holders;*

3 *“(v) the tax benefits for which bor-*
 4 *rowers may be eligible;*

5 *“(vi) the consequences of default; and*

6 *“(vii) that by making the application*
 7 *the applicant is not obligated to agree to*
 8 *take the consolidation loan; and”.*

9 *(d) EFFECTIVE DATE FOR SINGLE HOLDER AMEND-*
 10 *MENT.—The amendment made by subsection (c)(2)(A) shall*
 11 *apply with respect to any loan made under section 428C*
 12 *of the Higher Education Act of 1965 (20 U.S.C. 1078–3)*
 13 *for which the application is received by an eligible lender*
 14 *on or after July 1, 2006.*

15 *(e) CONFORMING AMENDMENTS TO DIRECT LOAN PRO-*
 16 *GRAM.—Section 455 (20 U.S.C. 1087e) is amended*

17 *(1) in subsection (a)(1) by inserting “428C,”*
 18 *after “428B,”;*

19 *(2) in subsection (a)(2)—*

20 *(A) by striking “and” at the end of sub-*
 21 *paragraph (B);*

22 *(B) by redesignating subparagraph (C) as*
 23 *subparagraph (D); and*

24 *(C) by inserting after subparagraph (B) the*
 25 *following:*

“(C) section 428C shall be known as ‘Federal Direct Consolidation Loans’; and ”; and
(3) in subsection (g)—

(A) by striking the second sentence; and

(B) by adding at the end the following new sentences: “To be eligible for a consolidation loan under this part, a borrower must meet the eligibility criteria set forth in section 428C(a)(3). The Secretary, upon application for such a loan, shall comply with the requirements applicable to a lender under section 428C(b)(1)(F).”.

SEC. 426. DEFERMENT OF STUDENT LOANS FOR MILITARY SERVICE.

(a) **FEDERAL FAMILY EDUCATION LOANS.**—Section 428(b)(1)(M) (20 U.S.C. 1078(b)(1)(M)) is amended—

(1) by striking “or” at the end of clause (ii);

(2) by redesignating clause (iii) as clause (iv);

and

(3) by inserting after clause (ii) the following new clause:

“(iii) not in excess of 3 years during which the borrower—

“(I) is serving on active duty during a war or other military operation or national emergency; or

1 “(II) is performing qualifying
2 National Guard duty during a war or
3 other military operation or national
4 emergency; or”.

5 (b) *DIRECT LOANS*.—Section 455(f)(2) (20 U.S.C.
6 1087e(f)(2)) is amended—

7 (1) by redesignating subparagraph (C) as sub-
8 paragraph (D); and

9 (2) by inserting after subparagraph (B) the fol-
10 lowing new subparagraph:

11 “(C) not in excess of 3 years during which
12 the borrower—

13 “(i) is serving on active duty during a
14 war or other military operation or national
15 emergency; or

16 “(ii) is performing qualifying National
17 Guard duty during a war or other military
18 operation or national emergency; or”.

19 (c) *PERKINS LOANS*.—Section 464(c)(2)(A) (20 U.S.C.
20 1087dd(c)(2)(A)) is amended—

21 (1) by redesignating clauses (iii) and (iv) as
22 clauses (iv) and (v), respectively; and

23 (2) by inserting after clause (ii) the following
24 new clause:

1 “(iii) not in excess of 3 years during which the
2 borrower—

3 “(I) is serving on active duty during a war
4 or other military operation or national emer-
5 gency; or

6 “(II) is performing qualifying National
7 Guard duty during a war or other military op-
8 eration or national emergency;”.

9 (d) *DEFINITIONS.*—Section 481 (20 U.S.C. 1088) is
10 amended by adding at the end the following new subsection:

11 “(d) *DEFINITIONS FOR MILITARY DEFERMENTS.*—For
12 purposes of parts B, D, and E of this title:

13 “(1) *ACTIVE DUTY.*—The term ‘active duty’ has
14 the meaning given such term in section 101(d)(1) of
15 title 10, United States Code, except that such term
16 does not include active duty for training or attend-
17 ance at a service school.

18 “(2) *MILITARY OPERATION.*—The term ‘military
19 operation’ means a contingency operation as such
20 term is defined in section 101(a)(13) of title 10,
21 United States Code.

22 “(3) *NATIONAL EMERGENCY.*—The term ‘na-
23 tional emergency’ means the national emergency by
24 reason of certain terrorist attacks declared by the
25 President on September 14, 2001, or subsequent na-

1 *tional emergencies declared by the President by rea-*
2 *son of terrorist attacks.*

3 “(4) *SERVING ON ACTIVE DUTY.*—*The term ‘serv-*
4 *ing on active duty during a war or other military op-*
5 *eration or national emergency’ means service by an*
6 *individual who is—*

7 “(A) *a Reserve of an Armed Force ordered*
8 *to active duty under section 12301(a), 12301(g),*
9 *12302, 12304, or 12306 of title 10, United States*
10 *Code, or any retired member of an Armed Force*
11 *ordered to active duty under section 688 of such*
12 *title, for service in connection with a war or*
13 *other military operation or national emergency,*
14 *regardless of the location at which such active*
15 *duty service is performed; and*

16 “(B) *any other member of an Armed Force*
17 *on active duty in connection with such emer-*
18 *gency or subsequent actions or conditions who*
19 *has been assigned to a duty station at a location*
20 *other than the location at which such member is*
21 *normally assigned.*

22 “(5) *QUALIFYING NATIONAL GUARD DUTY.*—*The*
23 *term ‘qualifying National Guard duty during a war*
24 *or other military operation or national emergency’*
25 *means service as a member of the National Guard on*

1 *full-time National Guard duty (as defined in section*
 2 *101(d)(5) of title 10, United States Code) under a call*
 3 *to active service authorized by the President or the*
 4 *Secretary of Defense for a period of more than 30*
 5 *consecutive days under section 502(f) of title 32,*
 6 *United States Code, in connection with a war, other*
 7 *military operation, or a national emergency declared*
 8 *by the President and supported by Federal funds.”.*

9 *(e) RULE OF CONSTRUCTION.—Nothing in the amend-*
 10 *ments made by this section shall be construed to authorize*
 11 *any refunding of any repayment of a loan.*

12 *(f) EFFECTIVE DATE.—The amendments made by this*
 13 *section shall apply with respect to loans for which the first*
 14 *disbursement is made on or after July 1, 1993, to an indi-*
 15 *vidual who is a new borrower (within the meaning of sec-*
 16 *tion 103 of the Higher Education Act of 1965 (20 U.S.C.*
 17 *1003)) on or after such date.*

18 **SEC. 427. LOAN FORGIVENESS FOR SERVICE IN AREAS OF**
 19 **NATIONAL NEED.**

20 *Section 428K (20 U.S.C. 1078–11) is amended to read*
 21 *as follows:*

22 **“SEC. 428K. LOAN FORGIVENESS FOR SERVICE IN AREAS OF**
 23 **NATIONAL NEED.**

24 **“(a) PURPOSES.—***The purposes of this section are—*

1 “(1) to encourage highly trained individuals to
2 enter and continue in service in areas of national
3 need; and

4 “(2) to reduce the burden of student debt for
5 Americans who dedicate their careers to service in
6 areas of national need.

7 “(b) *PROGRAM AUTHORIZED.*—

8 “(1) *IN GENERAL.*—*The Secretary is authorized*
9 *to carry out a program of assuming the obligation to*
10 *repay, pursuant to paragraphs (2) of subsection (c)*
11 *and subsection (d), a qualified loan amount for a*
12 *loan made, insured, or guaranteed under this part or*
13 *part D (other than loans made under section 428B*
14 *and 428C and comparable loans made under part D),*
15 *for any new borrower after the date of enactment of*
16 *the College Access and Opportunity Act of 2005,*
17 *who—*

18 “(A) *has been employed full-time for at*
19 *least 5 consecutive complete school, academic, or*
20 *calendar years, as appropriate, in an area of na-*
21 *tional need described in subsection (c); and*

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

24 “(2) *AWARD BASIS.*—*Loan repayment under this*
25 *section shall be on a first-come, first-served basis pur-*

1 *suant to the designation under subsection (c) and sub-*
 2 *ject to the availability of appropriations.*

3 *“(3) REGULATIONS.—The Secretary is author-*
 4 *ized to issue such regulations as may be necessary to*
 5 *carry out the provisions of this section.*

6 *“(c) AREAS OF NATIONAL NEED.—*

7 *“(1) STATUTORY CATEGORIES.—For purposes of*
 8 *this section, an individual shall be treated as em-*
 9 *ployed in an area of national need if the individual*
 10 *is employed full time and is any of the following:*

11 *“(A) EARLY CHILDHOOD EDUCATORS.—An*
 12 *individual who is employed as an early child-*
 13 *hood educator in an eligible preschool program*
 14 *or child care facility in a low-income commu-*
 15 *nity, and who is involved directly in the care,*
 16 *development and education of infants, toddlers,*
 17 *or young children through age five.*

18 *“(B) NURSES.—An individual who is em-*
 19 *ployed—*

20 *“(i) as a nurse in a clinical setting; or*

21 *“(ii) as a member of the nursing fac-*
 22 *ulty at an accredited school of nursing (as*
 23 *those terms are defined in section 801 of the*
 24 *Public Health Service Act (42 U.S.C. 296)).*

1 “(C) *FOREIGN LANGUAGE SPECIALISTS.*—
2 *An individual who has obtained a baccalaureate*
3 *degree in a critical foreign language and is em-*
4 *ployed—*

5 “(i) *in an elementary or secondary*
6 *school as a teacher of a critical foreign lan-*
7 *guage; or*

8 “(ii) *in an agency of the United States*
9 *Government in a position that regularly re-*
10 *quires the use of such critical foreign lan-*
11 *guage.*

12 “(D) *LIBRARIANS.*—*An individual who is*
13 *employed full-time as a librarian in—*

14 “(i) *a public library that serves a geo-*
15 *graphic area within which the public*
16 *schools have a combined average of 30 per-*
17 *cent or more of their total student enroll-*
18 *ments composed of children counted under*
19 *section 1113(a)(5) of the Elementary and*
20 *Secondary Education Act of 1965; or*

21 “(ii) *an elementary or secondary school*
22 *which is in the school district of a local edu-*
23 *cational agency which is eligible in such*
24 *year for assistance pursuant to title I of the*
25 *Elementary and Secondary Education Act*

of 1965, and which for the purpose of this paragraph and for that year has been determined by the Secretary (pursuant to regulations and after consultation with the State educational agency of the State in which the school is located) to be a school in which the enrollment of children counted under section 1113(a)(5) of the Elementary and Secondary Education Act of 1965 exceeds 30 percent of the total enrollment of that school.

“(E) *HIGHLY QUALIFIED TEACHERS: BILINGUAL EDUCATION AND LOW-INCOME COMMUNITIES.*—An individual who—

“(i) *is highly qualified as such term is defined in section 9101 of the Elementary and Secondary Education Act of 1965; and*

“(ii) *(I) is employed as a full-time teacher of bilingual education; or*

“(II) *is employed as a teacher for service in a public or nonprofit private elementary or secondary school which is in the school district of a local educational agency which is eligible in such year for assistance pursuant to title I of the Elementary and*

1 *Secondary Education Act of 1965, and*
 2 *which for the purpose of this paragraph and*
 3 *for that year has been determined by the*
 4 *Secretary (pursuant to regulations and*
 5 *after consultation with the State edu-*
 6 *cational agency of the State in which the*
 7 *school is located) to be a school in which the*
 8 *enrollment of children counted under section*
 9 *1113(a)(5) of the Elementary and Sec-*
 10 *ondary Education Act of 1965 exceeds 40*
 11 *percent of the total enrollment of that*
 12 *school.*

13 “(F) *FIRST RESPONDERS IN LOW-INCOME*
 14 *COMMUNITIES.—An individual who—*

15 “(i) *is employed as a firefighter, police*
 16 *officer, or emergency medical technician;*
 17 *and*

18 “(ii) *serves as such in a low-income*
 19 *community.*

20 “(G) *CHILD WELFARE WORKERS.—An indi-*
 21 *vidual who—*

22 “(i) *has obtained a degree in social*
 23 *work or a related field with a focus on serv-*
 24 *ing children and families; and*

1 “(ii) is employed in public or private
2 child welfare services.

3 “(H) *SPEECH-LANGUAGE PATHOLOGISTS.—*
4 *An individual who is a speech-language patholo-*
5 *gist, who is employed in an eligible preschool*
6 *program or an elementary or secondary school,*
7 *and who has, at a minimum, a graduate degree*
8 *in speech-language pathology, or communication*
9 *sciences and disorders.*

10 “(I) *ADDITIONAL AREAS OF NATIONAL*
11 *NEED.—An individual who is employed in an*
12 *area designated by the Secretary under para-*
13 *graph (2) and has completed a baccalaureate or*
14 *advanced degree related to such area.*

15 “(2) *DESIGNATION OF AREAS OF NATIONAL*
16 *NEED.—After consultation with appropriate Federal,*
17 *State, and community-based agencies and organiza-*
18 *tions, the Secretary shall designate areas of national*
19 *need. In making such designations, the Secretary*
20 *shall take into account the extent to which—*

21 “(A) *the national interest in the area is*
22 *compelling;*

23 “(B) *the area suffers from a critical lack of*
24 *qualified personnel; and*

1 “(C) other Federal programs support the
2 area concerned.

3 “(d) *QUALIFIED LOAN AMOUNT.*—*The Secretary shall*
4 *repay not more than \$5,000 in the aggregate of the loan*
5 *obligation on a loan made under section 428 or 428H that*
6 *is outstanding after the completion of the fifth consecutive*
7 *school, academic, or calendar year, as appropriate, de-*
8 *scribed in subsection (b)(1).*

9 “(e) *CONSTRUCTION.*—*Nothing in this section shall be*
10 *construed to authorize the refunding of any repayment of*
11 *a loan made under section 428 or 428H.*

12 “(f) *INELIGIBILITY OF NATIONAL SERVICE AWARD RE-*
13 *CIPIENTS.*—*No student borrower may, for the same service,*
14 *receive a benefit under both this section and subtitle D of*
15 *title I of the National and Community Service Act of 1990*
16 *(42 U.S.C. 12601 et seq.).*

17 “(g) *INELIGIBILITY FOR DOUBLE BENEFITS.*—*No bor-*
18 *rower may receive a reduction of loan obligations under*
19 *both this section and section 428J or 460.*

20 “(h) *DEFINITIONS.*—*In this section*

21 “(1) *CHILD CARE FACILITY.*—*The term ‘child*
22 *care facility’ means a facility, including a home,*
23 *that—*

24 “(A) *provides for the education and care of*
25 *children from birth through age 5; and*

1 “(B) meets any applicable State or local
2 government licensing, certification, approval, or
3 registration requirements.

4 “(2) *CRITICAL FOREIGN LANGUAGE*.—The term
5 ‘critical foreign language’ includes the languages of
6 Arabic, Korean, Japanese, Chinese, Pashto, Persian-
7 Farsi, Serbian-Croatian, Russian, Portuguese, and
8 any other language identified by the Secretary of
9 Education, in consultation with the Defense Lan-
10 guage Institute, the Foreign Service Institute, and the
11 National Security Education Program, as a critical
12 foreign language need.

13 “(3) *EARLY CHILDHOOD EDUCATOR*.—The term
14 ‘early childhood educator’ means an early childhood
15 educator employed in an eligible preschool program
16 who has completed a baccalaureate or advanced de-
17 gree in early childhood development, early childhood
18 education, or in a field related to early childhood edu-
19 cation.

20 “(4) *ELIGIBLE PRESCHOOL PROGRAM*.—The
21 term ‘eligible preschool program’ means a program
22 that provides for the care, development, and education
23 of infants, toddlers, or young children through age 5,
24 meets any applicable State or local government li-

1 *censing, certification, approval, and registration re-*
2 *quirements, and is operated by—*

3 *“(A) a public or private school that may be*
4 *supported, sponsored, supervised, or adminis-*
5 *tered by a local educational agency;*

6 *“(B) a Head Start agency serving as a*
7 *grantee designated under the Head Start Act (42*
8 *U.S.C. 9831 et seq.);*

9 *“(C) a nonprofit or community based orga-*
10 *nization; or*

11 *“(D) a child care program, including a*
12 *home.*

13 *“(5) LOW-INCOME COMMUNITY.—In this sub-*
14 *section, the term ‘low-income community’ means a*
15 *community in which 70 percent of households earn*
16 *less than 85 percent of the State median household in-*
17 *come.*

18 *“(6) NURSE.—The term ‘nurse’ means a nurse*
19 *who meets all of the following:*

20 *“(A) The nurse graduated from—*

21 *“(i) an accredited school of nursing (as*
22 *those terms are defined in section 801 of the*
23 *Public Health Service Act (42 U.S.C. 296));*

24 *“(ii) a nursing center; or*

1 “(iii) *an academic health center that*
2 *provides nurse training.*

3 “(B) *The nurse holds a valid and unre-*
4 *stricted license to practice nursing in the State*
5 *in which the nurse practices in a clinical setting.*

6 “(C) *The nurse holds one or more of the fol-*
7 *lowing:*

8 “(i) *A graduate degree in nursing, or*
9 *an equivalent degree.*

10 “(ii) *A nursing degree from a collegiate*
11 *school of nursing (as defined in section 801*
12 *of the Public Health Service Act (42 U.S.C.*
13 *296)).*

14 “(iii) *A nursing degree from an asso-*
15 *ciate degree school of nursing (as defined in*
16 *section 801 of the Public Health Service Act*
17 *(42 U.S.C. 296)).*

18 “(iv) *A nursing degree from a diploma*
19 *school of nursing (as defined in section 801*
20 *of the Public Health Service Act (42 U.S.C.*
21 *296)).*

22 “(7) *SPEECH-LANGUAGE PATHOLOGIST.—The*
23 *term ‘speech-language pathologist’ means a speech-*
24 *language pathologist who meets all of the following:*

1 “(A) the speech-language pathologist has re-
 2 ceived, at a minimum, a graduate degree in
 3 speech-language pathology or communication
 4 sciences and disorders from an institution of
 5 higher education accredited by an agency or as-
 6 sociation recognized by the Secretary pursuant
 7 to section 496(a) of this Act; and

8 “(B) the speech-language pathologist meets
 9 or exceeds the qualifications as defined in section
 10 1861(ll) of the Social Security Act (42 U.S.C.
 11 1395x).

12 “(i) *AUTHORIZATION OF APPROPRIATIONS.*—There are
 13 authorized to be appropriated to carry out this section such
 14 sums as may be necessary for fiscal year 2006 and such
 15 sums as may be necessary for each of the 5 succeeding fiscal
 16 years.”.

17 **SEC. 428. UNSUBSIDIZED STAFFORD LOANS.**

18 (a) *AMENDMENT.*—Section 428H(d)(2)(C) (20 U.S.C.
 19 1078–8(d)(2)(C)) is amended by striking “\$10,000” and in-
 20 serting “\$12,000”.

21 (b) *EFFECTIVE DATE.*—The amendment made by sub-
 22 section (a) shall apply to loans for which the first disburse-
 23 ment of principal is made on or after July 1, 2007.

1 **SEC. 429. ELIMINATION OF TERMINATION DATES FROM**
 2 **TAXPAYER-TEACHER PROTECTION ACT OF**
 3 **2004.**

4 (a) *EXTENSION OF LIMITATIONS ON SPECIAL ALLOW-*
 5 *ANCE FOR LOANS FROM THE PROCEEDS OF TAX EXEMPT*
 6 *ISSUES.—Section 438(b)(2)(B) (20 U.S.C. 1087–*
 7 *1(b)(2)(B)) is amended—*

8 (1) *in clause (iv), by striking “and before Janu-*
 9 *ary 1, 2006,”; and*

10 (2) *in clause (v)(II)—*

11 (A) *by striking “and before January 1,*
 12 *2006,” each place it appears in divisions (aa)*
 13 *and (bb); and*

14 (B) *by striking “, and before January 1,*
 15 *2006” in division (cc).*

16 (b) *ADDITIONAL LIMITATION ON SPECIAL ALLOWANCE*
 17 *FOR LOANS FROM THE PROCEEDS OF TAX EXEMPT*
 18 *ISSUES.—Section 438(b)(2)(B) (20 U.S.C 1087–1(b)(2)(B))*
 19 *is further amended by adding at the end thereof the fol-*
 20 *lowing new clause:*

21 “(vi) *Notwithstanding clauses (i), (ii), and (v),*
 22 *the quarterly rate of the special allowance shall be the*
 23 *rate determined under subparagraph (A), (E), (F),*
 24 *(G), (H), or (I) of this paragraph, as the case may*
 25 *be, for a holder of loans—*

1 “(I) that were made or purchased on or
2 after October 1, 2005; or

3 “(II) that were not earning a quarterly rate
4 of special allowance determined under clauses (i)
5 or (ii) of subparagraph (B) of this paragraph
6 (20 U.S.C. 1087–1(b)(2)(b)) as of October 1,
7 2005.”.

8 (c) *ELIMINATION OF EFFECTIVE DATE LIMITATION ON*
9 *HIGHER TEACHER LOAN FORGIVENESS BENEFITS.*—Para-
10 graph (3) of section 3(b) of the *Taxpayer-Teacher Protection*
11 *Act of 2004* (20 U.S.C. 1078–10, note) is repealed.

12 (d) *ADDITIONAL CHANGES TO TEACHER LOAN FOR-*
13 *GIVENESS PROVISIONS.*—

14 (1) *FFEL PROVISIONS.*—Section 428J (20
15 U.S.C. 1078–10) is amended—

16 (A) in subsection (b)(1)(B), by inserting
17 after “1965” the following: “, or meets the re-
18 quirements of subsection (g)(3)”;

19 (B) in subsection (c)(3)—

20 (i) by striking “and” at the end of sub-
21 paragraph (A);

22 (ii) by striking the period at the end of
23 subparagraph (B) and inserting “; and”;
24 and

1 (iii) by inserting after subparagraph
2 (B) the following new subparagraph:

3 “(C) an elementary or secondary school
4 teacher who primarily teaches reading—

5 “(i) who meets the requirements of sub-
6 section (b);

7 “(ii) who has obtained a separate read-
8 ing instruction credential from the State in
9 which the teacher is employed; and

10 “(iii) who is certified by the chief ad-
11 ministrative officer of the public or non-
12 profit private elementary or secondary
13 school in which the borrower is employed to
14 teach reading—

15 “(I) as being proficient in teach-
16 ing the essential components of reading
17 instruction as defined in section 1208
18 of the Elementary and Secondary Edu-
19 cation Act of 1965; and

20 “(II) as having such credential.”;
21 and

22 (C) in subsection (g), by adding at the end
23 the following new paragraph:

24 “(3) PRIVATE SCHOOL TEACHERS.—An indi-
25 vidual who is employed as a teacher in a private

1 *school and is exempt from State certification require-*
 2 *ments (unless otherwise applicable under State law),*
 3 *may, in lieu of the requirement of subsection*
 4 *(a)(1)(B), have such employment treated as quali-*
 5 *fying employment under this section if such indi-*
 6 *vidual is permitted to and does satisfy rigorous sub-*
 7 *ject knowledge and skills tests by taking competency*
 8 *tests in the applicable grade levels and subject areas.*
 9 *For such purposes, the competency tests taken by such*
 10 *a private school teacher must be recognized by 5 or*
 11 *more States for the purpose of fulfilling the highly*
 12 *qualified teacher requirements under section 9101 of*
 13 *the Elementary and Secondary Education Act of*
 14 *1965, and the score achieved by such teacher on each*
 15 *test must equal or exceed the average passing score of*
 16 *those 5 States.”.*

17 (2) *DIRECT LOAN PROVISIONS.*—Section 460 (20
 18 *U.S.C. 1087j) is amended—*

19 (A) *in subsection (b)(1)(A)(ii), by inserting*
 20 *after “1965” the following: “, or meets the re-*
 21 *quirements of subsection (g)(3)”;*

22 (B) *in subsection (c)(3)—*

23 (i) *by striking “and” at the end of sub-*
 24 *paragraph (A);*

1 (ii) by striking the period at the end of
2 subparagraph (B) and inserting “; and”;
3 and

4 (iii) by inserting after subparagraph
5 (B) the following new subparagraph:

6 “(C) an elementary or secondary school
7 teacher who primarily teaches reading—

8 “(i) who meets the requirements of sub-
9 section (b);

10 “(ii) who has obtained a separate read-
11 ing instruction credential from the State in
12 which the teacher is employed; and

13 “(iii) who is certified by the chief ad-
14 ministrative officer of the public or non-
15 profit private elementary or secondary
16 school in which the borrower is employed to
17 teach reading—

18 “(I) as being proficient in teach-
19 ing the essential components of reading
20 instruction as defined in section 1208
21 of the Elementary and Secondary Edu-
22 cation Act of 1965; and

23 “(II) as having such credential.”;
24 and

1 (C) in subsection (g), by adding at the end
2 the following new paragraph:

3 “(3) *PRIVATE SCHOOL TEACHERS.*—An indi-
4 vidual who is employed as a teacher in a private
5 school and is exempt from State certification require-
6 ments (unless otherwise applicable under State law),
7 may, in lieu of the requirement of subsection
8 (a)(1)(A)(ii), have such employment treated as quali-
9 fying employment under this section if such indi-
10 vidual is permitted to and does satisfy rigorous sub-
11 ject knowledge and skills tests by taking competency
12 tests in the applicable grade levels and subject areas.
13 For such purposes, the competency tests taken by such
14 a private school teacher must be recognized by 5 or
15 more States for the purpose of fulfilling the highly
16 qualified teacher requirements under section 9101 of
17 the Elementary and Secondary Education Act of
18 1965, and the score achieved by such teacher on each
19 test must equal or exceed the average passing score of
20 those 5 States.”.

21 **SEC. 430. ADDITIONAL ADMINISTRATIVE PROVISIONS.**

22 (a) *TREATMENT OF EXEMPT CLAIMS.*—

23 (1) *INSURANCE COVERAGE.*—Section
24 428(b)(1)(G) (20 U.S.C. 1078(b)(1)(G)) is amended
25 by inserting before the semicolon at the end the fol-

lowing: “and 100 percent of the unpaid principal amount of exempt claims as defined in subsection (c)(1)(G)”.

(2) *TREATMENT.*—Section 428(c)(1) (20 U.S.C. 1078(c)(1)) is amended—

(A) by redesignating subparagraph (G) as subparagraph (I), and moving such subparagraph 2 em spaces to the left; and

(B) by inserting after subparagraph (F) the following new subparagraph:

“(G)(i) Notwithstanding any other provisions of this section, in the case of exempt claims, the Secretary shall apply the provisions of—

“(I) the fourth sentence of subparagraph (A) by substituting ‘100 percent’ for ‘95 percent’;

“(II) subparagraph (B)(i) by substituting ‘100 percent’ for ‘85 percent’; and

“(III) subparagraph (B)(ii) by substituting ‘100 percent’ for ‘75 percent’.

“(ii) For purposes of clause (i) of this subparagraph, the term ‘exempt claims’ means claims with respect to loans for which it is determined that the borrower (or the student on whose behalf a parent has borrowed), without the lender’s or the institution’s knowledge at the time the loan was made, provided

1 *false or erroneous information or took actions that*
 2 *caused the borrower or the student to be ineligible for*
 3 *all or a portion of the loan or for interest benefits*
 4 *thereon.”.*

5 ***(b) REDUCTION OF INSURANCE/REINSURANCE PER-***
 6 ***CENTAGE.—***

7 ***(1) INSURANCE PERCENTAGE REDUCTION.—****Sec-*
 8 *tion 428(b)(1)(G) as amended by subsection (a)(1) is*
 9 *further amended by inserting after the matter inserted*
 10 *by such subsection the following: “, except, for any*
 11 *loan for which the first disbursement of principal is*
 12 *made on or after July 1, 2006, the preceding provi-*
 13 *sions of this subparagraph shall be applied by sub-*
 14 *stituting ‘96 percent’ for ‘98 percent’ ”.*

15 ***(2) REINSURANCE PERCENTAGE REDUCTION.—***
 16 *Section 428(c)(1) as amended by subsection (a)(2) is*
 17 *further amended by adding after subparagraph (G) as*
 18 *added by such subsection the following new subpara-*
 19 *graph:*

20 ***“(H) Notwithstanding subparagraphs (A) and***
 21 ***(B), but subject to subparagraphs (E) and (F), in the***
 22 *case of a loan for which the first disbursement of*
 23 *principal is made on or after July 1, 2006, the Sec-*
 24 *retary shall apply—*

1 “(i) the fourth sentence of subparagraph (A)
2 by substituting ‘93 percent’ for ‘95 percent’;

3 “(ii) subparagraph (B)(i) by substituting
4 ‘83 percent’ for ‘85 percent’; and

5 “(iii) subparagraph (B)(ii) by substituting
6 ‘73 percent’ for ‘75 percent’.”.

7 (3) *INCREASE INSURANCE FOR EXCEPTIONAL*
8 *PERFORMANCE.*—Section 428I (20 U.S.C. 1078–9) is
9 amended to read as follows:

10 **“SEC. 428I. SPECIAL INSURANCE AND REINSURANCE RULES**
11 **FOR EXCEPTIONAL PERFORMANCE.**

12 “(a) *DESIGNATION OF LENDERS AND SERVICERS.*—

13 “(1) *IN GENERAL.*—Whenever the Secretary de-
14 termines that an eligible lender or servicer meets the
15 performance measures required by paragraph (2), the
16 Secretary shall designate that eligible lender or
17 servicer, as the case may be, for exceptional perform-
18 ance. The Secretary shall notify each appropriate
19 guaranty agency of the eligible lenders and servicers
20 designated under this section.

21 “(2) *PERFORMANCE MEASURES.*—

22 “(A) In determining whether to award a
23 lender or servicer the exceptional performance
24 designation, the Secretary shall require that the
25 lender or servicer be performing at or above the

1 95 percentile of the industry, and demonstrate
2 improved performance against the lender's or
3 service's average of the last 3 years on the factors
4 described in subparagraph (B).

5 “(B) The factors on which the Secretary
6 shall require improvement shall include—

7 “(i) delinquency rates;

8 “(ii) the rate at which delinquent ac-
9 counts are restored to good standing;

10 “(iii) default rates;

11 “(iv) the rate of rejected claims; and

12 “(v) any other such measures as deter-
13 mined by the Secretary.

14 “(C) In addition, the Secretary shall not
15 make any award of such a designation unless the
16 consequence of the designation is cost-neutral to
17 the Federal Government.

18 “(3) *ADDITIONAL INFORMATION ON LENDERS*
19 *AND SERVICERS.*—Each appropriate guaranty agency
20 shall provide the Secretary with such other informa-
21 tion in its possession regarding an eligible lender or
22 servicer desiring designation as may relate to the Sec-
23 retary's determination under paragraph (1), includ-
24 ing but not limited to any information suggesting

1 *that the application of a lender or servicer for des-*
2 *ignation should not be approved.*

3 “(4) *DETERMINATIONS BY THE SECRETARY.*—

4 “(A) *The Secretary shall designate an eligi-*
5 *ble lender or servicer for exceptional performance*
6 *if the eligible lender or servicer meets the per-*
7 *formance measures required by paragraph (2).*

8 “(B) *The Secretary shall make the deter-*
9 *mination under paragraph (1) based upon the*
10 *documentation submitted by the eligible lender or*
11 *servicer as specified in regulation, such other in-*
12 *formation as provided by any guaranty agency*
13 *under paragraph (3), and any information in*
14 *the possession of the Secretary or submitted by*
15 *any other agency or office of the Federal Govern-*
16 *ment.*

17 “(C) *The Secretary shall inform the eligible*
18 *lender or servicer and the appropriate guaranty*
19 *agency that its application for designation as an*
20 *exceptional performance lender or servicer has*
21 *been approved or disapproved.*

22 “(5) *TRANSITION.*—

23 “(A) *Any eligible lender or servicer des-*
24 *ignated for exceptional performance as of the day*
25 *before the date of enactment of the College Access*

1 *and Opportunity Act of 2005 shall continue to*
2 *be so designated, and subject to the requirements*
3 *of this section as in effect on that day (including*
4 *revocation), until the performance standards de-*
5 *scribed in paragraph (2) are established.*

6 “(B) *The Secretary shall not designate any*
7 *additional eligible lenders or servicers for excep-*
8 *tional performance until those performance*
9 *standards are established.*

10 “(b) *PAYMENT TO LENDERS AND SERVICERS.—A*
11 *guaranty agency shall pay, to each eligible lender or*
12 *servicer (as agent for an eligible lender) designated under*
13 *subsection (a), 98 percent of the unpaid principal and in-*
14 *terest of all loans for which claims are submitted for pay-*
15 *ment by that eligible lender or servicer for the one-year pe-*
16 *riod following the receipt by the guaranty agency of the no-*
17 *tification of designation under this section, or until the*
18 *guaranty agency receives notice from the Secretary that the*
19 *designation of the lender or servicer under subsection (a)(2)*
20 *has been revoked.*

21 “(c) *REVOCATION AUTHORITY.—*

22 “(1) *The Secretary shall revoke the designation*
23 *of a lender or a servicer under subsection (a) if the*
24 *Secretary determines that the lender or servicer has*

1 *failed to meet the performance standards required by*
2 *subsection (a)(2).*

3 “(2) Notwithstanding any other provision of this
4 *section, a designation under subsection (a) may be re-*
5 *voked at any time by the Secretary, in the Secretary’s*
6 *discretion, if the Secretary determines that the eligible*
7 *lender or servicer has failed to meet the criteria and*
8 *performance standards established by the Secretary in*
9 *regulation, or if the Secretary believes the lender or*
10 *servicer may have engaged in fraud in securing des-*
11 *ignation under subsection (a), or is failing to service*
12 *loans in accordance with program regulations.*

13 “(d) *DOCUMENTATION.*—Nothing in this section shall
14 *restrict or limit the authority of guaranty agencies to re-*
15 *quire the submission of claims documentation evidencing*
16 *servicing performed on loans, except that the guaranty*
17 *agency may not require greater documentation than that*
18 *required for lenders and servicers not designated under sub-*
19 *section (a).*

20 “(e) *SPECIAL RULE.*—Reimbursements made by the
21 *Secretary on loans submitted for claim by an eligible lender*
22 *or loan servicer designated for exceptional performance*
23 *under this section shall not be subject to additional review*
24 *by the Secretary or repurchase by the guaranty agency for*
25 *any reason other than a determination by the Secretary*

1 *that the eligible lender or loan servicer engaged in fraud*
 2 *or other purposeful misconduct in obtaining designation for*
 3 *exceptional performance.*

4 “(f) *LIMITATION.*—*Nothing in this section shall be con-*
 5 *strued to affect the processing of claims on student loans*
 6 *of eligible lenders not subject to this section.*

7 “(g) *CLAIMS.*—*A lender or servicer designated under*
 8 *subsection (a) failing to service loans or otherwise comply*
 9 *with applicable program regulations shall be considered in*
 10 *violation of section 3729 of title 31, United States Code.*

11 “(h) *TERMINATION.*—*The Secretary may terminate the*
 12 *designation of lenders and servicers under this section if*
 13 *he determines that termination would be in the fiscal inter-*
 14 *est of the United States.*

15 “(i) *DEFINITIONS.*—*As used in this section—*

16 “(1) *the term ‘eligible loan’ means a loan made,*
 17 *insured, or guaranteed under this part; and*

18 “(2) *the term ‘servicer’ means an entity servicing*
 19 *and collecting student loans that—*

20 “(A) *has substantial experience in servicing*
 21 *and collecting consumer loans or student loans;*

22 “(B) *has an independent financial audit*
 23 *annually which is furnished to the Secretary and*
 24 *any other parties designated by the Secretary;*

1 “(C) *has business systems which are capable*
2 *of meeting the requirements of this part;*

3 “(D) *has adequate personnel who are knowl-*
4 *edgeable about the student loan programs author-*
5 *ized by this part; and*

6 “(E) *does not have any owner, majority*
7 *shareholder, director, or officer of the entity who*
8 *has been convicted of a felony.”.*

9 (4) *EFFECTIVE DATE OF AMENDMENTS.—The*
10 *amendments made by this subsection shall apply with*
11 *respect to loans for which the first disbursement of*
12 *principal is made on or after July 1, 2006.*

13 (c) *DOCUMENTATION OF FORBEARANCE AGREE-*
14 *MENTS.—Section 428(c) (20 U.S.C. 1078(c)) is further*
15 *amended—*

16 (1) *in paragraph (3)(A)(i), by striking “in writ-*
17 *ing”; and*

18 (2) *by adding at the end the following new para-*
19 *graph:*

20 “(10) *DOCUMENTATION OF FORBEARANCE*
21 *AGREEMENTS.—For the purposes of paragraph (3),*
22 *the terms of forbearance agreed to by the parties shall*
23 *be documented by confirming the agreement of the*
24 *borrower by notice to the borrower from the lender,*
25 *and by recording the terms in the borrower’s file.”.*

1 (d) *CONSOLIDATION OF DEFAULTED LOANS.*—Section
 2 428(c) (20 U.S.C. 1078(c)) is further amended—

3 (1) in paragraph (2)(A)—

4 (A) by inserting “(i)” after “including”;
 5 and

6 (B) by inserting before the semicolon at the
 7 end the following: “and (ii) requirements estab-
 8 lishing procedures to preclude consolidation lend-
 9 ing from being an excessive proportion of guar-
 10 anty agency recoveries on defaulted loans under
 11 this part”;

12 (2) in paragraph (2)(D), by striking “paragraph
 13 (6)” and inserting “paragraph (6)(A)”; and

14 (3) in paragraph (6)—

15 (A) by inserting “(A)” before “For the pur-
 16 pose of paragraph (2)(D),”;

17 (B) by redesignating subparagraphs (A)
 18 and (B) as clauses (i) and (ii), respectively; and

19 (C) by adding at the end the following new
 20 subparagraphs:

21 “(B) A guaranty agency shall—

22 “(i) on or after October 1, 2006—

23 “(I) not charge the borrower collection costs
 24 in an amount in excess of 18.5 percent of the
 25 outstanding principal and interest of a defaulted

1 *loan that is paid off through consolidation by the*
 2 *borrower under this title; and*

3 *“(II) remit to the Secretary a portion of the*
 4 *collection charge under subclause (I) equal to 8.5*
 5 *percent of the outstanding principal and interest*
 6 *of such defaulted loan; and*

7 *“(ii) on and after October 1, 2009, remit to the*
 8 *Secretary the entire amount charged under clause*
 9 *(i)(I) with respect to each defaulted loan that is paid*
 10 *off with excess consolidation proceeds.*

11 *“(C) For purposes of subparagraph (B), the term ‘ex-*
 12 *cess consolidation proceeds’ means, with respect to any*
 13 *guaranty agency for any Federal fiscal year beginning on*
 14 *or after October 1, 2009, the proceeds of consolidation of*
 15 *defaulted loans under this title that exceed 45 percent of*
 16 *the agency’s total collections on defaulted loans in such Fed-*
 17 *eral fiscal year.”.*

18 *(e) VOLUNTARY FLEXIBLE AGREEMENTS.—Section*
 19 *428A (20 U.S.C. 1078–1) is amended—*

20 *(1) in subsection (a)(1)(B), by striking “unless*
 21 *the Secretary” and all that follows through “des-*
 22 *ignated guarantor”;*

23 *(2) by striking paragraph (2) of subsection (a);*

1 (3) in paragraph (4)(B) of subsection (a), by
 2 striking “and any waivers provided to other guaranty
 3 agencies under paragraph (2)”;

4 (4) by redesignating paragraphs (3) and (4) of
 5 subsection (a) as paragraphs (2) and (3), respectively;
 6 and

7 (5) by striking paragraph (3) of subsection (c)
 8 and inserting the following:

9 “(3) NOTICE TO INTERESTED PARTIES.—Once
 10 the Secretary reaches a tentative agreement in prin-
 11 ciple under this section, the Secretary shall publish in
 12 the Federal Register a notice that invites interested
 13 parties to comment on the proposed agreement. The
 14 notice shall state how to obtain a copy of the tentative
 15 agreement in principle and shall give interested par-
 16 ties no less than 30 days to provide comments. The
 17 Secretary may consider such comments prior to pro-
 18 viding the notices pursuant to paragraph (2).”.

19 (f) FRAUD: REPAYMENT REQUIRED.—Section
 20 428B(a)(1) (20 U.S.C. 1078–2(a)(1)) is amended—

21 (1) by striking “and” at the end of subpara-
 22 graph (A);

23 (2) by striking the period at the end of subpara-
 24 graph (B) and inserting “; and”; and

1 (3) by adding at the end the following new sub-
2 paragraph:

3 “(C) if either of the parents has been con-
4 victed of, or has pled *nolo contendere* or guilty
5 to, a crime involving fraud in obtaining funds
6 under this title, such parent has completed the
7 repayment of such funds to the Secretary, or to
8 the holder in the case of a loan under this title
9 obtained by fraud.”.

10 (g) *DEFAULT REDUCTION PROGRAM.*—Section
11 428F(a)(1) (20 U.S.C. 1078–6(a)(1)) is amended—

12 (1) in subparagraph (A), by striking “consecu-
13 tive payments for 12 months” and inserting “9 pay-
14 ments made within 20 days of the due date during
15 10 consecutive months”;

16 (2) by redesignating subparagraph (C) as sub-
17 paragraph (D); and

18 (3) by inserting after subparagraph (B) the fol-
19 lowing new subparagraph:

20 “(C) A guaranty agency may charge the
21 borrower and retain collection costs in an
22 amount not to exceed 18.5 percent of the out-
23 standing principal and interest at the time of
24 sale of a loan rehabilitated under subparagraph
25 (A).”.

1 (h) *FINANCIAL AND ECONOMIC LITERACY.*—

2 (1) *DEFAULT REDUCTION PROGRAM.*—Section
3 428F is further amended by adding at the end the fol-
4 lowing:

5 “(c) *FINANCIAL AND ECONOMIC LITERACY.*—Where
6 appropriate, each program described under subsection (b)
7 shall include making available financial and economic edu-
8 cation materials for the borrower.”.

9 (2) *PROGRAM ASSISTANCE FOR BORROWERS.*—
10 Section 432(k)(1) (20 U.S.C. 1082(k)(1)) is amended
11 by striking “and offering” and all that follows
12 through the period and inserting “, offering loan re-
13 payment matching provisions as part of employee
14 benefit packages, and providing employees with finan-
15 cial and economic education and counseling.”.

16 (i) *CREDIT BUREAU ORGANIZATION AGREEMENTS.*—
17 Section 430A(a) (20 U.S.C. 1080a(a)) is amended by strik-
18 ing “agreements with credit bureau organizations” and in-
19 serting “an agreement with each national credit bureau or-
20 ganization (as described in section 603(p) of the Fair Credit
21 Reporting Act)”.

22 (j) *UNIFORM ADMINISTRATIVE AND CLAIMS PROCEDURE.*—Section 432(l)(1)(H) (20 U.S.C. 1082(l)(1)(H)) is
23 amended by inserting “and anticipated graduation date”
24 after “status change”.
25

1 (k) *DEFAULT REDUCTION MANAGEMENT.*—Section
2 432 is further amended—

3 (1) *by striking subsection (n); and*

4 (2) *by redesignating subsections (o) and (p) as*
5 *subsections (n) and (o), respectively.*

6 (l) *SCHOOLS AS LENDERS.*—Paragraph (2) of section
7 435(d) (20 U.S.C. 1085(d)(2)) is amended to read as fol-
8 *lows:*

9 “(2) *REQUIREMENTS FOR ELIGIBLE INSTITU-*
10 *TIONS.*—

11 “(A) *IN GENERAL.*—*To be an eligible lender*
12 *under this part, an eligible institution—*

13 “(i) *shall employ at least one person*
14 *whose full-time responsibilities are limited*
15 *to the administration of programs of finan-*
16 *cial aid for students attending such institu-*
17 *tion;*

18 “(ii) *shall not be a home study school;*

19 “(iii) *shall not—*

20 “(I) *make a loan to any under-*
21 *graduate student;*

22 “(II) *make a loan other than a*
23 *loan under section 428 or 428H to a*
24 *graduate or professional student; or*

1 “(III) make a loan to a borrower
2 who is not enrolled at that institution;

3 “(iv) shall award any contract for fi-
4 nancing, servicing, or administration of
5 loans under this title on a competitive basis;

6 “(v) shall offer loans which carry an
7 origination fee or an interest rate, or both,
8 that are less than such fee or rate author-
9 ized under the provisions of this title;

10 “(vi) shall not have a cohort default
11 rate (as defined in section 435(m)) greater
12 than 10 percent;

13 “(vii) shall, for any year for which the
14 institution engages in activities as an eligi-
15 ble lender, provide for a compliance audit
16 conducted in accordance with section
17 428(b)(1)(U)(iii)(I), and the regulations
18 thereunder, and submit the results of such
19 audit to the Secretary; and

20 “(viii) shall use any proceeds from spe-
21 cial allowance payments and interest pay-
22 ments from borrowers, interest subsidies re-
23 ceived from the Department of Education,
24 and any proceeds from the sale or other dis-

1 *position of loans, for need-based grant pro-*
 2 *grams.*

3 “(B) *ADMINISTRATIVE EXPENSES.*—*An eli-*
 4 *gible lender under subparagraph (A) shall be*
 5 *permitted to use a portion of the proceeds de-*
 6 *scribed in subparagraph (A)(viii) for reasonable*
 7 *and direct administrative expenses.*

8 “(C) *SUPPLEMENT, NOT SUPPLANT.*—*An el-*
 9 *igible lender under subparagraph (A) shall en-*
 10 *sure that the proceeds described in subparagraph*
 11 *(A)(viii) are used to supplement, and not to sup-*
 12 *plant, non-Federal funds that would otherwise be*
 13 *used for need-based grant programs.”.*

14 (m) *DISABILITY DETERMINATIONS.*—*Section 437(a)*
 15 *(20 U.S.C. 1087(a)) is amended by adding at the end the*
 16 *following new sentence: “In making such determination of*
 17 *permanent and total disability, the Secretary shall provide*
 18 *that a borrower who has been certified as permanently and*
 19 *totally disabled by the Department of Veterans Affairs or*
 20 *the Social Security Administration shall not be required*
 21 *to present further documentation for purposes of this title.”.*

22 (n) *TREATMENT OF FALSELY CERTIFIED BOR-*
 23 *ROWERS.*—*Section 437(c)(1) (20 U.S.C. 1087(c)(1)) is*
 24 *amended by inserting “or parent’s eligibility” after “such*
 25 *student’s eligibility”.*

1 (o) *PERFECTION OF SECURITY INTERESTS.*—Section
2 439(d) (20 U.S.C. 1087–2(d)) is amended—

3 (1) *by striking paragraph (3); and*

4 (2) *by redesignating paragraphs (4) and (5) as*
5 *paragraphs (3) and (4), respectively.*

6 (p) *ADDITIONAL TECHNICAL AMENDMENTS.*—

7 (1) Section 428(a)(2)(A) (20 U.S.C.
8 1078(a)(2)(A)) is amended—

9 (A) *by striking “and” at the end of sub-*
10 *clause (II) of clause (i); and*

11 (B) *by moving the margin of clause (iii)*
12 *two ems to the left.*

13 (2) Section 428(a)(3)(A)(v) (20 U.S.C.
14 1078(a)(3)(A)(v)) is amended—

15 (A) *by striking “or” at the end of subclause*
16 *(I);*

17 (B) *by striking the period at the end of sub-*
18 *clause (II) and inserting “; or”; and*

19 (C) *by adding after subclause (II) the fol-*
20 *lowing new subclause:*

21 “(III) *in the case of a loan disbursed*
22 *through an escrow agent, 3 days before the first*
23 *disbursement of the loan.”.*

1 (3) Section 428(c)(1)(A) (20 U.S.C.
2 1078(c)(1)(A)) is amended by striking “45 days” in
3 the last sentence and inserting “30 days”.

4 (4) Section 428(i)(1) (20 U.S.C. 1078(i)(1)) is
5 amended by striking “21 days” in the third sentence
6 and inserting “10 days”.

7 (5) Section 428G(e) (20 U.S.C. 1078–7(e)) is
8 amended by striking “, made to a student to cover the
9 cost of attendance at an eligible institution outside
10 the United States,”.

11 (6) Section 428H(e) (20 U.S.C. 1078–8(e)) is
12 amended by striking paragraph (6) and inserting the
13 following:

14 “(6) *TIME LIMITS ON BILLING INTEREST.*—A
15 lender may not receive interest on a loan under this
16 section from a borrower for any period that precedes
17 the dates described in section 428(a)(3)(A)(v).”.

18 (7) Section 432(m)(1)(B) (20 U.S.C.
19 1082(m)(1)(B)) is amended—

20 (A) in clause (i), by inserting “and” after
21 the semicolon at the end; and

22 (B) in clause (ii), by striking “; and” and
23 inserting a period.

24 (8) Section 438(b)(4)(B) (20 U.S.C. 1087–
25 1(b)(4)(B)) is amended by striking “shall be com-

1 *puted” and all that follows through “to the loan” and*
 2 *inserting “described in subparagraph (A) shall be*
 3 *computed using the interest rate described in section*
 4 *3902(a) of title 31, United States Code,”.*

5 ***PART C—FEDERAL WORK-STUDY PROGRAMS***

6 ***SEC. 441. AUTHORIZATION OF APPROPRIATIONS.***

7 *Section 441(b) (42 U.S.C. 2751(b)) is amended—*

8 *(1) by striking “1999” and inserting “2006”;*
 9 *and*

10 *(2) by striking “4 succeeding” and inserting “5*
 11 *succeeding”.*

12 ***SEC. 442. COMMUNITY SERVICE.***

13 *Section 441(c)(1) (42 U.S.C. 2751(c)(1)) is amended*
 14 *by striking “that are open and accessible to the commu-*
 15 *nity”.*

16 ***SEC. 443. ALLOCATION OF FUNDS.***

17 *(a) PHASEOUT OF ALLOCATION BASED ON PREVIOUS*
 18 *ALLOCATIONS.—Subsection (a) of section 442 (42 U.S.C.*
 19 *2752(a)) is amended to read as follows:*

20 *“(a) ALLOCATION BASED ON PREVIOUS ALLOCA-*
 21 *TION.—*

22 *“(1) BASE GUARANTEE.—From the amount ap-*
 23 *propriated pursuant to section 441(b) for each fiscal*
 24 *year after fiscal year 2007, the Secretary shall, sub-*
 25 *ject to paragraph (2), first allocate to each eligible in-*

stitution an amount equal to the following percentage of the amount such institution received under subsection (a) of this section for fiscal year 2007 (as such subsection was in effect with respect to allocations for such fiscal year):

“(A) 80 percent for fiscal years 2008 and 2009;

“(B) 60 percent for fiscal years 2010 and 2011;

“(C) 40 percent for fiscal years 2012 and 2013;

“(D) 20 percent for fiscal years 2014 and 2015; and

“(E) 0 percent for fiscal year 2016 and any succeeding fiscal year.

“(2) *RATABLE REDUCTIONS FOR INSUFFICIENT APPROPRIATIONS.*—

“(A) *REDUCTION OF BASE GUARANTEE.*—If the amount appropriated for any fiscal year is less than the amount required to be allocated to all institutions under this subsection, then the amount of the allocation to each such institution shall be ratably reduced.

“(B) *ADDITIONAL APPROPRIATIONS ALLOCATION.*—If additional amounts are appropriated

1 *for any such fiscal year, such reduced amounts*
2 *shall be increased on the same basis as they were*
3 *reduced (until the amount allocated equals the*
4 *amount required to be allocated under this sub-*
5 *section).*

6 “(3) *ADDITIONAL ALLOCATIONS FOR CERTAIN IN-*
7 *STITUTIONS.—*

8 “(A) *ALLOCATIONS PERMITTED.—Notwith-*
9 *standing any other provision of this section, the*
10 *Secretary may allocate an amount equal to not*
11 *more than 10 percent of the amount by which the*
12 *amount appropriated in any fiscal year to carry*
13 *out this part exceeds \$700,000,000 among eligible*
14 *institutions described in subparagraph (B).*

15 “(B) *ELIGIBLE INSTITUTIONS.—An other-*
16 *wise eligible institution may receive a portion of*
17 *the allocation described in subparagraph (A)*
18 *if—*

19 “(i) *not less than 10 percent of the stu-*
20 *dents attending the institution receive Fed-*
21 *eral Pell Grants; and*

22 “(ii)(I) *in the case of an institution*
23 *that offers programs of at least 4 years in*
24 *duration, if its graduation rate for Federal*
25 *Pell Grant recipients attending the institu-*

1 *tion and graduating within the period of*
2 *time equal to normal duration of the longest*
3 *undergraduate program offered by the insti-*
4 *tution, as measured from the first day of*
5 *their enrollment, exceeds the median rate for*
6 *the class of institution (as defined in section*
7 *131(f)(5)(C)); or*

8 *“(II) in the case of an institution that*
9 *offers programs of at least 2, but less than*
10 *4, years in duration, if its rate for Federal*
11 *Pell Grant recipients attending the institu-*
12 *tion and graduating or transferring to an*
13 *institution that offers programs of at least*
14 *4 years in duration within the period of*
15 *time equal to the normal duration of the*
16 *program offered, as measured from the first*
17 *day of their enrollment, exceeds the median*
18 *rate for the class of institution (as defined*
19 *in section 131(f)(5)(C)).”.*

20 *(b) EFFECTIVE DATE.—The amendment made by sub-*
21 *section (a) shall apply with respect to any amounts appro-*
22 *priated under section 441(b) of the Higher Education Act*
23 *of 1965 (42 U.S.C. 2751(b)) for fiscal year 2008 or any*
24 *succeeding fiscal year.*

1 **SEC. 444. BOOKS AND SUPPLIES.**

2 Section 442(c)(4)(D) (42 U.S.C. 2752(c)(4)(D)) is
3 amended by striking “\$450” and inserting “\$600”.

4 **SEC. 445. JOB LOCATION AND DEVELOPMENT.**

5 Section 446(a)(1) (42 U.S.C. 2756(a)(1)) is amend-
6 ed—

7 (1) by striking “10 percent or \$50,000” and in-
8 serting “15 percent or \$75,000”; and

9 (2) by inserting before the period at the end the
10 following: “, except that not less than one-third of
11 such amount shall be specifically allocated to locate
12 and develop community service jobs”.

13 **SEC. 446. WORK COLLEGES.**

14 Section 448 (42 U.S.C. 2756b) is amended—

15 (1) by striking “work-learning” each place it ap-
16 pears and inserting “work-learning-service”;

17 (2) by amending subparagraph (C) of subsection
18 (e)(1) to read as follows:

19 “(C) requires all resident students, includ-
20 ing at least one-half of all students who are en-
21 rolled on a full-time basis, to participate in a
22 comprehensive work-learning-service program for
23 at least 5 hours each week, or at least 80 hours
24 during each period of enrollment, unless the stu-
25 dent is engaged in an institutionally organized

1 *or approved study abroad or externship pro-*
2 *gram; and”;*

3 *(3) by amending paragraph (2) of subsection (e)*
4 *to read as follows:*

5 *“(2) the term ‘comprehensive student work-learn-*
6 *ing-service program’—*

7 *“(A) means a student work-learning-service*
8 *program that is an integral and stated part of*
9 *the institution’s educational philosophy and pro-*
10 *gram;*

11 *“(B) requires participation of all resident*
12 *students for enrollment and graduation;*

13 *“(C) includes learning objectives, evalua-*
14 *tion, and a record of work performance as part*
15 *of the student’s college record;*

16 *“(D) provides programmatic leadership by*
17 *college personnel at levels comparable to tradi-*
18 *tional academic programs;*

19 *“(E) recognizes the educational role of*
20 *work-learning-service supervisors; and*

21 *“(F) includes consequences for nonperform-*
22 *ance or failure in the work-learning-service pro-*
23 *gram similar to the consequences for failure in*
24 *the regular academic program.”; and*

1 (4) in subsection (f), by striking “1999 and such
2 sums as may be necessary for each of the 4 succeeding
3 fiscal years” and inserting “2006 and such sums as
4 may be necessary for the 5 succeeding fiscal years”.

5 PART D—FEDERAL DIRECT LOAN PROGRAM

6 SEC. 451. REAUTHORIZATION OF THE DIRECT LOAN PRO-
7 GRAM.

8 (a) *ADMINISTRATIVE EXPENSES.—Section 458(a)(1)*
9 *(20 U.S.C. 1087h(a)(1)) is amended by striking*
10 *“\$617,000,000” and all that follows through “fiscal year*
11 *2003” and inserting “\$820,000,000 in fiscal year 2006,*
12 *\$833,000,000 in fiscal year 2007, \$847,000,000 in fiscal*
13 *year 2008, \$862,000,000 in fiscal year 2009, and*
14 *\$878,000,000 in fiscal year 2010, and \$894,000,000 in fis-*
15 *cal year 2011”.*

16 (b) *CALCULATION BASIS.*—Subsection (b) of section
17 458 (20 U.S.C. 1087h(b)) is amended by striking “shall be
18 calculated—” and all that follows through the end of such
19 subsection and inserting “shall be calculated on the basis
20 of 0.10 percent of the original principal amount of out-
21 standing loans on which insurance was issued under part
22 B.”.

(c) *SPECIAL RULES: FEE CAP.*—Section 458(c)(1) (20 U.S.C. 1087h(c)(1)) is amended by striking subparagraphs (A) through (E) and inserting the following:

1 “(A) for fiscal year 2006, shall not exceed
2 \$220,000,000;

3 “(B) for fiscal year 2007, shall not exceed
4 \$233,000,000;

5 “(C) for fiscal year 2008, shall not exceed
6 \$247,000,000;

7 “(D) for fiscal year 2009, shall not exceed
8 \$262,000,000;

9 “(E) for fiscal year 2010, shall not exceed
10 \$278,000,000; and

11 “(F) for fiscal year 2011, shall not exceed
12 \$294,000,000.”.

13 (d) *INCOME CONTINGENT REPAYMENT.*—Section
14 455(e)(2) (20 U.S.C. 1087e(e)(2)) is amended by striking
15 “and files a Federal income tax return jointly with the bor-
16 rower’s spouse”.

17 **PART E—FEDERAL PERKINS LOAN PROGRAM**

18 **SEC. 461. REAUTHORIZATION OF PROGRAM.**

19 (a) *PROGRAM AUTHORIZATION.*—

20 (1) *AUTHORIZATION OF APPROPRIATIONS.*—Sec-
21 tion 461(b) (20 U.S.C. 1087aa(b)) is amended—

22 (A) in paragraph (1)—

23 (i) by striking “1999” and inserting
24 “2006”; and

1 (ii) by striking “4 succeeding” and in-
2 serting “5 succeeding”; and

3 (B) in paragraph (2), by striking “2003”
4 each place it appears and inserting “2012”.

5 (2) *FEDERAL CAPITAL CONTRIBUTION RECOV-*
6 *ERY.*—Section 466 (20 U.S.C. 1087ff) is amended—

7 (A) by striking “2004” each place it ap-
8 pears in subsections (a) and (c) and inserting
9 “2012”; and

10 (B) in subsection (a), by striking “2003”
11 each place it appears and inserting “2011”.

12 (b) *PHASEOUT OF ALLOCATION BASED ON PREVIOUS*
13 *ALLOCATIONS.*—

14 (1) *AMENDMENT.*—Subsection (a) of section 462
15 (20 U.S.C. 1087bb(a)) is amended to read as follows:

16 “(a) *ALLOCATION BASED ON PREVIOUS ALLOCA-*
17 *TION.*—

18 “(1) *BASE GUARANTEE.*—From the amount ap-
19 propriated pursuant to section 461(b) for each fiscal
20 year after fiscal year 2007, the Secretary shall, sub-
21 ject to paragraphs (2) and (3), first allocate to each
22 eligible institution an amount equal to—

23 “(A) 100 percent of the amount such insti-
24 tution received under subsection (a) of this sec-
25 tion for fiscal year 2007 (as such subsection was

1 *in effect with respect to allocations for such fiscal*
 2 *year), multiplied by*

3 “(B) *the institution’s default penalty, as de-*
 4 *termined under subsection (e), except that if the*
 5 *institution has a cohort default rate in excess of*
 6 *the applicable maximum cohort default rate*
 7 *under subsection (f), the institution may not re-*
 8 *ceive an allocation under this paragraph.*

9 “(2) *PHASE OUT.—For each of the fiscal years*
 10 *after fiscal year 2007, paragraph (1) shall be applied*
 11 *by substituting for ‘100 percent’:*

12 “(A) *‘80 percent’ for fiscal years 2008 and*
 13 *2009;*

14 “(B) *‘60 percent’ for fiscal years 2010 and*
 15 *2011;*

16 “(C) *‘40 percent’ for fiscal years 2012 and*
 17 *2013;*

18 “(D) *‘20 percent’ for fiscal years 2014 and*
 19 *2015; and*

20 “(E) *‘0 percent’ for fiscal year 2016 and*
 21 *any succeeding fiscal year.*

22 “(3) *RATABLE REDUCTIONS FOR INSUFFICIENT*
 23 *APPROPRIATIONS.—*

24 “(A) *REDUCTION OF BASE GUARANTEE.—If*
 25 *the amount appropriated for any fiscal year is*

less than the amount required to be allocated to all institutions under this subsection, then the amount of the allocation to each such institution shall be ratably reduced.

“(B) *ADDITIONAL APPROPRIATIONS ALLOCATION.*—If additional amounts are appropriated for any such fiscal year, such reduced amounts shall be increased on the same basis as they were reduced (until the amount allocated equals the amount required to be allocated under this subsection).”.

(2) *EFFECTIVE DATE.*—The amendment made by paragraph (1) shall apply with respect to any amounts appropriated under section 461(b) of the Higher Education Act of 1965 (20 U.S.C. 1087bb(b)) for fiscal year 2008 or any succeeding fiscal year.

(c) *BOOKS AND SUPPLIES.*—Section 462(c)(4)(D) (20 U.S.C. 1087bb(c)(4)(D)) is amended by striking “\$450” and inserting “\$600”.

SEC. 462. LOAN TERMS AND CONDITIONS.

(a) *LOAN LIMITS.*—Section 464(a) (20 U.S.C. 1087dd(a)) is amended—

(1) in paragraph (2)(A)—

(A) by striking “\$4,000” in clause (i) and inserting “\$5,500”; and

1 (B) by striking “\$6,000” in clause (ii) and
 2 inserting “\$8,000”; and

3 (2) in paragraph (2)(B)—

4 (A) by striking “\$40,000” in clause (i) and
 5 inserting “\$60,000”;

6 (B) by striking “\$20,000” in clause (ii) and
 7 inserting “\$27,500”; and

8 (C) by striking “\$8,000” in clause (iii) and
 9 inserting “\$11,000”.

10 (b) *FORBEARANCE*.—Section 464(e) (20 U.S.C.
 11 1087dd(e)) is amended by striking “, upon written re-
 12 quest,”.

13 (c) *SPECIAL REPAYMENT RULE*.—Paragraph (2) of
 14 section 464(f) is amended to read as follows:

15 “(2) No compromise repayment of a defaulted loan as
 16 authorized by paragraph (1) may be made unless agreed
 17 to by the Secretary.”.

18 (d) *REHABILITATION*.—Section 464(h)(1)(A) (20
 19 U.S.C. 1087dd(h)(1)(A)) is amended by striking “12
 20 ontime” and inserting “9 on-time”.

21 **SEC. 463. LOAN CANCELLATION.**

22 Section 465(a)(3)(A) (20 U.S.C. 1087ee(a)(3)(A)) is
 23 amended—

24 (1) by inserting “(D),” after “subparagraph (A),
 25 (C),” in clause (i);

1 (2) *by inserting “or” after the semicolon at the*
 2 *end of clause (ii);*

3 (3) *by striking clause (iii); and*

4 (4) *by redesignating clause (iv) as clause (iii).*

5 **SEC. 464. TECHNICAL AMENDMENTS.**

6 *Part E is further amended as follows:*

7 (1) Section 462(g)(1)(E)(i)(I) (20 U.S.C.
 8 1087bb(g)(1)(E)(i)(I)) is amended by inserting
 9 “monthly” after “consecutive”.

10 (2) Section 463(a)(4)(A) (20 U.S.C.
 11 1087cc(a)(4)(A)) is amended by striking “the Sec-
 12 retary may” and inserting “the Secretary shall”.

13 (3) Section 464(c)(1)(D) (20 U.S.C.
 14 1087dd(c)(1)(D)) is amended by redesignating sub-
 15 clauses (I) and (II) as clauses (i) and (ii), respec-
 16 tively.

17 (4) Section 465(a)(2) (20 U.S.C. 1087ee(a)(2)) is
 18 amended in subparagraph (A), by striking “section
 19 111(c)” and inserting “section 1113(a)(5)”.

20 (5) Section 467(b) (20 U.S.C. 1087gg(b)) is
 21 amended by striking “(5)(A), (5)(B)(i), or (6)” and
 22 inserting “(4)(A), (4)(B), or (5)”.

23 (6) Section 469(c) (20 U.S.C. 1087ii(c)) is
 24 amended—

(A) by striking “sections 602 and 632” and inserting “sections 602(3) and 632(5)”;

(B) by striking “qualified professional provider of early intervention services” and inserting “early intervention services”; and

(C) by striking “section 672(2)” and inserting “section 632(4)”.

PART F—NEED ANALYSIS

SEC. 471. SIGNIFICANTLY SIMPLIFYING THE STUDENT AID

APPLICATION PROCESS.

(a) *EXPANDING THE AUTO-ZERO AND FURTHER SIMPLIFYING THE SIMPLIFIED NEEDS TEST.*—

(1) *SIMPLIFIED NEEDS TEST.*—Section 479 (20 U.S.C. 1087ss) is amended—

(A) in subsection (b)—

(i) in paragraph (1)—

(I) by striking clause (i) of subparagraph (A) and inserting the following:

“(i) the student’s parents file, or are eligible to file, a form described in paragraph (3) or certify that they are not required to file an income tax return, and the student files, or is eligible to file, such a form or certifies that the student is not required to

1 *file an income tax return, or the student's*
2 *parents, or the student, received benefits at*
3 *some time during the previous 12-month pe-*
4 *riod under a means-tested Federal benefit*
5 *program as defined under subsection (d);*
6 *and”; and*

7 *(II) by striking clause (i) of sub-*
8 *paragraph (B) and inserting the fol-*
9 *lowing:*

10 *“(i) the student (and the student’s*
11 *spouse, if any) files, or is eligible to file, a*
12 *form described in paragraph (3) or certifies*
13 *that the student (and the student’s spouse, if*
14 *any) is not required to file an income tax*
15 *return, or the student (and the student’s*
16 *spouse, if any) received benefits at some*
17 *time during the previous 12-month period*
18 *under a means-tested Federal benefit pro-*
19 *gram as defined under subsection (d); and”;*
20 *and*

21 *(ii) in paragraph (3), by striking “A*
22 *student or family files a form described in*
23 *this subsection, or subsection (c), as the case*
24 *may be, if the student or family, respec-*
25 *tively, files” and inserting “In the case of*

1 *an independent student, the student, or in*
2 *the case of a dependent student, the parent,*
3 *files a form described in this subsection, or*
4 *subsection (c), as the case may be, if the stu-*
5 *dent or parent, as appropriate, files”;*

6 *(B) in subsection (c)—*

7 *(i) in paragraph (1), by striking sub-*
8 *paragraph (A) and inserting the following:*

9 *“(A) the student’s parents file, or are eligi-*
10 *ble to file, a form described in subsection (b)(3)*
11 *or certify that they are not required to file an*
12 *income tax return, and the student files, or is el-*
13 *igible to file, such a form or certifies that the stu-*
14 *dent is not required to file an income tax return,*
15 *or the student’s parents, or the student, received*
16 *benefits at some time during the previous 12-*
17 *month period under a means-tested Federal ben-*
18 *efit program as defined in subsection (d); and”;*
19 *and*

20 *(ii) in paragraph (2), by striking sub-*
21 *paragraph (A) and inserting the following:*

22 *“(A) the student (and the student’s spouse,*
23 *if any) files, or is eligible to file, a form de-*
24 *scribed in subsection (b)(3) or certifies that the*
25 *student (and the student’s spouse, if any) is not*

1 *required to file an income tax return, or the stu-*
2 *dent (and the student's spouse, if any) received*
3 *benefits at some time during the previous 12-*
4 *month period under a means-tested Federal ben-*
5 *efit program as defined in subsection (d); and”;*
6 *and*

7 *(C) by adding at the end the following new*
8 *subsections:*

9 “(d) *DEFINITION OF MEANS-TESTED FEDERAL BEN-*
10 *EFIT PROGRAM.—For the purposes of this section, the term*
11 *‘means-tested Federal benefit program’ means a mandatory*
12 *spending program of the Federal Government, other than*
13 *a program under this title, in which eligibility for the pro-*
14 *gram’s benefits, or the amount of such benefits, or both, are*
15 *determined on the basis of income or resources of the indi-*
16 *vidual or family seeking the benefit, and may include such*
17 *programs as the supplemental security income program*
18 *under title XVI of the Social Security Act, the food stamp*
19 *program under the Food Stamp Act of 1977, the free and*
20 *reduced price school lunch program established under the*
21 *Richard B. Russell National School Lunch Act, the tem-*
22 *porary assistance to needy families program established*
23 *under part A of title IV of the Social Security Act, and*
24 *the women, infants and children program established under*

1 *Section 17 of the Child Nutrition Act of 1966, and other*
 2 *programs identified by the Secretary.*

3 “(e) *REPORTING REQUIREMENTS.—The Secretary*
 4 *shall regularly evaluate the impact of the eligibility guide-*
 5 *lines in subsections (b)(1)(A)(i), (b)(1)(B)(i), (c)(1)(A) and*
 6 *(c)(2)(A) of this section. In particular, the Secretary shall*
 7 *evaluate whether, under the definition of means-tested Fed-*
 8 *eral benefit programs in subsection (d), the Simplified*
 9 *Needs Test continues to be targeted to the maximum number*
 10 *of low- and moderate-income students.”.*

11 (b) *IMPROVEMENTS TO PAPER AND ELECTRONIC*
 12 *FORMS.—*

13 (1) *COMMON FINANCIAL AID FORM DEVELOPMENT*
 14 *AND PROCESSING.—Section 483(a) (20 U.S.C.*
 15 *1090(a)) is amended—*

16 (A) *by striking paragraphs (1), (2), and*
 17 *(5);*

18 (B) *by redesignating paragraphs (3), (4),*
 19 *(6), and (7), as paragraphs (9), (10), (11), and*
 20 *(12), respectively;*

21 (C) *by inserting before paragraph (9), as*
 22 *redesignated by subparagraph (B), the following:*

23 “(1) *IN GENERAL.—The Secretary, in coopera-*
 24 *tion with representatives of agencies and organiza-*
 25 *tions involved in student financial assistance, shall*

1 *produce, distribute, and process free of charge com-*
2 *mon financial reporting forms as described in this*
3 *subsection to be used for application and reapplica-*
4 *tion to determine the need and eligibility of a student*
5 *for financial assistance under parts A through E*
6 *(other than subpart 4 of part A). These forms shall*
7 *be made available to applicants in both paper and*
8 *electronic formats and shall be referred to as the ‘Free*
9 *Application for Federal Student Aid’ or the ‘FAFSA’.*

10 “(2) *EARLY ESTIMATES.*—

11 “(A) *IN GENERAL.*—*The Secretary shall*
12 *permit applicants to complete such forms as de-*
13 *scribed in this subsection in the 4 years prior to*
14 *enrollment in order to obtain a non-binding esti-*
15 *mate of the family contribution, as defined in*
16 *section 473. The estimate shall clearly and con-*
17 *spicuously indicate that it is only an estimate of*
18 *family contribution, and may not reflect the ac-*
19 *tual family contribution of the applicant that*
20 *shall be used to determine the grant, loan, or*
21 *work assistance that the applicant may receive*
22 *under this title when enrolled in a program of*
23 *postsecondary education. Such applicants shall*
24 *be permitted to update information submitted on*

1 *forms described in this subsection using the proc-*
2 *ess required under paragraph (5)(A).*

3 “(B) *EVALUATION.*—*Two years after the*
4 *early estimates are implemented under this*
5 *paragraph and from data gathered from the*
6 *early estimates, the Secretary shall evaluate the*
7 *differences between initial, non-binding early es-*
8 *timates and the final financial aid award made*
9 *available under this title.*

10 “(C) *REPORT.*—*The Secretary shall provide*
11 *a report to the authorizing committees on the re-*
12 *sults of the evaluation.*

13 “(3) *PAPER FORMAT.*—

14 “(A) *IN GENERAL.*—*The Secretary shall*
15 *produce, distribute, and process common forms*
16 *in paper format to meet the requirements of*
17 *paragraph (1). The Secretary shall develop a*
18 *common paper form for applicants who do not*
19 *meet the requirements of subparagraph (B).*

20 “(B) *EZ FAFSA.*—

21 “(i) *IN GENERAL.*—*The Secretary shall*
22 *develop and use a simplified paper applica-*
23 *tion form, to be known as the ‘EZ FAFSA’,*
24 *to be used for applicants meeting the re-*
25 *quirements of section 479(c).*

1 “(ii) *REDUCED DATA REQUIRE-*
2 *MENTS.—The form under this subparagraph*
3 *shall permit an applicant to submit, for fi-*
4 *nancial assistance purposes, only the data*
5 *elements required to make a determination*
6 *of whether the applicant meets the require-*
7 *ments under section 479(c).*

8 “(iii) *STATE DATA.—The Secretary*
9 *shall include on the form under this sub-*
10 *paragraph such data items as may be nec-*
11 *essary to award State financial assistance,*
12 *as provided under paragraph (6), except*
13 *that the Secretary shall not include a*
14 *State’s data if that State does not permit*
15 *its applicants for State assistance to use the*
16 *form under this subparagraph.*

17 “(iv) *FREE AVAILABILITY AND PROC-*
18 *ESSING.—The provisions of paragraph (7)*
19 *shall apply to the form under this subpara-*
20 *graph, and the data collected by means of*
21 *the form under this subparagraph shall be*
22 *available to institutions of higher education,*
23 *guaranty agencies, and States in accord-*
24 *ance with paragraph (9).*

1 “(v) *TESTING.*—*The Secretary shall*
2 *conduct appropriate field testing on the*
3 *form under this subparagraph.*

4 “(C) *PROMOTING THE USE OF ELECTRONIC*
5 *FAFSA.*—

6 “(i) *IN GENERAL.*—*The Secretary shall*
7 *make an effort to encourage applicants to*
8 *utilize the electronic forms described in*
9 *paragraph (4).*

10 “(ii) *MAINTENANCE OF THE FAFSA IN*
11 *A PRINTABLE ELECTRONIC FILE.*—*The Sec-*
12 *retary shall maintain a version of the paper*
13 *forms described in subparagraphs (A) and*
14 *(B) in a printable electronic file that is eas-*
15 *ily portable. The printable electronic file*
16 *will be made easily accessible and*
17 *downloadable to students on the same*
18 *website used to provide students with the*
19 *electronic application forms described in*
20 *paragraph (4) of this subsection. The Sec-*
21 *retary shall enable students to submit a*
22 *form created under this subparagraph that*
23 *is downloaded and printed from an elec-*
24 *tronic file format in order to meet the filing*

1 *requirements of this section and in order to*
2 *receive aid from programs under this title.*

3 “(iii) *REPORTING REQUIREMENT.*—

4 *The Secretary shall report annually to Con-*
5 *gress on the impact of the digital divide on*
6 *students completing applications for title IV*
7 *aid described under this paragraph and*
8 *paragraph (4). The Secretary will also re-*
9 *port on the steps taken to eliminate the dig-*
10 *ital divide and phase out the paper form*
11 *described in subparagraph (A) of this para-*
12 *graph. The Secretary’s report will specifi-*
13 *cally address the impact of the digital di-*
14 *vide on the following student populations:*
15 *dependent students, independent students*
16 *without dependents, and independent stu-*
17 *dents with dependents other than a spouse.*

18 “(4) *ELECTRONIC FORMAT.*—

19 “(A) *IN GENERAL.*—*The Secretary shall*
20 *produce, distribute, and process common forms*
21 *in electronic format to meet the requirements of*
22 *paragraph (1). The Secretary shall develop com-*
23 *mon electronic forms for applicants who do not*
24 *meet the requirements of subparagraph (C) of*
25 *this paragraph.*

1 “(B) *STATE DATA.*—*The Secretary shall in-*
2 *clude on the common electronic forms space for*
3 *information that needs to be submitted from the*
4 *applicant to be eligible for State financial assist-*
5 *ance, as provided under paragraph (6), except*
6 *the Secretary shall not require applicants to*
7 *complete data required by any State other than*
8 *the applicant’s State of residence.*

9 “(C) *SIMPLIFIED APPLICATIONS: FAFSA ON*
10 *THE WEB.*—

11 “(i) *IN GENERAL.*—*The Secretary shall*
12 *develop and use a simplified electronic ap-*
13 *plication form to be used by applicants*
14 *meeting the requirements under subsection*
15 *(c) of section 479 and an additional, sepa-*
16 *rate simplified electronic application form*
17 *to be used by applicants meeting the re-*
18 *quirements under subsection (b) of section*
19 *479.*

20 “(ii) *REDUCED DATA REQUIRE-*
21 *MENTS.*—*The simplified electronic applica-*
22 *tion forms shall permit an applicant to sub-*
23 *mit for financial assistance purposes, only*
24 *the data elements required to make a deter-*
25 *mination of whether the applicant meets the*

1 *requirements under subsection (b) or (c) of*
2 *section 479.*

3 “(iii) *STATE DATA.—The Secretary*
4 *shall include on the simplified electronic*
5 *application forms such data items as may*
6 *be necessary to award state financial assist-*
7 *ance, as provided under paragraph (6), ex-*
8 *cept that the Secretary shall not require ap-*
9 *plicants to complete data required by any*
10 *State other than the applicant’s State of*
11 *residence.*

12 “(iv) *AVAILABILITY AND PROC-*
13 *ESSING.—The data collected by means of the*
14 *simplified electronic application forms shall*
15 *be available to institutions of higher edu-*
16 *cation, guaranty agencies, and States in ac-*
17 *cordance with paragraph (9).*

18 “(v) *TESTING.—The Secretary shall*
19 *conduct appropriate field testing on the*
20 *forms developed under this subparagraph.*

21 “(D) *USE OF FORMS.—Nothing in this sub-*
22 *section shall be construed to prohibit the use of*
23 *the forms developed by the Secretary pursuant to*
24 *this paragraph by an eligible institution, eligible*
25 *lender, guaranty agency, State grant agency,*

1 *private computer software provider, a consor-*
2 *tium thereof, or such other entities as the Sec-*
3 *retary may designate.*

4 *“(E) PRIVACY.—The Secretary shall ensure*
5 *that data collection under this paragraph com-*
6 *plies with section 552a of title 5, United States*
7 *Code, and that any entity using the electronic*
8 *version of the forms developed by the Secretary*
9 *pursuant to this paragraph shall maintain rea-*
10 *sonable and appropriate administrative, tech-*
11 *nical, and physical safeguards to ensure the in-*
12 *tegrity and confidentiality of the information,*
13 *and to protect against security threats, or unau-*
14 *thorized uses or disclosures of the information*
15 *provided on the electronic version of the forms.*
16 *Data collected by such electronic version of the*
17 *forms shall be used only for the application,*
18 *award, and administration of aid awarded*
19 *under this title, State aid, or aid awarded by el-*
20 *igible institutions or such entities as the Sec-*
21 *retary may designate. No data collected by such*
22 *electronic version of the forms shall be used for*
23 *making final aid awards under this title until*
24 *such data have been processed by the Secretary*

1 *or a contractor or designee of the Secretary, ex-*
 2 *cept as may be permitted under this title.*

3 “(F) *SIGNATURE.*—*Notwithstanding any*
 4 *other provision of this Act, the Secretary may*
 5 *permit an electronic form under this paragraph*
 6 *to be submitted without a signature, if a signa-*
 7 *ture is subsequently submitted by the applicant.*

8 “(5) *STREAMLINING.*—

9 “(A) *STREAMLINED REAPPLICATION PROC-*
 10 *ESS.*—

11 “(i) *IN GENERAL.*—*The Secretary shall*
 12 *develop streamlined reapplication forms*
 13 *and processes, including both paper and*
 14 *electronic reapplication processes, consistent*
 15 *with the requirements of this subsection, for*
 16 *an applicant who applies for financial as-*
 17 *sistance under this title—*

18 “(I) *in the academic year suc-*
 19 *ceeding the year in which such appli-*
 20 *cant first applied for financial assist-*
 21 *ance under this title; or*

22 “(II) *in any succeeding academic*
 23 *years.*

24 “(ii) *MECHANISMS FOR REAPPLICA-*
 25 *TION.*—*The Secretary shall develop appro-*

1 *priate mechanisms to support reapplica-*
2 *tion.*

3 “(iii) *IDENTIFICATION OF UPDATED*
4 *DATA.—The Secretary shall determine, in*
5 *cooperation with States, institutions of*
6 *higher education, agencies, and organiza-*
7 *tions involved in student financial assist-*
8 *ance, the data elements that can be updated*
9 *from the previous academic year’s applica-*
10 *tion.*

11 “(iv) *REDUCED DATA AUTHORIZED.—*
12 *Nothing in this title shall be construed as*
13 *limiting the authority of the Secretary to*
14 *reduce the number of data elements required*
15 *of reapplicants.*

16 “(v) *ZERO FAMILY CONTRIBUTION.—*
17 *Applicants determined to have a zero family*
18 *contribution pursuant to section 479(c)*
19 *shall not be required to provide any finan-*
20 *cial data in a reapplication form, except*
21 *that which is necessary to determine eligi-*
22 *bility under such section.*

23 “(B) *REDUCTION OF DATA ELEMENTS.—*

24 “(i) *REDUCTION ENCOURAGED.—Of the*
25 *number of data elements on the FAFSA on*

1 *the date of enactment of the College Access*
2 *and Opportunity Act of 2005 (including*
3 *questions on the FAFSA for the purposes*
4 *described in paragraph (6)), the Secretary,*
5 *in cooperation with representatives of agen-*
6 *cies and organizations involved in student*
7 *financial assistance, shall continue to re-*
8 *duce the number of such data elements fol-*
9 *lowing the date of enactment. Reductions of*
10 *data elements under paragraph (3)(B),*
11 *(4)(C), or (5)(A)(iv) shall not be counted to-*
12 *wards the reduction referred to in this*
13 *paragraph unless those data elements are*
14 *reduced for all applicants.*

15 “(ii) *REPORT.—The Secretary shall*
16 *annually report to the House of Representa-*
17 *tives and the Senate on the progress made*
18 *of reducing data elements.*

19 “(6) *STATE REQUIREMENTS.—*

20 “(A) *IN GENERAL.—The Secretary shall in-*
21 *clude on the forms developed under this sub-*
22 *section, such State-specific data items as the Sec-*
23 *retary determines are necessary to meet State re-*
24 *quirements for State need-based financial aid*
25 *under section 415C, except as provided in para-*

1 *graphs (3)(B)(iii) and (4)(C)(iii) of this sub-*
2 *section. Such items shall be selected in consulta-*
3 *tion with State agencies in order to assist in the*
4 *awarding of State financial assistance in accord-*
5 *ance with the terms of this subsection, except as*
6 *provided in paragraphs (3)(B)(iii) and*
7 *(4)(C)(iii) of this subsection. The number of such*
8 *data items shall not be less than the number in-*
9 *cluded on the form on October 7, 1998, unless a*
10 *State notifies the Secretary that the State no*
11 *longer requires those data items for the distribu-*
12 *tion of State need-based financial aid.*

13 *“(B) ANNUAL REVIEW.—The Secretary shall*
14 *conduct an annual review process to determine*
15 *which forms and data items the States require to*
16 *award State need-based financial aid and other*
17 *application requirements that the States may*
18 *impose.*

19 *“(C) STATE USE OF SIMPLIFIED FORMS.—*
20 *The Secretary shall encourage States to take such*
21 *steps as necessary to encourage the use of sim-*
22 *plified application forms, including those de-*
23 *scribed in paragraphs (3)(B) and (4)(C), to meet*
24 *the requirements under subsection (b) or (c) of*
25 *section 479.*

1 “(D) *FEDERAL REGISTER NOTICE.—The*
2 *Secretary shall publish on an annual basis a no-*
3 *tice in the Federal Register requiring State agen-*
4 *cies to inform the Secretary—*

5 “(i) *if the State agency is unable to*
6 *permit applicants to utilize the simplified*
7 *application forms described in paragraphs*
8 *(3)(B) and (4)(C); and*

9 “(ii) *of the State-specific data that the*
10 *State agency requires for delivery of State*
11 *need-based financial aid.*

12 “(E) *STATE NOTIFICATION TO THE SEC-*
13 *RETARY.—*

14 “(i) *IN GENERAL.—Each State agency*
15 *shall notify the Secretary—*

16 “(I) *whether the State permits an*
17 *applicant to file a form described in*
18 *paragraph (3)(B) or paragraph (4)(C)*
19 *of this subsection for purposes of deter-*
20 *mining eligibility for State need-based*
21 *financial aid; and*

22 “(II) *the State-specific data that*
23 *the State agency requires for delivery*
24 *of State need-based financial aid.*

1 “(ii) *ACCEPTANCE OF FORMS.*—*In the*
2 *event that a State does not permit an appli-*
3 *cant to file a form described in paragraph*
4 *(3)(B) or paragraph (4)(C) of this sub-*
5 *section for purposes of determining eligi-*
6 *bility for State need-based financial aid—*

7 “(I) *the State shall notify the Sec-*
8 *retary if the State is not permitted to*
9 *do so because of either State law or be-*
10 *cause of agency policy; and*

11 “(II) *the notification under sub-*
12 *clause (I) shall include an estimate of*
13 *the program cost to permit applicants*
14 *to complete simplified application*
15 *forms under paragraphs (3)(B) and*
16 *paragraph (4)(C) of this subsection.*

17 “(iii) *LACK OF NOTIFICATION BY THE*
18 *STATE.*—*If a State does not notify the Sec-*
19 *retary pursuant to clause (i), the Secretary*
20 *shall—*

21 “(I) *permit residents of that State*
22 *to complete simplified application*
23 *forms under paragraphs (3)(B) and*
24 *paragraph (4)(C) of this subsection;*
25 *and*

1 “(II) not require any resident of
2 that State to complete any data pre-
3 viously required by that State under
4 this section.

5 “(7) CHARGES TO STUDENTS AND PARENTS FOR
6 USE OF FORMS PROHIBITED.—

7 “(A) FEES PROHIBITED.—The FAFSA, in
8 whatever form (including the EZ-FAFSA,
9 paper, electronic, simplified, or reapplication),
10 shall be produced, distributed, and processed by
11 the Secretary and no parent or student shall be
12 charged a fee for the collection, processing, or de-
13 livery of financial aid through the use of the
14 FAFSA. The need and eligibility of a student for
15 financial assistance under parts A through E of
16 this title (other than under subpart 4 of part A)
17 may only be determined by using the FAFSA de-
18 veloped by the Secretary pursuant to this sub-
19 section. No student may receive assistance under
20 parts A through E of this title (other than under
21 subpart 4 of part A), except by use of the
22 FAFSA developed by the Secretary pursuant to
23 this subsection. No data collected on a form for
24 which a fee is charged shall be used to complete
25 the FAFSA.

1 “(B) NOTICE.—Any entity that provides to
2 students or parents, or charges students or par-
3 ents for, any value-added services with respect to
4 or in connection with the FAFSA, such as com-
5 pletion of the FAFSA, submission of the FAFSA,
6 or tracking of the FAFSA for a student, shall
7 provide to students and parents clear and con-
8 spicuous notice that—

9 “(i) the FAFSA is a free Federal stu-
10 dent aid application;

11 “(ii) the FAFSA can be completed
12 without professional assistance; and

13 “(iii) includes the current Internet ad-
14 dress for the FAFSA on the Department’s
15 web site.

16 “(8) APPLICATION PROCESSING CYCLE.—The
17 Secretary shall enable students to submit a form cre-
18 ated under this subsection in order to meet the filing
19 requirements of this section and in order to receive
20 aid from programs under this title and shall initiate
21 the processing of applications under this subsection as
22 early as practicable prior to January 1 of the stu-
23 dent’s planned year of enrollment.”.

24 (2) MASTER CALENDAR.—Section 482(a)(1)(B)
25 (20 U.S.C. 1089) is amended to read as follows:

1 “(B) by March 1: proposed modifications,
 2 updates, and notices pursuant to sections 478,
 3 479(c)(2)(C), and 483(a)(6) published in the
 4 *Federal Register*;”.

5 (c) *INCREASING ACCESS TO TECHNOLOGY*.—Section
 6 483 (20 U.S.C. 1090) is further amended by adding at the
 7 end the following:

8 “(f) *ADDRESSING THE DIGITAL DIVIDE*.—The Sec-
 9 retary shall utilize savings accrued by moving more appli-
 10 cants to the electronic forms described in subsection (a)(4)
 11 to improve access to the electronic forms described in sub-
 12 section (a)(4) for applicants meeting the requirements of
 13 section 479(c).”.

14 (d) *EXPANDING THE DEFINITION OF AN INDEPENDENT*
 15 *STUDENT*.—Section 480(d) (20 U.S.C. 1087vv(d)) is amend-
 16 ed by striking paragraph (2) and inserting the following:

17 “(2) is an orphan, in foster care, or a ward of
 18 the court, or was in foster care or a ward of the court
 19 until the individual reached the age of 18;”.

20 **SEC. 472. ADDITIONAL NEED ANALYSIS AMENDMENTS.**

21 (a) *INCOME PROTECTION ALLOWANCE FOR DEPEND-*
 22 *ENT STUDENTS*.—

23 (1) *AMENDMENT*.—Section 475(g)(2)(D) (20
 24 U.S.C. 1087oo(g)(2)(D)) is amended by striking
 25 “\$2,200” and inserting “\$3,000”.

1 (2) *EFFECTIVE DATE.*—*The amendment made by*
 2 *paragraph (1) shall apply with respect to determina-*
 3 *tions of need for periods of enrollment beginning on*
 4 *or after July 1, 2006.*

5 (b) *EMPLOYMENT EXPENSE ALLOWANCE.*—*Section*
 6 *478(h) (20 U.S.C. 1087rr(h)) is amended—*

7 (1) *by striking “476(b)(4)(B),”; and*

8 (2) *by striking “meals away from home, apparel*
 9 *and upkeep, transportation, and housekeeping serv-*
 10 *ices” and inserting “food away from home, apparel,*
 11 *transportation, and household furnishings and oper-*
 12 *ations”.*

13 (c) *DISCRETION OF STUDENT FINANCIAL AID ADMIN-*
 14 *ISTRATORS.*—*Section 479A(a) (20 U.S.C. 1087tt(a)) is*
 15 *amended—*

16 (1) *by striking “(a) IN GENERAL.—” and insert-*
 17 *ing the following:*

18 “(a) *AUTHORITY TO MAKE ADJUSTMENTS.*—

19 “(1) *ADJUSTMENTS FOR SPECIAL CIR-*
 20 *CUMSTANCES.*—”;

21 (2) *by inserting before “Special circumstances*
 22 *may” the following:*

23 “(2) *SPECIAL CIRCUMSTANCES DEFINED.*—”;

24 (3) *by inserting “a student’s status as a ward of*
 25 *the court at any time prior to attaining 18 years of*

1 *age, a student's status as an individual who was*
 2 *adopted at or after age 13, a student's status as a*
 3 *homeless or unaccompanied youth (as defined in sec-*
 4 *tion 725 of the McKinney-Vento Homeless Assistance*
 5 *Act),” after “487,”;*

6 *(4) by inserting before “Adequate documenta-*
 7 *tion” the following:*

8 *“(3) DOCUMENTATION AND USE OF SUPPLE-*
 9 *MENTARY INFORMATION.—”;* and

10 *(5) by inserting before “No student” the fol-*
 11 *lowing:*

12 *“(4) FEES FOR SUPPLEMENTARY INFORMATION*
 13 *PROHIBITED.—”.*

14 *(d) TREATING ACTIVE DUTY MEMBERS OF THE*
 15 *ARMED FORCES AS INDEPENDENT STUDENTS.—Section*
 16 *480(d)(3) (20 U.S.C. 1087vv(d)(3)) is amended by inserting*
 17 *before the semicolon at the end the following: “or is cur-*
 18 *rently serving on active duty in the Armed Forces for other*
 19 *than training purposes”.*

20 *(e) EXCLUDABLE INCOME.—Section 480(e) (20 U.S.C.*
 21 *1087vv(e)) is amended—*

22 *(1) by striking “and” at the end of paragraph*
 23 *(3);*

24 *(2) by striking the period at the end of para-*
 25 *graph (4) and inserting “; and”; and*

1 (3) *by adding at the end the following new para-*
 2 *graph:*

3 “(5) *any part of any distribution from a quali-*
 4 *fied tuition program established under section 529 of*
 5 *the Internal Revenue Code of 1986 that is not includ-*
 6 *able in gross income under such section 529.”.*

7 (f) *TREATMENT OF SAVINGS PLANS.—*

8 (1) *AMENDMENT.—Section 480(f) (20 U.S.C.*
 9 *1087vv(f)) is amended—*

10 (A) *in paragraph (1), by inserting “quali-*
 11 *fied tuition programs established under section*
 12 *529 of the Internal Revenue Code of 1986 (26*
 13 *U.S.C. 529), except as provided in paragraph*
 14 *(2),” after “tax shelters,”;*

15 (B) *by redesignating paragraph (2) as*
 16 *paragraph (3); and*

17 (C) *by inserting after paragraph (1) the fol-*
 18 *lowing new paragraph:*

19 “(2) *A qualified tuition program shall not be consid-*
 20 *ered an asset of a dependent student under section 475 of*
 21 *this part. The value of a qualified tuition program for pur-*
 22 *poses of determining the assets of parents or independent*
 23 *students shall be—*

24 “(A) *the refund value of any tuition credits or*
 25 *certificates purchased under section 529 of the Inter-*

1 *nal Revenue Code of 1986 (26 U.S.C. 529) on behalf*
 2 *of a beneficiary; or*

3 *“(B) the current balance of any account which*
 4 *is established under such section for the purpose of*
 5 *meeting the qualified higher education expenses of the*
 6 *designated beneficiary of the account.”.*

7 *(2) CONFORMING AMENDMENT.—Section 480(j)*
 8 *(20 U.S.C. 1087vv(j)) is amended—*

9 *(A) by striking “; TUITION PREPAYMENT*
 10 *PLANS” in the heading of such subsection;*

11 *(B) by striking paragraph (2);*

12 *(C) in paragraph (3), by inserting “, or a*
 13 *distribution that is not includable in gross in-*
 14 *come under section 529 of such Code,” after*
 15 *“1986”; and*

16 *(D) by redesignating paragraph (3) as*
 17 *paragraph (2).*

18 *(g) TREATMENT OF FAMILY OWNERSHIP OF SMALL*
 19 *BUSINESSES.—Section 480(f)(3) of the Higher Education*
 20 *Act of 1965 (20 U.S.C. 1087vv(f)(3)), as redesignated by*
 21 *subsection (f) of this section, is amended—*

22 *(1) in subparagraph (A), by striking “or”;*

23 *(2) in subparagraph (B), by striking the period*
 24 *at the end and inserting “; or”; and*

1 (3) by adding at the end the following new sub-
2 paragraph:

3 “(C) a small business with not more than 100
4 full-time or full-time equivalent employees (or any
5 part of such a small business) that is owned and con-
6 trolled by the family.”.

7 (h) *DESIGNATED ASSISTANCE*.—Section 480(j) (20
8 U.S.C. 1087vv(j)) is amended by adding after paragraph
9 (2) (as redesignated by subsection (f)(2)(D) of this section)
10 the following new paragraph:

11 “(3) Notwithstanding paragraph (1) and section 472,
12 assistance not received under this title may be excluded
13 from both estimated financial assistance and cost of attend-
14 ance, if that assistance is designated by the State providing
15 that assistance to offset a specific component of the cost of
16 attendance. If that assistance is excluded from either esti-
17 mated financial assistance or cost of attendance, it shall
18 be excluded from both.”.

19 **PART G—GENERAL PROVISIONS RELATING TO**
20 **STUDENT FINANCIAL ASSISTANCE**

21 **SEC. 481. DEFINITIONS OF ACADEMIC YEAR AND ELIGIBLE**
22 **PROGRAM.**

23 (a) *ACADEMIC YEAR*.—Paragraph (2) of section 481(a)
24 (20 U.S.C. 1088(a)) is amended to read as follows:

1 “(2)(A) *For the purpose of any program under this*
 2 *title, the term ‘academic year’ shall—*

3 “(i) *require a minimum of 30 weeks of instruc-*
 4 *tional time for a course of study that measures its*
 5 *program length in credit hours; or*

6 “(ii) *require a minimum of 26 weeks of instruc-*
 7 *tional time for a course of study that measures its*
 8 *program length in clock hours; and*

9 “(iii) *require an undergraduate course of study*
 10 *to contain an amount of instructional time whereby*
 11 *a full-time student is expected to complete at least—*

12 “(I) *24 semester or trimester hours or 36*
 13 *quarter credit hours in a course of study that*
 14 *measures its program length in credit hours; or*

15 “(II) *900 clock hours in a course of study*
 16 *that measures its program length in clock hours.*

17 “(B) *The Secretary may reduce such minimum of 30*
 18 *weeks to not less than 26 weeks for good cause, as deter-*
 19 *mined by the Secretary on a case-by-case basis, in the case*
 20 *of an institution of higher education that provides a 2-year*
 21 *or 4-year program of instruction for which the institution*
 22 *awards an associate or baccalaureate degree.”.*

23 (b) *ELIGIBLE PROGRAM.—Section 481(b) (20 U.S.C.*
 24 *1088(b)) is amended by adding at the end the following new*
 25 *paragraph:*

1 “(3) *For purposes of this title, an eligible program in-*
2 *cludes an instructional program that utilizes direct assess-*
3 *ment of student learning, or recognizes the direct assessment*
4 *of student learning, in lieu of credit hours or clock hours*
5 *as the measure of student learning. In the case of a program*
6 *being determined eligible for the first time under this para-*
7 *graph, such determination shall be made by the Secretary*
8 *before such program is considered to be eligible. The Sec-*
9 *retary shall provide an annual report to Congress identi-*
10 *fying the programs made eligible under this paragraph.”.*

11 **SEC. 482. DISTANCE EDUCATION.**

12 (a) *DISTANCE EDUCATION: ELIGIBLE PROGRAM.—*
13 *Section 481(b) (20 U.S.C. 1088(b)) is amended by adding*
14 *after paragraph (3) (as added by section 481(b) of this Act)*
15 *the following new paragraph:*

16 “(4) *An otherwise eligible program that is offered in*
17 *whole or in part through telecommunications is eligible for*
18 *the purposes of this title if the program is offered by an*
19 *institution, other than a foreign institution, that has been*
20 *evaluated and determined (before or after the date of enact-*
21 *ment of this paragraph) to have the capability to effectively*
22 *deliver distance education programs by an accrediting*
23 *agency or association that—*

24 “(A) *is recognized by the Secretary under sub-*
25 *part 2 of Part H; and*

1 “(B) *has evaluation of distance education pro-*
 2 *grams within the scope of its recognition, as described*
 3 *in section 496(n)(3).”.*

4 (b) *CORRESPONDENCE COURSES.—Section 484(l)(1)*
 5 *(20 U.S.C. 1091(l)(1)) is amended—*

6 (1) *in subparagraph (A)—*

7 (A) *by striking “for a program of study of*
 8 *1 year or longer”; and*

9 (B) *by striking “unless the total” and all*
 10 *that follows through “courses at the institution”;*
 11 *and*

12 (2) *by amending subparagraph (B) to read as*
 13 *follows:*

14 “(B) *EXCEPTION.—Subparagraph (A) does*
 15 *not apply to an institution or school described in*
 16 *section 3(3)(C) of the Carl D. Perkins Vocational*
 17 *and Technical Education Act of 1998.”.*

18 **SEC. 483. EXPANDING INFORMATION DISSEMINATION RE-**
 19 **GARDING ELIGIBILITY FOR PELL GRANTS.**

20 Section 483(a) (20 U.S.C. 1090(a)) (as amended by
 21 section 471(b)) is further amended by adding at the end
 22 the following new paragraph:

23 “(13) *EXPANDING INFORMATION DISSEMINATION*
 24 *REGARDING ELIGIBILITY FOR PELL GRANTS.—The*
 25 *Secretary shall make special efforts, in conjunction*

1 *with State efforts, to notify students and their parents*
 2 *who qualify for a free lunch under the Richard B.*
 3 *Russell National School Lunch Act (42 U.S.C. 1751*
 4 *et seq.), the Food Stamps program, or such other pro-*
 5 *grams as the Secretary shall determine, of their po-*
 6 *tential eligibility for a maximum Pell Grant, and*
 7 *shall disseminate such informational materials as the*
 8 *Secretary deems appropriate.”.*

9 **SEC. 484. STUDENT ELIGIBILITY.**

10 *(a) FRAUD: REPAYMENT REQUIRED.—Section 484(a)*
 11 *(20 U.S.C. 1091(a)) is amended—*

12 *(1) by striking the period at the end of para-*
 13 *graph (5) and inserting “; and”; and*

14 *(2) by adding at the end the following new para-*
 15 *graph:*

16 *“(6) if the student has been convicted of, or has*
 17 *pled nolo contendere or guilty to, a crime involving*
 18 *fraud in obtaining funds under this title, have com-*
 19 *pleted the repayment of such funds to the Secretary,*
 20 *or to the holder in the case of a loan under this title*
 21 *obtained by fraud.”.*

22 *(b) TECHNICAL AMENDMENT.—Section 484(b)(5) (20*
 23 *U.S.C. 1091(b)(5)) is amended by inserting “or parent (on*
 24 *behalf of a student)” after “student”.*

1 (c) *LOAN INELIGIBILITY BASED ON INVOLUNTARY*
 2 *CIVIL COMMITMENT FOR SEXUAL OFFENSES.*—Section
 3 484(b)(5) (20 U.S.C. 1091(b)(5)) is further amended by in-
 4 serting before the period the following: “, and no student
 5 who is subject to an involuntary civil commitment upon
 6 completion of a period of incarceration for a sexual offense
 7 (as determined under regulations of the Secretary) is eligi-
 8 ble to receive a loan under this title”.

9 (d) *FREELY ASSOCIATED STATES.*—Section 484(j) (20
 10 U.S.C. 1091(j)) is amended by inserting “and shall be eligi-
 11 ble only for assistance under subpart 1 of part A there-
 12 after,” after “part C,”.

13 (e) *VERIFICATION OF INCOME DATE.*—Paragraph (1)
 14 of section 484(q) (20 U.S.C. 1091(q)) is amended to read
 15 as follows:

16 “(1) *CONFIRMATION WITH IRS.*—The Secretary
 17 of Education, in cooperation with the Secretary of the
 18 Treasury, is authorized to confirm with the Internal
 19 Revenue Service the information specified in section
 20 6103(l)(13) of the Internal Revenue Code of 1986 re-
 21 ported by applicants (including parents) under this
 22 title on their Federal income tax returns for the pur-
 23 pose of verifying the information reported by appli-
 24 cants on student financial aid applications.”.

1 (f) *SUSPENSION OF ELIGIBILITY FOR DRUG OF-*
 2 *FENSES.—Section 484(r)(1) (20 U.S.C. 1091(r)(1)) is*
 3 *amended by striking everything preceding the table and in-*
 4 *serting the following:*

5 “(1) *IN GENERAL.—A student who is convicted*
 6 *of any offense under any Federal or State law involv-*
 7 *ing the possession or sale of a controlled substance for*
 8 *conduct that occurred during a period of enrollment*
 9 *for which the student was receiving any grant, loan,*
 10 *or work assistance under this title shall not be eligible*
 11 *to receive any grant, loan, or work assistance under*
 12 *this title from the date of that conviction for the pe-*
 13 *riod of time specified in the following table:”.*

14 **SEC. 485. INSTITUTIONAL REFUNDS.**

15 Section 484B (20 U.S.C. 1091b) is amended—

16 (1) *in subsection (a)(1), by inserting “subpart 4*
 17 *of part A or” after “received under”;*

18 (2) *in subsection (a)(2), by striking “takes a*
 19 *leave” and by inserting “takes one or more leaves”;*

20 (3) *in subsection (a)(3)(B)(ii), by inserting “(as*
 21 *determined in accordance with subsection (d))” after*
 22 *“student has completed”;*

23 (4) *in subsection (a)(4), by amending subpara-*
 24 *graph (A) to read as follows:*

1 “(A) *IN GENERAL*.—After determining the
 2 *eligibility of the student for a late disbursement*
 3 *or post-withdrawal disbursement (as required in*
 4 *regulations prescribed by the Secretary), the in-*
 5 *stitution of higher education shall contact the*
 6 *borrower and obtain confirmation that the loan*
 7 *funds are still required by the borrower. In mak-*
 8 *ing such contact, the institution shall explain to*
 9 *the borrower the borrower’s obligation to repay*
 10 *the funds following any such disbursement. The*
 11 *institution shall document in the borrower’s file*
 12 *the result of such contact and the final deter-*
 13 *mination made concerning such disbursement.”;*

14 (5) in subsection (b)(1), by inserting “no later
 15 than 45 days from the determination of withdrawal”
 16 after “return”;

17 (6) in subsection (b)(2), by amending subpara-
 18 graph (C) to read as follows:

19 “(C) *GRANT OVERPAYMENT REQUIRE-*
 20 *MENTS*.—

21 “(i) *IN GENERAL*.—Notwithstanding
 22 *subparagraphs (A) and (B), a student shall*
 23 *only be required to return grant assistance*
 24 *in the amount (if any) by which—*

1 “(I) the amount to be returned by
2 the student (as determined under sub-
3 paragraphs (A) and (B)), exceeds

4 “(II) 50 percent of the total grant
5 assistance received by the student
6 under this title for the payment period
7 or period of enrollment.

8 “(ii) MINIMUM.—A student shall not
9 be required to return amounts of \$50 or
10 less.”;

11 (7) in subsection (b)(2), by adding at the end the
12 following new subparagraph:

13 “(D) WAIVERS OF PELL GRANT REPAYMENT
14 BY STUDENTS AFFECTED BY DISASTERS.—The
15 Secretary may waive the amounts that students
16 are required to return under this section with re-
17 spect to Pell grants if the withdrawals on which
18 the returns are based are withdrawals by stu-
19 dents—

20 “(i) who were residing in, employed
21 in, or attending an institution of higher
22 education that is located in an area in
23 which the President has declared that a
24 major disaster exists, in accordance with
25 section 401 of the Robert T. Stafford Dis-

aster Relief and Emergency Assistance Act
(42 U.S.C. 5170);

“(ii) whose attendance was interrupted
because of the impact of the disaster on the
student or the institution; and

“(iii) whose withdrawal ended within
the academic year during which the des-
ignation occurred or during the next suc-
ceeding academic year.”; and

(8) in subsection (d), by striking “(a)(3)(B)(i)”
and inserting “(a)(3)(B)”.

**SEC. 486. INSTITUTIONAL AND FINANCIAL ASSISTANCE IN-
FORMATION FOR STUDENTS.**

(a) **INFORMATION DISSEMINATION ACTIVITIES.**—Sec-
tion 485(a)(1) (20 U.S.C. 1092(a)(1)) is amended—

(1) by amending the second sentence to read as
follows: “The information required by this section
shall be produced and be made publicly available to
an enrolled student and to any prospective student,
through appropriate publications, mailings, electronic
media, and the reports required by the institution’s
accrediting agency under section 496(c)(9).”;

(2) by amending subparagraph (G) to read as
follows:

1 “(G) the academic programs of the institution,
2 including—

3 “(i) the current degree programs and other
4 educational and training programs;

5 “(ii) the institution’s educational mission
6 and goals;

7 “(iii) the instructional, laboratory, and
8 other physical plant facilities which relate to the
9 academic programs; and

10 “(iv) the faculty and other instructional
11 personnel;”;

12 (3) by striking subparagraph (L) and inserting
13 the following:

14 “(L) a summary of student outcomes for full-
15 time undergraduate students, including—

16 “(i) the completion or graduation rates of
17 certificate- or degree-seeking undergraduate stu-
18 dents entering such institutions; and

19 “(ii) any other student outcome data, quali-
20 tative or quantitative, including data regarding
21 distance education, deemed by the institution to
22 be appropriate to its stated educational mission
23 and goals, and, when applicable, licensing and
24 placement rates for professional and vocational
25 programs;”;

1 (4) *by inserting before the semicolon at the end*
2 *of subparagraph (J) the following: “, and the process*
3 *for students to register complaints with the accred-*
4 *iting agencies or associations”;*

5 (5) *in subparagraph (M), by striking “guaran-*
6 *teed student loans under part B of this title or direct*
7 *student loans under part E of this title, or both,” and*
8 *inserting “student loans under part B, D, or E of this*
9 *title”;*

10 (6) *by striking “and” at the end of subpara-*
11 *graph (N);*

12 (7) *by striking the period at the end of subpara-*
13 *graph (O) and inserting a semicolon; and*

14 (8) *by adding at the end the following new sub-*
15 *paragraphs:*

16 “(P) *the penalties contained in subsection 484(r)*
17 *regarding suspension of eligibility for drug related of-*
18 *fenses;*

19 “(Q) *the policies of the institution regarding the*
20 *acceptance or denial of academic credit earned at an-*
21 *other institution of higher education, which shall in-*
22 *clude a statement that such decisions will not be*
23 *based solely on the source of accreditation of a send-*
24 *ing institution, provided that the sending institution*
25 *is accredited by an agency or association that is rec-*

1 *ognized by the Secretary pursuant to section 496 to*
 2 *be a reliable authority as to the quality of the edu-*
 3 *cation or training offered, and except that nothing in*
 4 *this subparagraph shall be construed to—*

5 *“(i) authorize an officer or employee of the*
 6 *Department to exercise any direction, super-*
 7 *vision, or control over the curriculum, program*
 8 *of instruction, administration, or personnel of*
 9 *any institution of higher education, or over any*
 10 *accrediting agency or association;*

11 *“(ii) limit the application of the General*
 12 *Education Provisions Act; or*

13 *“(iii) create any legally enforceable right;*
 14 *and”.*

15 *(b) ADDITIONAL AMENDMENTS.—Section 485(a) is*
 16 *further amended by striking paragraph (6) and inserting*
 17 *the following:*

18 *“(6) Each institution may provide supplemental infor-*
 19 *mation to enrolled and prospective students showing the*
 20 *completion or graduation rate for students described in*
 21 *paragraph (4). For the purpose of this paragraph, the defi-*
 22 *nitions provided in the Integrated Postsecondary Education*
 23 *Data System shall apply.*

24 *“(7) Each eligible institution participating in any*
 25 *program under this title may publicly report to currently*

1 enrolled and prospective students the voluntary information
 2 collected by the National Survey of Student Engagement
 3 (NSSE), the Community College Survey of Student En-
 4 gagement (CCSSE), or other instruments that provide evi-
 5 dence of student participation in educationally purposeful
 6 activities. The information shall be produced and made
 7 available in a uniform and comprehensible manner,
 8 through appropriate publications, mailings, and electronic
 9 media, and may be included in reports required by the in-
 10 stitution’s accrediting agency.”.

11 (c) *EXIT COUNSELING*.—Section 485(b) (20 U.S.C.
 12 1092(b)) is amended by adding at the end the following new
 13 paragraph:

14 “(3) Each eligible institution shall, during the exit
 15 interview required by this subsection, provide to a borrower
 16 of a loan made under part B, D, or E a clear and con-
 17 spicuous notice describing the effect of using a consolidation
 18 loan to discharge the borrower’s student loans, including—

19 “(A) the effects of consolidation on total interest
 20 to be paid, fees to be paid, and length of repayment;

21 “(B) the effects of consolidation on a borrower’s
 22 underlying loan benefits, including loan forgiveness,
 23 cancellation, and deferment;

24 “(C) the ability for the borrower to prepay the
 25 loan, pay on a shorter schedule, and to change repay-

1 *ment plans, and that borrower benefit programs may*
 2 *vary among different loan holders;*

3 *“(D) the tax benefits for which the borrower may*
 4 *be eligible; and*

5 *“(E) the consequences of default.”.*

6 *(d) CAMPUS CRIME INFORMATION.—Section 485(f)(1)*
 7 *(20 U.S.C. 1092(f)(1)) is amended by inserting “, other*
 8 *than a foreign institution of higher education,” after*
 9 *“under this title”.*

10 *(e) DISCLOSURE OF FIRE SAFETY OF CAMPUS BUILD-*
 11 *INGS.—Section 485 of the Higher Education Act of 1965*
 12 *(20 U.S.C. 1092) is further amended—*

13 *(1) in subsection (a)(1), by adding after sub-*
 14 *paragraph (Q) (as added by subsection (a)(8) of this*
 15 *section) the following new subparagraph:*

16 *“(R) the fire safety report prepared by the insti-*
 17 *tution pursuant to subsection (h).”; and*

18 *(2) by adding at the end the following new sub-*
 19 *section:*

20 *“(h) DISCLOSURE OF FIRE SAFETY STANDARDS AND*
 21 *MEASURES.—*

22 *“(1) ANNUAL FIRE SAFETY REPORTS RE-*
 23 *QUIRED.—Each institution participating in any pro-*
 24 *gram under this title shall, beginning in the first aca-*
 25 *demic year that begins after the date of enactment of*

1 *the College Access and Opportunity Act of 2005, and*
2 *each year thereafter, prepare, publish, and distribute,*
3 *through appropriate publications (including the*
4 *Internet) or mailings, to all current students and em-*
5 *ployees, and to any applicant for enrollment or em-*
6 *ployment upon request, an annual fire safety report.*
7 *Such reports shall contain at least the following infor-*
8 *mation with respect to the campus fire safety prac-*
9 *tices and standards of that institution:*

10 *“(A) A statement that identifies each insti-*
11 *tution-owned or controlled student housing facil-*
12 *ity, and whether or not such facility is equipped*
13 *with a fire sprinkler system or other fire safety*
14 *system, or has fire escape planning or protocols.*

15 *“(B) Statistics for each such facility con-*
16 *cerning the occurrence of fires and false alarms*
17 *in such facility during the 2 preceding calendar*
18 *years for which data are available.*

19 *“(C) For each such occurrence in each such*
20 *facility, a summary of the human injuries or*
21 *deaths, structural or property damage, or com-*
22 *bination thereof.*

23 *“(D) Information regarding rules on port-*
24 *able electrical appliances, smoking and open*
25 *flames (such as candles), regular mandatory su-*

1 *pervised fire drills, and planned and future im-*
2 *provements in fire safety.*

3 *“(E) Information about fire safety edu-*
4 *cation and training provided to students, fac-*
5 *ulty, and staff.*

6 *“(F) Information concerning fire safety at*
7 *any housing facility owned or controlled by a*
8 *fraternity, sorority, or student group that is rec-*
9 *ognized by the institution, including—*

10 *“(i) information reported to the insti-*
11 *tution under paragraph (4); and*

12 *“(ii) a statement concerning whether*
13 *and how the institution works with recog-*
14 *nized student fraternities and sororities,*
15 *and other recognized student groups owning*
16 *or controlling housing facilities, to make*
17 *each building and property owned or con-*
18 *trolled by such fraternities, sororities, and*
19 *groups more fire safe.*

20 *“(2) FRATERNITIES, SORORITIES, AND OTHER*
21 *GROUPS.—Each institution participating in a pro-*
22 *gram under this title shall request each fraternity and*
23 *sorority that is recognized by the institution, and any*
24 *other student group that is recognized by the institu-*
25 *tion and that owns or controls housing facilities, to*

1 *collect and report to the institution the information*
2 *described in subparagraphs (A) through (E) of para-*
3 *graph (1), as applied to the fraternity, sorority, or*
4 *recognized student group, respectively, for each build-*
5 *ing and property owned or controlled by the frater-*
6 *nity, sorority, or group, respectively.*

7 “(3) *CURRENT INFORMATION TO CAMPUS COMMU-*
8 *NITY.—Each institution participating in any pro-*
9 *gram under this title shall make, keep, and maintain*
10 *a log, written in a form that can be easily under-*
11 *stood, recording all on-campus fires, including the na-*
12 *ture, date, time, and general location of each fire and*
13 *all false fire alarms. All entries that are required pur-*
14 *suant to this paragraph shall, except where disclosure*
15 *of such information is prohibited by law, be open to*
16 *public inspection, and each such institution shall*
17 *make annual reports to the campus community on*
18 *such fires and false fire alarms in a manner that will*
19 *aid the prevention of similar occurrences.*

20 “(4) *REPORTS TO THE SECRETARY.—On an an-*
21 *nuual basis, each institution participating in any pro-*
22 *gram under this title shall submit to the Secretary a*
23 *copy of the statistics required to be made available*
24 *under paragraph (1)(B). The Secretary shall—*

25 “(A) *review such statistics;*

1 “(B) make copies of the statistics submitted
2 to the Secretary available to the public; and

3 “(C) in coordination with nationally recog-
4 nized fire organizations and representatives of
5 institutions of higher education, identify exem-
6 plary fire safety policies, procedures, and prac-
7 tices and disseminate information concerning
8 those policies, procedures, and practices that
9 have proven effective in the reduction of campus
10 fires.

11 “(5) *RULE OF CONSTRUCTION.*—Nothing in this
12 subsection shall be construed to authorize the Sec-
13 retary to require particular policies, procedures, or
14 practices by institutions of higher education with re-
15 spect to fire safety.

16 “(6) *DEFINITIONS.*—In this subsection, the term
17 ‘campus’ has the meaning provided in subsection
18 (f)(6).”.

19 **SEC. 487. COLLEGE ACCESS INITIATIVE.**

20 Part G is further amended by inserting after section
21 485C (20 U.S.C. 1092c) the following new section:

22 **“SEC. 485D. COLLEGE ACCESS INITIATIVE.**

23 “(a) *STATE-BY-STATE INFORMATION.*—The Secretary
24 shall direct each guaranty agency with which the Secretary
25 has an agreement under section 428(c) to provide to the

1 *Secretary the information necessary for the development of*
 2 *web links and access for students and families to a com-*
 3 *prehensive listing of the postsecondary education opportuni-*
 4 *ties, programs, publications, Internet Web sites, and other*
 5 *services available in the States for which such agency serves*
 6 *as the designated guarantor.*

7 “(b) *GUARANTY AGENCY ACTIVITIES.*—

8 “(1) *PLAN AND ACTIVITY REQUIRED.*—*Each*
 9 *guaranty agency with which the Secretary has an*
 10 *agreement under section 428(c) shall develop a plan*
 11 *and undertake the activity necessary to gather the in-*
 12 *formation required under subsection (a) and to make*
 13 *such information available to the public and to the*
 14 *Secretary in a form and manner as prescribed by the*
 15 *Secretary.*

16 “(2) *ACTIVITIES.*—*Each guaranty agency shall*
 17 *undertake such activities as are necessary to promote*
 18 *access to postsecondary education for students through*
 19 *providing information on college planning, career*
 20 *preparation, and paying for college. The guaranty*
 21 *agency shall publicize such information and coordi-*
 22 *nate such activities with other entities that either pro-*
 23 *vide or distribute such information in the States for*
 24 *which such guaranty agency serves as the designated*
 25 *guarantor.*

1 “(3) *FUNDING.*—*The activities required by this*
2 *section may be funded from the guaranty agency’s op-*
3 *erating account established pursuant to section 422B*
4 *and, to the extent funds remain, from earnings on the*
5 *restricted account established pursuant to section*
6 *422(h)(4).*

7 “(c) *ACCESS TO INFORMATION.*—

8 “(1) *SECRETARY’S RESPONSIBILITY.*—*The Sec-*
9 *retary shall ensure the availability of the information*
10 *provided by the guaranty agencies in accordance with*
11 *this section to students, parents, and other interested*
12 *individuals, through web links or other methods pre-*
13 *scribed by the Secretary.*

14 “(2) *GUARANTY AGENCY RESPONSIBILITY.*—*The*
15 *guaranty agencies shall ensure that the information*
16 *required by this section is available without charge in*
17 *printed format for students and parents requesting*
18 *such information.*

19 “(3) *PUBLICITY.*—*Within 270 days after the date*
20 *of enactment of the College Access and Opportunity*
21 *Act of 2005, the Secretary and guaranty agencies*
22 *shall publicize the availability of the information re-*
23 *quired by this section, with special emphasis on en-*
24 *sureing that populations that are traditionally under-*

1 *represented in postsecondary education are made*
 2 *aware of the availability of such information.”.*

3 **SEC. 488. DISTANCE EDUCATION DEMONSTRATION PRO-**
 4 **GRAM.**

5 (a) *ELIGIBLE APPLICANTS.*—Section 486(b)(3) (20
 6 *U.S.C. 1093(b)(3)) is amended—*

7 (1) *in subparagraph (B), by striking “section*
 8 *102(a)(1)(C)” and inserting “section 102”; and*

9 (2) *in subparagraph (C), by striking “subsection*
 10 *(a) of section 102, other than the requirement of para-*
 11 *graph (3)(A) or (3)(B) of such subsection,” and in-*
 12 *serting “section 101, other than the requirements of*
 13 *subparagraph (A) or (B) of subsection (b)(4) of such*
 14 *section”.*

15 (b) *SELECTION.*—Section 486(d)(1) (20 *U.S.C.*
 16 *1093(d)(1)) is amended—*

17 (1) *by striking “the third year” and inserting*
 18 *“subsequent years”;*

19 (2) *by striking “35 institutions” and inserting*
 20 *“100 institutions”; and*

21 (3) *by adding at the end the following new sen-*
 22 *tence: “Not more than 5 of such institutions, systems,*
 23 *or consortia may be accredited, degree-granting cor-*
 24 *respondence schools.”.*

1 **SEC. 489. COLLEGE AFFORDABILITY DEMONSTRATION PRO-**
2 **GRAM.**

3 *Part G of title IV is amended by inserting after section*
4 *486 (20 U.S.C. 1093) the following new section:*

5 **“SEC. 486A. COLLEGE AFFORDABILITY DEMONSTRATION**
6 **PROGRAM.**

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

8 *“(1) to provide, through a college affordability*
9 *demonstration program, for increased innovation in*
10 *the delivery of higher education and student financial*
11 *aid in a manner resulting in reduced costs for stu-*
12 *dents as well as the institution by employing one or*
13 *more strategies including accelerating degree or pro-*
14 *gram completion, increasing availability of, and ac-*
15 *cess to, distance components of education delivery, en-*
16 *gaging in collaborative arrangements with other insti-*
17 *tutions and organizations, and other alternative*
18 *methodologies; and*

19 *“(2) to help determine—*

20 *“(A) the most effective means of delivering*
21 *student financial aid as well as quality edu-*
22 *cation;*

23 *“(B) the specific statutory and regulatory*
24 *requirements that should be altered to provide for*
25 *more efficient and effective delivery of student fi-*
26 *nancial aid, as well as access to high quality dis-*

1 *tance education programs, resulting in a student*
2 *more efficiently completing postsecondary edu-*
3 *cation; and*

4 *“(C) the most effective methods of obtaining*
5 *and managing institutional resources.*

6 *“(b) DEMONSTRATION PROGRAM AUTHORIZED.—*

7 *“(1) IN GENERAL.—In accordance with the pur-*
8 *poses described in subsection (a) and the provisions of*
9 *subsection (d), the Secretary is authorized to select*
10 *not more than 100 institutions of higher education,*
11 *including those applying as part of systems or con-*
12 *sortia of such institutions, for voluntary participa-*
13 *tion in the College Affordability Demonstration Pro-*
14 *gram in order to enable participating institutions to*
15 *carry out such purposes by providing programs of*
16 *postsecondary education, and making available stu-*
17 *dent financial assistance under this title to students*
18 *enrolled in those programs, in a manner that would*
19 *not otherwise meet the requirements of this title.*

20 *“(2) WAIVERS.—The Secretary is authorized to*
21 *wave for any institutions of higher education, or any*
22 *system or consortia of institutions of higher edu-*
23 *cation, selected for participation in the College Af-*
24 *fordability Demonstration Program, any require-*
25 *ments of this Act or the regulations thereunder as*

1 *deemed necessary by the Secretary to meet the pur-*
2 *pose described in subsection (a)(1), and shall make a*
3 *determination that the waiver can reasonably be ex-*
4 *pected to result in reduced costs to students or institu-*
5 *tions without an increase in Federal program costs.*
6 *The Secretary may not waive under this paragraph*
7 *the maximum award amounts for an academic year*
8 *or loan period.*

9 “(3) *ELIGIBLE APPLICANTS.*—

10 “(A) *ELIGIBLE INSTITUTIONS.*—*Except as*
11 *provided in subparagraph (B), only an institu-*
12 *tion of higher education that is eligible to par-*
13 *ticipate in programs under this title shall be eli-*
14 *gible to participate in the demonstration pro-*
15 *gram authorized under this section.*

16 “(B) *PROHIBITION.*—*An institution of high-*
17 *er education described in section 102 shall not be*
18 *eligible to participate in the demonstration pro-*
19 *gram authorized under this section.*

20 “(c) *APPLICATION.*—

21 “(1) *IN GENERAL.*—*Each institution or system*
22 *of institutions desiring to participate in the dem-*
23 *onstration program under this section shall submit*
24 *an application to the Secretary at such time and in*
25 *such manner as the Secretary may require.*

1 “(2) *CONTENTS OF APPLICATIONS.*—*Each appli-*
2 *cation for the college affordability demonstration pro-*
3 *gram shall include at least the following:*

4 “(A) *a description of the institution or sys-*
5 *tem or consortium of institutions and what qual-*
6 *ity assurance mechanisms are in place to insure*
7 *the integrity of the Federal financial aid pro-*
8 *grams;*

9 “(B) *a description of the innovation or in-*
10 *novations being proposed and the affected pro-*
11 *grams and students, including—*

12 “(i) *a description of any collaborative*
13 *arrangements with other institutions or or-*
14 *ganizations to reduce costs;*

15 “(ii) *a description of any expected eco-*
16 *nomie impact of participation in the pro-*
17 *gram within the community in which the*
18 *institution is located; and*

19 “(iii) *a description of any means the*
20 *institution will employ to reduce the costs of*
21 *instructional materials, such as textbooks;*

22 “(C) *a description of each regulatory or*
23 *statutory requirement for which waivers are*
24 *sought, with a reason for each waiver;*

1 “(D) a description of the expected outcomes
2 of the program changes proposed, including the
3 estimated reductions in costs both for the institu-
4 tion and for students;

5 “(E) a description of the quality assurance
6 mechanisms in place to ensure the integrity of
7 the Federal financial aid programs;

8 “(F) an assurance from each institution in
9 a system or consortium of a commitment to ful-
10 fill its role as described in the application;

11 “(G) an assurance that the participating
12 institution or system of institutions will offer
13 full cooperation with the ongoing evaluations of
14 the demonstration program provided for in this
15 section; and

16 “(H) any other information or assurances
17 the Secretary may require.

18 “(d) *SELECTION*.—In selecting institutions to partici-
19 pate in the demonstration program under this section, the
20 Secretary shall take into account—

21 “(1) the number and quality of applications re-
22 ceived, determined on the basis of the contents re-
23 quired by subsection (c)(2);

24 “(2) the Department’s capacity to oversee and
25 monitor each institution’s participation;

1 “(3) *an institution’s—*

2 “(A) *financial responsibility;*

3 “(B) *administrative capability;*

4 “(C) *program or programs being offered via*
5 *distance education, if applicable;*

6 “(D) *student completion rates; and*

7 “(E) *student loan default rates; and*

8 “(4) *the participation of a diverse group of insti-*
9 *tutions with respect to size, mission, and geographic*
10 *distribution.*

11 “(e) *NOTIFICATION.—The Secretary shall make avail-*
12 *able to the public and to the authorizing committees a list*
13 *of institutions selected to participate in the demonstration*
14 *program authorized by this section. Such notice shall in-*
15 *clude a listing of the specific statutory and regulatory re-*
16 *quirements being waived for each institution and a descrip-*
17 *tion of the innovations being demonstrated.*

18 “(f) *EVALUATIONS AND REPORTS.—*

19 “(1) *EVALUATION.—The Secretary shall evaluate*
20 *the demonstration program authorized under this sec-*
21 *tion on a biennial basis. Such evaluations specifically*
22 *shall review—*

23 “(A) *the extent to which expected outcomes,*
24 *including the estimated reductions in cost, were*
25 *achieved;*

1 “(B) the number and types of students par-
2 ticipating in the programs offered, including the
3 progress of participating students toward recog-
4 nized certificates or degrees and the extent to
5 which participation in such programs increased;

6 “(C) issues related to student financial as-
7 sistance associated with the innovations under-
8 taken;

9 “(D) effective technologies and alternative
10 methodologies for delivering student financial as-
11 sistance;

12 “(E) the extent of the cost savings to the in-
13 stitution, the student, and the Federal Govern-
14 ment by virtue of the waivers provided, and an
15 estimate as to future cost savings for the dura-
16 tion of the demonstration program;

17 “(F) the extent to which students saved
18 money by virtue of completing their postsec-
19 ondary education sooner;

20 “(G) the extent to which the institution re-
21 duced its tuition and fees and its costs by virtue
22 of participation in the demonstration program;

23 “(H) the extent to which any collaborative
24 arrangements with other institutions or organi-

1 *zations have reduced the participating institu-*
2 *tion’s costs; and*

3 *“(I) the extent to which statutory or regu-*
4 *latory requirements not waived under the dem-*
5 *onstration program present difficulties for stu-*
6 *dents or institutions.*

7 *“(2) POLICY ANALYSIS.—The Secretary shall re-*
8 *view current policies and identify those policies that*
9 *present impediments to the implementation of inno-*
10 *vations that result in cost savings and in expanding*
11 *access to education.*

12 *“(3) REPORTS.—The Secretary shall provide a*
13 *report to the authorizing committees on a biennial*
14 *basis regarding—*

15 *“(A) the demonstration program authorized*
16 *under this section;*

17 *“(B) the results of the evaluations conducted*
18 *under paragraph (1);*

19 *“(C) the cost savings to the Federal Govern-*
20 *ment by the demonstration program authorized*
21 *by this section; and*

22 *“(D) recommendations for changes to in-*
23 *crease the efficiency and effective delivery of fi-*
24 *nancial aid.*

1 “(g) *OVERSIGHT.*—*In conducting the demonstration*
2 *program authorized under this section, the Secretary shall,*
3 *on a continuing basis—*

4 “(1) *ensure compliance of institutions or systems*
5 *of institutions with the requirements of this title*
6 *(other than the sections and regulations that are*
7 *waived under subsection (b)(2));*

8 “(2) *provide technical assistance to institutions*
9 *in their application to and participation in the dem-*
10 *onstration program;*

11 “(3) *monitor fluctuations in the student popu-*
12 *lation enrolled in the participating institutions or*
13 *systems of institutions;*

14 “(4) *monitor changes in financial assistance*
15 *provided at the institution; and*

16 “(5) *consult with appropriate accrediting agen-*
17 *cies or associations and appropriate State regulatory*
18 *authorities.*

19 “(h) *TERMINATION OF AUTHORITY.*—*The authority of*
20 *the Secretary under this section shall cease to be effective*
21 *on October 1, 2011.”.*

22 **SEC. 490. PROGRAM PARTICIPATION AGREEMENTS.**

23 “(a) *REFUND POLICIES.*—*Section 487(a) (20 U.S.C.*
24 *1094(a)) is amended—*

1 (1) in paragraph (16), by inserting “or other
2 *Federal, State, or local government funds*” after
3 *“funds under this title”* each place it appears;

4 (2) in paragraph (22), by striking “refund pol-
5 *icy*” and inserting “*policy on the return of title IV*
6 *funds*”; and

7 (3) in paragraph (23)—

8 (A) by moving subparagraph (C) 2 em
9 spaces to the left; and

10 (B) by adding after such subparagraph the
11 following new subparagraph:

12 “(D) *An institution shall be considered in com-*
13 *pliance with the requirements of subparagraph (A)*
14 *for any student to whom the institution electronically*
15 *transmits a message containing a voter registration*
16 *form acceptable for use in the State in which the in-*
17 *stitution is located, or an Internet address where such*
18 *a form can be downloaded, provided such information*
19 *is in an electronic message devoted to voter registra-*
20 *tion.”.*

21 (b) *ENFORCING THE 90/10 RULE.*—

22 (1) *AMENDMENT.*—Section 487(a) (20 U.S.C.
23 1094(a)) is further amended by adding at the end the
24 following new paragraph:

1 “(24) *The institution will, as calculated in ac-*
 2 *cordance with subsection (f)(1), have at least 10 per-*
 3 *cent of its revenues from sources other than funds pro-*
 4 *vided under this title, or will be subject to the sanc-*
 5 *tions described in subsection (f)(2).’*.”

6 (2) *IMPLEMENTATION.*—Section 487 is further
 7 amended by adding at the end the following new sub-
 8 section:

9 “(f) *IMPLEMENTATION OF NON-TITLE IV REVENUE*
 10 *REQUIREMENT.*—

11 “(1) *CALCULATION.*—In carrying out subsection
 12 (a)(24), an institution shall use the cash basis of ac-
 13 counting and count the following funds toward the 10
 14 percent of revenues from sources of funds other than
 15 funds provided under this title:

16 “(A) *funds used by students to pay tuition,*
 17 *fees, and other institutional charges from sources*
 18 *other than funds provided under this title as*
 19 *long as the institution can reasonably dem-*
 20 *onstrate that such funds were used for such pur-*
 21 *poses;*

22 “(B) *institutional funds used to satisfy*
 23 *matching-fund requirements for programs under*
 24 *this title;*

1 “(C) funds from savings plans for edu-
2 cational expenses established pursuant to the In-
3 ternal Revenue Code of 1986;

4 “(D) funds paid by a student, or on behalf
5 of a student by a party other than the institu-
6 tion, for an education or training program that
7 is not eligible for funds under this title, so long
8 as the program is approved or licensed by the
9 appropriate State agency or an accrediting
10 agency recognized by the Secretary; and

11 “(E) institutional aid, as follows:

12 “(i) in the case of institutional loans,
13 only the amount of loan repayments re-
14 ceived during the fiscal year; and

15 “(ii) in the case of institutional schol-
16 arships, only those provided by the institu-
17 tion in the form of monetary aid or tuition
18 discounts based upon the academic achieve-
19 ments or financial need of students, dis-
20 bursed during the fiscal year from an estab-
21 lished restricted account, and only to the ex-
22 tent that the funds in that account represent
23 designated funds from an outside source or
24 from income earned on those funds.

1 “(2) *SANCTIONS.*—*An institution that fails to*
2 *meet the requirements of subsection (a)(24) for 3 con-*
3 *secutive years shall become ineligible to participate in*
4 *the programs authorized by this title. In addition to*
5 *such other means of enforcing the requirements of this*
6 *title as may be available to the Secretary, if an insti-*
7 *tution fails to meet the requirements of subsection*
8 *(a)(24) in any year, the Secretary may impose one*
9 *or more of the following sanctions on the institution:*

10 “(A) *Place the institution on provisional*
11 *certification in accordance with section 498(h)*
12 *until the institution demonstrates, to the satis-*
13 *faction of the Secretary, that it is in compliance*
14 *with subsection (a)(24).*

15 “(B) *Require such other increased moni-*
16 *toring and reporting requirements as the Sec-*
17 *retary determines necessary until the institution*
18 *demonstrates, to the satisfaction of the Secretary,*
19 *that it is in compliance with subsection (a)(24).*

20 “(3) *PUBLICATION ON COOL WEBSITE.*—*The Sec-*
21 *retary shall identify, on the College Opportunities*
22 *On-Line website under section 131(b), any institution*
23 *that fails to meet the requirements of subsection*
24 *(a)(24) in any year as an institution that is failing*

1 to meet the minimum non-Federal source of revenue
2 requirements of that subsection.”.

3 (c) *REPORTS ON DISCIPLINARY PROCEEDINGS.*—

4 (1) *AMENDMENT.*—Section 487(a) (20 U.S.C.
5 1094(a)) is further amended by adding after para-
6 graph (24), as added by subsection (b) of this section,
7 the following new paragraph:

8 “(25) The institution will disclose to the alleged
9 victim of any crime of violence (as that term is de-
10 fined in section 16 of title 18), or a nonforcible sex
11 offense, the final results of any disciplinary pro-
12 ceeding conducted by such institution against a stu-
13 dent who is the alleged perpetrator of such crime or
14 offense with respect to such crime or offense. If the al-
15 leged victim of such crime or offense is deceased, the
16 next of kin of such victim shall be treated as the al-
17 leged victim for purposes of this paragraph.”.

18 (2) *EFFECTIVE DATE.*—The amendment made by
19 paragraph (1) shall apply with respect to any dis-
20 ciplinary proceeding conducted by such institution on
21 or after one year after the date of enactment of this
22 Act.

23 (d) *AUDIT REQUIREMENTS.*—Section 487(c)(1)(A)(i)
24 (20 U.S.C. 1094(c)(1)(A)(i)) is amended by inserting before
25 the semicolon at the end the following: “, except that the

1 *Secretary may modify the requirements of this clause with*
 2 *respect to institutions of higher education that are foreign*
 3 *institutions, and may waive such requirements with respect*
 4 *to a foreign institution whose students receive less than*
 5 *\$500,000 in loans under this title during the award year*
 6 *preceding the audit period”.*

7 **SEC. 491. ADDITIONAL TECHNICAL AND CONFORMING**
 8 **AMENDMENTS.**

9 *Part G is further amended as follows:*

10 (1) *Section 483(d) (20 U.S.C. 1090(d)) is*
 11 *amended by striking “that is authorized under section*
 12 *685(d)(2)(C)” and inserting “, or another appro-*
 13 *priate provider of technical assistance and informa-*
 14 *tion on postsecondary educational services, that is*
 15 *supported under section 663”.*

16 (2) *Section 484 (20 U.S.C. 1091) is amended—*

17 (A) *in subsection (a)(4), by striking “cer-*
 18 *tification,,” and inserting “certification,”; and*

19 (B) *in subsection (b)(2)—*

20 (i) *in the matter preceding subpara-*
 21 *graph (A), by striking “section 428A” and*
 22 *inserting “section 428H”;*

23 (ii) *in subparagraph (A), by inserting*
 24 *“and” after the semicolon at the end thereof;*

1 (iii) in subparagraph (B), by striking
2 “; and” and inserting a period; and
3 (iv) by striking subparagraph (C).

4 (3) Section 484A(b)(2) (20 U.S.C. 1091a(b)(2))
5 is amended by striking “part B of this title” and in-
6 serting “part B, D, or E of this title”.

7 (4) Section 485B(a) (20 U.S.C. 1092b(a)) is
8 amended—

9 (A) by redesignating paragraphs (6)
10 through (10) as paragraphs (7) through (11), re-
11 spectively;

12 (B) by redesignating the paragraph (5) (as
13 added by section 2008 of Public Law 101–239)
14 as paragraph (6); and

15 (C) in paragraph (5) (as added by section
16 204(3) of the National Community Service Act of
17 1990 (Public Law 101–610))—

18 (i) by striking “(22 U.S.C. 2501 et
19 seq.),” and inserting “(22 U.S.C. 2501 et
20 seq.),”; and

21 (ii) by striking the period at the end
22 thereof and inserting a semicolon.

23 (5) Section 487A(b) (20 U.S.C. 1094a(b)) is
24 amended—

25 (A) in paragraph (1)—

1 (i) by striking “*Higher Education*
2 *Amendments of 1998*” and inserting “*Col-*
3 *lege Access and Opportunity Act of 2005*”;
4 and

5 (ii) by striking the second sentence;
6 (B) in paragraph (2)—

7 (i) by striking “1993 through 1998”
8 and inserting “1998 through 2004”;

9 (ii) by striking “(as such section” and
10 all that follows through “*Amendments of*
11 1998)””; and

12 (iii) by striking “*Higher Education*
13 *Amendments of 1998.*” and inserting “*Col-*
14 *lege Access and Opportunity Act of 2005.*”;
15 and

16 (C) in paragraph (3)(A)—

17 (i) by striking “*Upon the submission*”
18 and all that follows through “*limited num-*
19 *ber of additional institutions for voluntary*
20 *participation*” and inserting “*The Sec-*
21 *retary is authorized to continue the vol-*
22 *untary participation of institutions partici-*
23 *pating as of July 1, 2005,*”; and

24 (ii) by inserting before the period at
25 the end the following: “, and shall continue

1 *the participation of any such institution*
2 *unless the Secretary determines that such*
3 *institution's participation has not been suc-*
4 *cessful in carrying out the purposes of this*
5 *section”.*

6 (6) *Section 491(c) (20 U.S.C. 1098(c)) is amend-*
7 *ed by adding at the end the following new paragraph:*
8 *“(3) The appointment of members under subpara-*
9 *graphs (A) and (B) of paragraph (1) shall be effective upon*
10 *publication of the appointment in the Congressional*
11 *Record.”.*

12 (7) *Section 491(h)(1) (20 U.S.C. 1098(h)(1)) is*
13 *amended by striking “the rate authorized for GS-18*
14 *of the General Schedule” and inserting “the max-*
15 *imum rate payable under section 5376 of such title”.*

16 (8) *Section 491(k) (20 U.S.C. 1098(k)) is*
17 *amended by striking “2004” and inserting “2011”.*

18 (9) *Section 493A (20 U.S.C. 1098c) is repealed.*

19 (10) *Section 498 (20 U.S.C. 1099c) is amend-*
20 *ed—*

21 *(A) in subsection (c)(2), by striking “for*
22 *profit,” and inserting “for-profit,”; and*

23 *(B) in subsection (d)(1)(B), by inserting*
24 *“and” after the semicolon at the end thereof.*

PART H—PROGRAM INTEGRITY

SEC. 495. ACCREDITATION.

(a) *STANDARDS FOR ACCREDITATION.*—Section 496(a)

(20 U.S.C. 1099b(a)) is amended—

(1) in paragraph (3)—

(A) by inserting “or” after the semicolon at the end of subparagraph (A);

(B) by striking subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B);

(2) in paragraph (4)—

(A) by inserting “(A)” after “(4)”;

(B) by inserting after “consistently applies and enforces standards” the following: “that consider the stated missions of institutions of higher education, including such missions as inculcation of religious values, and”;

(C) by inserting “and” after the semicolon at the end thereof; and

(D) by adding at the end the following new subparagraph:

“(B) if such agency or association already has or seeks to include within its scope of recognition the evaluation of the quality of institutions or programs offering distance education, such agency or association shall, in addition to meeting the other require-

1 *ments of this subpart, demonstrate to the Secretary*
2 *that—*

3 *“(i) the accreditation agency’s or associa-*
4 *tion’s standards effectively address the quality of*
5 *an institution’s distance education programs in*
6 *the areas identified in paragraph (5) of this sub-*
7 *section, except that the agency or association*
8 *shall not be required to have separate standards,*
9 *procedures, or policies for the evaluation of dis-*
10 *tance education institutions or programs in*
11 *order to meet the requirements of this subpara-*
12 *graph; and*

13 *“(ii) the agency or association requires that*
14 *an institution that offers distance education pro-*
15 *grams to have processes by which it establishes*
16 *that the student who registers in a distance edu-*
17 *cation course or program is the same student*
18 *who participates, completes academic work, and*
19 *receives academic credit;”;*

20 *(3) in paragraph (5)—*

21 *(A) by amending subparagraph (A) to read*
22 *as follows:*

23 *“(A) success with respect to student achieve-*
24 *ment in relation to the institution’s mission, in-*
25 *cluding, as appropriate, consideration of student*

1 *academic achievement as determined by the in-*
2 *stitution (in accordance with standards of the*
3 *accrediting agency or association), retention,*
4 *course and program completion, State licensing*
5 *examinations, and job placement rates, and other*
6 *student performance information selected by the*
7 *institution, particularly that information used*
8 *by the institution to evaluate or strengthen its*
9 *programs;”;* and

10 *(B) by amending subparagraph (E) to read*
11 *as follows:*

12 *“(E) fiscal, administrative capacity, as ap-*
13 *propriate to the specified scale of operations,*
14 *and, for an agency or association where its ap-*
15 *proval for such institution determines eligibility*
16 *for student assistance under this title, board gov-*
17 *ernance, within the context of the institution’s*
18 *mission;”;*

19 *(4) by striking paragraph (6) and inserting the*
20 *following:*

21 *“(6) such an agency or association shall establish*
22 *and apply review procedures throughout the accred-*
23 *iting process, including evaluation and withdrawal*
24 *proceedings that comply with due process that pro-*
25 *vides for—*

1 “(A) adequate specification of requirements
2 and deficiencies at the institution of higher edu-
3 cation or program being examined;

4 “(B) an opportunity for a written response
5 by any such institution to be included in the
6 evaluation and withdrawal proceedings;

7 “(C) upon the written request of an institu-
8 tion, an opportunity for the institution to appeal
9 any adverse action at a hearing prior to such ac-
10 tion becoming final before an appeals panel
11 that—

12 “(i) shall not include current members
13 of the agency or association’s underlying de-
14 cision-making body that made the adverse
15 decision; and

16 “(ii) is subject to a conflict of interest
17 of policy; and

18 “(D) the right to representation by counsel
19 for an such institution;”; and

20 (5) by striking paragraph (8) and inserting the
21 following:

22 “(8) such agency or association shall make avail-
23 able to the public and submit to the Secretary and the
24 State licensing or authorizing agency, together with

1 *the comments of the affected institution, a summary*
2 *of agency or association actions, involving—*

3 *“(A) final denial, withdrawal, suspension,*
4 *or termination of accreditation; and*

5 *“(B) any other final adverse action taken*
6 *with respect to an institution.”.*

7 *(b) OPERATING PROCEDURES.—Section 496(c) (20*
8 *U.S.C. 1099b(c)) is amended—*

9 *(1) by inserting “(including those regarding dis-*
10 *tance education)” before the semicolon at the end of*
11 *paragraph (1);*

12 *(2) by striking “and” at the end of paragraph*
13 *(5);*

14 *(3) by striking the period at the end of para-*
15 *graph (6) and inserting a semicolon; and*

16 *(4) by inserting after paragraph (6) the fol-*
17 *lowing new paragraphs:*

18 *“(7) ensures that its onsite comprehensive re-*
19 *views for accreditation or reaccreditation include*
20 *evaluation of the substance of the information re-*
21 *quired in subparagraph (H) of section 485(a)(1);*

22 *“(8) confirms as a part of its review for accredi-*
23 *tation or reaccreditation that the institution has*
24 *transfer policies—*

25 *“(A) that are publicly disclosed; and*

1 “(B) that do not deny transfer of credit
2 based solely on the accreditation of the sending
3 institution as long as the association or agency
4 is recognized by the Secretary pursuant to sec-
5 tion 496;

6 “(9) develops a brief summary, available to the
7 public, of final adverse actions in accordance with the
8 requirements of subsection (a)(8);

9 “(10) monitors the enrollment growth of distance
10 education to ensure that an institution experiencing
11 significant growth has the capacity to serve its stu-
12 dents effectively;

13 “(11) discloses publicly, on the agency’s website
14 or through other similar dissemination—

15 “(A) a list of the individuals who comprised
16 the evaluation teams during the prior calendar
17 year for each agency or association and the title
18 and institutional affiliation of such individuals,
19 although such list shall not be required to iden-
20 tify those individuals who comprised the evalua-
21 tion team used for any specific institution;

22 “(B) a description of the agency’s or asso-
23 ciation’s process for selecting, preparing, and
24 evaluating such individuals; and

1 “(C) *any statements related to the accredi-*
 2 *tation responsibilities of such individuals; and*

3 “(12) *reviews the record of student complaints*
 4 *resulting from the student information process de-*
 5 *scribed in section 485(a)(1)(J).”.*

6 (c) *LIMITATION, SUSPENSION, AND TERMINATION OF*
 7 *RECOGNITION.—Section 496(l) is amended by adding at the*
 8 *end the following new paragraph:*

9 “(3) *The Secretary shall provide an annual report to*
 10 *Congress on the status of any agency or association for*
 11 *which the Secretary has limited, suspended or terminated*
 12 *recognition under this subsection.”.*

13 (d) *PROGRAM REVIEW AND DATA.—Section 498A(b)*
 14 *(20 U.S.C. 1099c-1(b)) is amended—*

15 (1) *by striking “and” at the end of paragraph*
 16 (4);

17 (2) *by striking the period at the end of para-*
 18 *graph (5) and inserting a semicolon; and*

19 (3) *by adding at the end the following new para-*
 20 *graphs:*

21 “(6) *provide to the institution adequate oppor-*
 22 *tunity to review and respond to any program review*
 23 *report or audit finding and underlying materials re-*
 24 *lated thereto before any final program review or audit*
 25 *determination is reached;*

1 “(7) review and take into consideration the insti-
2 tution’s response in any final program review or
3 audit determination, and include in the final deter-
4 mination—

5 “(A) a written statement addressing the in-
6 stitution’s response and stating the basis for such
7 final determination; and

8 “(B) a copy of the institution’s statement in
9 response, appropriately redacted to protect con-
10 fidential information;

11 “(8) maintain and preserve at all times the con-
12 fidentiality of any program review report or audit
13 finding until the requirements of paragraphs (6) and
14 (7) are met, and until a final program review or
15 audit determination has been issued, except to the ex-
16 tent required to comply with paragraph (5), provided,
17 however, that the Secretary shall promptly disclose
18 any and all program review reports and audit find-
19 ings to the institution under review; and

20 “(9) require that the authority to approve or
21 issue any program review report or audit finding,
22 preliminary or otherwise, that contains any finding,
23 determination, or proposed assessment that exceeds or
24 may exceed \$500,000 in liabilities shall not be dele-

1 gated to any official beyond the Chief Operating Offi-
2 cer of Federal Student Aid.”.

3 **SEC. 496. REPORT TO CONGRESS ON PREVENTION OF**
4 **FRAUD AND ABUSE IN STUDENT FINANCIAL**
5 **AID PROGRAMS.**

6 Title IV is amended by adding at the end the following
7 new section:

8 **“SEC. 499. REPORT TO CONGRESS ON PREVENTION OF**
9 **FRAUD AND ABUSE IN STUDENT FINANCIAL**
10 **AID PROGRAMS.**

11 “(a) *PURPOSE.*—It is the purpose of this section to re-
12 quire the Secretary to commission a nonpartisan, com-
13 prehensive study on the prevention of fraud and abuse in
14 title IV student financial aid programs, and to report the
15 results of such study to Congress.

16 “(b) *SCOPE OF REPORT.*—The study under this section
17 shall thoroughly identify and address the following:

18 “(1) *The impact of fraud and abuse in title IV*
19 *student financial aid programs upon students and*
20 *taxpayers, and the nature of such fraud and abuse.*

21 “(2) *The effectiveness of existing policies and re-*
22 *quirements under this Act that were put in place to*
23 *prevent fraud and abuse in title IV student financial*
24 *aid programs, and how such policies and require-*
25 *ments should be improved.*

1 “(3) *The extent to which existing protections*
2 *against fraud and abuse under this Act are ade-*
3 *quately enforced, and how enforcement should be*
4 *strengthened.*

5 “(4) *Areas in which additional information is*
6 *needed to assess the effectiveness of current protections*
7 *and enforcement against fraud and abuse.*

8 “(5) *Existing policies and requirements under*
9 *this Act aimed at fraud and abuse that are ineffec-*
10 *tive, hinder innovation, or could be eliminated with-*
11 *out reducing effectiveness.*

12 “(6) *New policies and enforcement, particularly*
13 *those suited for the current higher education market-*
14 *place, needed to protect against fraud and abuse in*
15 *title IV student financial aid programs.*

16 “(7) *The extent to which States are imple-*
17 *menting regulations to protect students from fraud*
18 *and abuse, and whether changes to Federal law will*
19 *preempt such regulations.*

20 “(c) *REPORT.—Not later than December 31, 2007, the*
21 *Secretary, after an opportunity for both the Secretary and*
22 *the Inspector General of the Department of Education to*
23 *review the results of the study, shall transmit to Congress*
24 *a report on the study conducted under this section. Such*
25 *report shall—*

1 “(1) include clear and specific recommendations
 2 for legislative and regulatory actions that are likely
 3 to significantly reduce the fraud and abuse in title IV
 4 student financial aid programs identified under sub-
 5 section (b); and

6 “(2) include both the Secretary’s and the Inspec-
 7 tor General’s comments on the report.”.

8 **TITLE V—DEVELOPING**
 9 **INSTITUTIONS**

10 **SEC. 501. DEFINITIONAL CHANGES.**

11 Section 502(a) (20 U.S.C. 1101a(a)) is amended—

12 (1) in paragraph (5)—

13 (A) by inserting “and” after the semicolon
 14 at the end of subparagraph (A);

15 (B) by inserting “at the end of the award
 16 year immediately preceding the date of applica-
 17 tion” after “Hispanic students” in subparagraph
 18 (B);

19 (C) by striking “; and” at the end of sub-
 20 paragraph (B) and inserting a period; and

21 (D) by striking subparagraph (C); and

22 (2) by striking paragraph (7).

23 **SEC. 502. ASSURANCE OF ENROLLMENT OF NEEDY STU-**
 24 **DENTS.**

25 Section 511(c) (20 U.S.C. 1103(c)) is amended—

1 (1) *by striking paragraph (2);*

2 (2) *by redesignating paragraphs (3) through (7)*

3 *as paragraphs (2) through (6); and*

4 (3) *by inserting after paragraph (6) as so red-*
5 *esignated the following new paragraph:*

6 “(7) *contain such assurances as the Secretary*
7 *may require that the institution has an enrollment of*
8 *needy students as required by section 502(b);”.*

9 **SEC. 503. ADDITIONAL AMENDMENTS.**

10 *Title V is further amended—*

11 (1) *in section 502(a)(2)(A) (20 U.S.C.*
12 *1101a(a)(2)(A)), by redesignating clauses (v) and (vi)*
13 *as clauses (vi) and (vii), respectively, and inserting*
14 *after clause (iv) the following new clause:*

15 “(v) *which provides a program of not*
16 *less than 2 years that is acceptable for full*
17 *credit toward a bachelor’s degree;”;*

18 (2) *in section 503(b) (20 U.S.C. 1101b(b))—*

19 (A) *by amending paragraph (2) to read as*
20 *follows:*

21 “(2) *Construction, maintenance, renovation, and*
22 *improvement in classrooms, libraries, laboratories,*
23 *and other instructional facilities, including purchase*
24 *or rental of telecommunications technology equipment*
25 *or services, and the acquisition of real property adja-*

1 *cent to the campus of the institution on which to con-*
2 *struct such facilities.”;*

3 *(B) by amending paragraph (12) to read as*
4 *follows:*

5 *“(12) Establishing community outreach pro-*
6 *grams and collaborative partnerships between His-*
7 *panic-serving institutions and local elementary or*
8 *secondary schools. Such partnerships may include*
9 *mentoring, tutoring, or other instructional opportuni-*
10 *ties that will boost student academic achievement and*
11 *assist elementary and secondary school students in de-*
12 *veloping the academic skills and the interest to pursue*
13 *postsecondary education.”;*

14 *(C) by redesignating paragraphs (5)*
15 *through (14) as paragraphs (6) through (15), re-*
16 *spectively; and*

17 *(D) by inserting after paragraph (4) the fol-*
18 *lowing:*

19 *“(5) Education or counseling services designed to*
20 *improve the financial literacy and economic literacy*
21 *of students and, as appropriate, their parents.”;*

22 *(3) in section 504(a) (20 U.S.C. 1101c(a))—*

23 *(A) by striking the following:*

24 *“(a) AWARD PERIOD.—*

1 “(1) *IN GENERAL.—The Secretary*” and insert-
2 *ing the following:*

3 “(a) *AWARD PERIOD.—The Secretary*”; and

4 *(B) by striking paragraph (2); and*

5 *(4) in section 514(c) (20 U.S.C. 1103c(c)), by*
6 *striking “section 505” and inserting “section 504”.*

7 **SEC. 504. POSTBACCALAUREATE OPPORTUNITIES FOR HIS-**
8 **PANIC AMERICANS.**

9 *(a) ESTABLISHMENT OF PROGRAM.—Title V is amend-*
10 *ed—*

11 *(1) by redesignating part B as part C;*

12 *(2) by redesignating sections 511 through 518 as*
13 *sections 521 through 528, respectively; and*

14 *(3) by inserting after section 505 (20 U.S.C.*
15 *1101d) the following new part:*

16 **“PART B—PROMOTING POSTBACCALAUREATE**
17 **OPPORTUNITIES FOR HISPANIC AMERICANS**

18 **“SEC. 511. PURPOSES.**

19 *“The purposes of this part are—*

20 *“(1) to expand postbaccalaureate educational op-*
21 *portunities for, and improve the academic attainment*
22 *of, Hispanic students; and*

23 *“(2) to expand the postbaccalaureate academic*
24 *offerings and enhance the program quality in the in-*
25 *stitutions that are educating the majority of Hispanic*

1 college students and helping large numbers of His-
2 panic and low-income students complete postsec-
3 ondary degrees.

4 **“SEC. 512. PROGRAM AUTHORITY AND ELIGIBILITY.**

5 “(a) *PROGRAM AUTHORIZED.*—Subject to the avail-
6 ability of funds appropriated to carry out this part, the
7 Secretary shall award competitive grants to Hispanic-serv-
8 ing institutions determined by the Secretary to be making
9 substantive contributions to graduate educational opportu-
10 nities for Hispanic students.

11 “(b) *ELIGIBILITY.*—For the purposes of this part, an
12 ‘eligible institution’ means an institution of higher edu-
13 cation that—

14 “(1) is an eligible institution under section
15 502(a)(2); and

16 “(2) offers a postbaccalaureate certificate or de-
17 gree granting program.

18 **“SEC. 513. AUTHORIZED ACTIVITIES.**

19 “Grants awarded under this part shall be used for one
20 or more of the following activities:

21 “(1) Purchase, rental, or lease of scientific or
22 laboratory equipment for educational purposes, in-
23 cluding instructional and research purposes.

24 “(2) Construction, maintenance, renovation, and
25 improvement of classrooms, libraries, laboratories,

1 *and other instructional facilities, including purchase*
2 *or rental of telecommunications technology equipment*
3 *or services.*

4 “(3) *Purchase of library books, periodicals, tech-*
5 *nical and other scientific journals, microfilm, micro-*
6 *fiche, and other educational materials, including tele-*
7 *communications program materials.*

8 “(4) *Support for needy postbaccalaureate stu-*
9 *dents including outreach, academic support services,*
10 *mentoring, scholarships, fellowships, and other finan-*
11 *cial assistance to permit the enrollment of such stu-*
12 *dents in postbaccalaureate certificate and degree*
13 *granting programs.*

14 “(5) *Support of faculty exchanges, faculty devel-*
15 *opment, faculty research, curriculum development,*
16 *and academic instruction.*

17 “(6) *Creating or improving facilities for Internet*
18 *or other distance learning academic instruction capa-*
19 *bilities, including purchase or rental of telecommuni-*
20 *cations technology equipment or services.*

21 “(7) *Collaboration with other institutions of*
22 *higher education to expand postbaccalaureate certifi-*
23 *cate and degree offerings.*

24 “(8) *Other activities proposed in the application*
25 *submitted pursuant to section 514 that—*

1 “(A) contribute to carrying out the purposes
2 of this part; and

3 “(B) are approved by the Secretary as part
4 of the review and acceptance of such application.

5 **“SEC. 514. APPLICATION AND DURATION.**

6 “(a) *APPLICATION.*—Any eligible institution may
7 apply for a grant under this part by submitting an appli-
8 cation to the Secretary at such time and in such manner
9 as determined by the Secretary. Such application shall
10 demonstrate how the grant funds will be used to improve
11 postbaccalaureate education opportunities in programs and
12 professions in which Hispanic Americans are underrep-
13 resented.

14 “(b) *DURATION.*—Grants under this part shall be
15 awarded for a period not to exceed 5 years.

16 “(c) *LIMITATION.*—The Secretary shall not award
17 more than one grant under this part in any fiscal year
18 to any Hispanic-serving institution.”.

19 (b) *COOPERATIVE ARRANGEMENTS.*—Section 524(a)
20 (as redesignated by subsection (a)(2)) (20 U.S.C. 1103c(a))
21 is amended by inserting “and section 513” after “section
22 503”.

1 **SEC. 505. AUTHORIZATION OF APPROPRIATIONS.**

2 *Subsection (a) of section 528 (as redesignated by sec-*
 3 *tion 504(a)(2) of this Act) (20 U.S.C. 1103g) is amended*
 4 *to read as follows:*

5 “(a) *AUTHORIZATIONS.—*

6 “(1) *PART A.—There are authorized to be appro-*
 7 *priated to carry out part A and part C of this title*
 8 *\$96,000,000 for fiscal year 2006 and such sums as*
 9 *may be necessary for each of the 5 succeeding fiscal*
 10 *years.*

11 “(2) *PART B.—There are authorized to be appro-*
 12 *priated to carry out part B of this title \$59,000,000*
 13 *for fiscal year 2006 and such sums as may be nec-*
 14 *essary for each of the 5 succeeding fiscal years.”.*

15 **TITLE VI—TITLE VI**
 16 **AMENDMENTS**

17 **SEC. 601. INTERNATIONAL AND FOREIGN LANGUAGE STUD-**
 18 **IES.**

19 (a) *FINDINGS AND PURPOSES.—Section 601 (20*
 20 *U.S.C. 1121) is amended—*

21 (1) *in subsection (a)—*

22 (A) *by striking “post-Cold War” in para-*
 23 *graph (3);*

24 (B) *by redesignating paragraphs (4) and*
 25 *(5) as paragraphs (5) and (6), respectively; and*

1 (C) by inserting after paragraph (3) the fol-
2 lowing new paragraph:

3 “(4) The events and aftermath of September 11,
4 2001, have underscored the need for the Nation to
5 strengthen and enhance American knowledge of inter-
6 national relations, world regions, and foreign lan-
7 guages. Homeland security and effective United
8 States engagement abroad depend upon an increased
9 number of Americans who have received such training
10 and are willing to serve their Nation.”;

11 (2) in subsection (b)(1)—

12 (A) by striking “; and” at the end of sub-
13 paragraph (D) and inserting “, including
14 through linkages overseas with institutions of
15 higher education and relevant organizations that
16 contribute to the educational programs assisted
17 under this part;”;

18 (B) by inserting “and” after the semicolon
19 at the end of subparagraph (E);

20 (C) by inserting after such subparagraph
21 (E) the following new subparagraph:

22 “(F) to assist the national effort to educate and
23 train citizens to participate in the efforts of homeland
24 security;”;

25 (3) in subsection (b)(3)—

1 (A) by inserting “reinforce and” before “co-
2 ordinate”; and

3 (B) by inserting “, and international busi-
4 ness and trade competitiveness” before the pe-
5 riod.

6 (b) GRADUATE AND UNDERGRADUATE LANGUAGE AND
7 AREA CENTERS AND PROGRAMS.—Section 602(a) (20
8 U.S.C. 1122(a)) is amended—

9 (1) in paragraph (1), by striking subparagraph
10 (A) and inserting the following:

11 “(A) IN GENERAL.—The Secretary is au-
12 thorized to make grants to institutions of higher
13 education or consortia of such institutions for the
14 purpose of establishing, strengthening, and oper-
15 ating—

16 “(i) comprehensive foreign language
17 and area or international studies centers
18 and programs; and

19 “(ii) a diverse network of under-
20 graduate foreign language and area or
21 international studies centers and pro-
22 grams.”;

23 (2) in paragraph (2)—

24 (A) by striking “and” at the end of sub-
25 paragraph (G);

1 (B) by striking the period at the end of sub-
2 paragraph (H) and inserting a semicolon; and

3 (C) by inserting after subparagraph (H) the
4 following new subparagraphs:

5 “(I) supporting instructors of the less com-
6 monly taught languages;

7 “(J) widely disseminating materials devel-
8 oped by the center or program to local edu-
9 cational agencies and public and private elemen-
10 tary and secondary education schools, and insti-
11 tutions of higher education, presented from di-
12 verse perspectives and reflective of a wide range
13 of views on the subject matter, except that no
14 more than 50 percent of funds awarded to an in-
15 stitution of higher education or consortia of such
16 institutions for purposes under this title may be
17 associated with the costs of dissemination; and

18 “(K) projects that support in students an
19 understanding of science and technology in co-
20 ordination with foreign language proficiency.”;
21 and

22 (3) in paragraph (4)—

23 (A) by amending subparagraph (B) to read
24 as follows:

1 “(B) *Partnerships or programs of linkage*
 2 *and outreach with 2-year and 4-year colleges*
 3 *and universities, including colleges of education*
 4 *and teacher professional development pro-*
 5 *grams.*”;

6 (B) in subparagraph (C), by striking “Pro-
 7 grams of linkage or outreach” and inserting
 8 “Partnerships or programs of linkage and out-
 9 reach”;

10 (C) in subparagraph (E)—

11 (i) by striking “foreign area” and in-
 12 serting “area studies”;

13 (ii) by striking “of linkage and out-
 14 reach”; and

15 (iii) by striking “(C), and (D)” and
 16 inserting “(D), and (E)”;

17 (D) by redesignating subparagraphs (C),
 18 (D), and (E) as subparagraphs (D), (E), and
 19 (F), respectively; and

20 (E) by inserting after subparagraph (B) the
 21 following new subparagraph:

22 “(C) *Partnerships with local educational*
 23 *agencies and public and private elementary and*
 24 *secondary education schools that are designed to*
 25 *increase student academic achievement in foreign*

1 *language and knowledge of world regions, and to*
 2 *facilitate the wide dissemination of materials re-*
 3 *lated to area studies, foreign languages, and*
 4 *international studies that are reflective of a wide*
 5 *range of views on the subject matter.”.*

6 (c) *LANGUAGE RESOURCE CENTERS.*—Section 603(c)
 7 (20 U.S.C. 1123(c)) is amended by inserting “reflect the
 8 purposes of this part and” after “shall”.

9 (d) *UNDERGRADUATE INTERNATIONAL STUDIES AND*
 10 *FOREIGN LANGUAGE PROGRAMS.*—Section 604 (20 U.S.C.
 11 1124) is amended—

12 (1) in subsection (a)(1), by striking “combina-
 13 tions” each place it appears and inserting “con-
 14 sortia”;

15 (2) in subsection (a)(2)—

16 (A) in subparagraph (B)(ii), by striking
 17 “teacher training” and inserting “teacher profes-
 18 sional development”;

19 (B) by redesignating subparagraphs (I)
 20 through (M) as subparagraphs (J) through (N),
 21 respectively;

22 (C) by inserting after subparagraph (H) the
 23 following new subparagraph:

24 “(I) the provision of grants for educational
 25 programs abroad that are closely linked to the

1 program’s overall goals and have the purpose of
2 promoting foreign language fluency and knowl-
3 edge of world regions, except that not more than
4 10 percent of a grant recipient’s funds may be
5 used for this purpose;” and

6 (D) in subparagraph (M)(ii) (as redesign-
7 nated by subparagraph (B) of this paragraph),
8 by striking “elementary and secondary education
9 institutions” and inserting “local educational
10 agencies and public and private elementary and
11 secondary education schools”;

12 (3) in subsection (a)(4)(B), by inserting “that
13 demonstrates a need for a waiver or reduction” before
14 the period at the end;

15 (4) in subsection (a)(6), by inserting “reflect the
16 purposes of this part and” after “shall”;

17 (5) in subsection (a)(8), by striking “may” and
18 inserting “shall”; and

19 (6) by striking subsection (c).

20 (e) *RESEARCH; STUDIES; ANNUAL REPORT.*—Section
21 605(a) (20 U.S.C. 1125(a)) is amended by inserting before
22 the period at the end of the first sentence the following: “,
23 including the systematic collection, analysis, and dissemi-
24 nation of data”.

1 (f) *TECHNOLOGICAL INNOVATION AND COOPERATION*
2 *FOR FOREIGN INFORMATION ACCESS.*—Section 606 (20
3 *U.S.C. 1126) is amended—*

4 (1) *in subsection (a)—*

5 (A) *by striking “or consortia of such insti-*
6 *tutions or libraries” and inserting “museums, or*
7 *consortia of such entities”;*

8 (B) *by striking “new”; and*

9 (C) *by inserting “from foreign sources”*
10 *after “disseminate information”;*

11 (2) *in subsection (b)—*

12 (A) *by inserting “acquire and” before “fa-*
13 *cilitate access” in paragraph (1);*

14 (B) *by striking “new means of” in para-*
15 *graph (3) and inserting “new means and stand-*
16 *ards for”;*

17 (C) *by striking “and” at the end of para-*
18 *graph (6);*

19 (D) *by striking the period at the end of*
20 *paragraph (7) and by inserting a semicolon; and*

21 (E) *by inserting after paragraph (7) the fol-*
22 *lowing new paragraphs:*

23 “(8) *to establish linkages between grant recipi-*
24 *ents under subsection (a) with libraries, museums, or-*
25 *ganizations, or institutions of higher education lo-*

1 *cated overseas to facilitate carrying out the purposes*
 2 *of this section; and*

3 *“(9) to carry out other activities deemed by the*
 4 *Secretary to be consistent with the purposes of this*
 5 *section.”; and*

6 *(3) by adding at the end the following new sub-*
 7 *section:*

8 *“(e) SPECIAL RULE.—The Secretary may waive or re-*
 9 *duce the required non-Federal share for institutions that—*

10 *“(1) are eligible to receive assistance under part*
 11 *A or B of title III or under title V; and*

12 *“(2) have submitted a grant application under*
 13 *this section that demonstrates a need for a waiver or*
 14 *reduction.”.*

15 *(g) SELECTION OF GRANT RECIPIENTS.—Section*
 16 *607(b) (20 U.S.C. 1127(b)) is amended—*

17 *(1) by striking “objectives” and inserting “mis-*
 18 *sions”; and*

19 *(2) by adding at the end the following new sen-*
 20 *tence: “In keeping with the purposes of this part, the*
 21 *Secretary shall take into account the degree to which*
 22 *activities of centers, programs, and fellowships at in-*
 23 *stitutions of higher education address national inter-*
 24 *ests, generate and disseminate information, and foster*

1 *debate on international issues from diverse perspec-*
 2 *tives.”.*

3 *(h) EQUITABLE DISTRIBUTION.—Section 608(a) (20*
 4 *U.S.C. 1128(a)) is amended by adding at the end the fol-*
 5 *lowing new sentence: “Grants made under section 602 shall*
 6 *also reflect the purposes of this part.”.*

7 *(i) AUTHORIZATION OF APPROPRIATIONS.—Section*
 8 *610 (20 U.S.C. 1128b) is amended—*

9 *(1) by striking “1999” and inserting “2006”;*
 10 *and*

11 *(2) by striking “4 succeeding” and inserting “5*
 12 *succeeding”.*

13 *(j) CONFORMING AMENDMENTS.—*

14 *(1) Sections 603(a), 604(a)(5), and 612 (20*
 15 *U.S.C. 1123(a), 1124(a)(5), 1130–1) are each amend-*
 16 *ed by striking “combinations” each place it appears*
 17 *and inserting “consortia”.*

18 *(2) Section 612 (20 U.S.C. 1130–1) is amended*
 19 *by striking “combination” each place it appears and*
 20 *inserting “consortium” .*

21 **SEC. 602. BUSINESS AND INTERNATIONAL EDUCATION PRO-**
 22 **GRAMS.**

23 *(a) CENTERS FOR INTERNATIONAL BUSINESS EDU-*
 24 *CATION.—Section 612 (20 U.S.C. 1130–1) is amended—*

1 (1) in subsection (c)(1)(D), by inserting “(in-
2 cluding those that are eligible to receive assistance
3 under part A or B of title III or under title V)” after
4 “other institutions of higher education”; and

5 (2) in subsection (e), by adding at the end the
6 following new paragraph:

7 “(5) *SPECIAL RULE.*—The Secretary may waive
8 or reduce the required non-Federal share for institu-
9 tions that—

10 “(A) are eligible to receive assistance under
11 part A or B of title III or under title V; and

12 “(B) have submitted a grant application
13 under this section that demonstrates a need for
14 a waiver or reduction.”.

15 (b) *EDUCATION AND TRAINING PROGRAMS.*—Section
16 613 (20 U.S.C. 1130a) is amended by adding at the end
17 the following new subsection:

18 “(e) *SPECIAL RULE.*—The Secretary may waive or re-
19 duce the required non-Federal share for institutions that—

20 “(1) are eligible to receive assistance under part
21 A or B of title III or under title V; and

22 “(2) have submitted a grant application under
23 this section that demonstrates a need for a waiver or
24 reduction.”.

1 (c) *AUTHORIZATION OF APPROPRIATIONS.*—Section
2 614 (20 U.S.C. 1130b) is amended—

3 (1) by striking “1999” each place it appears and
4 inserting “2006”; and

5 (2) by striking “4 succeeding” each place it ap-
6 pears and inserting “5 succeeding”.

7 **SEC. 603. INSTITUTE FOR INTERNATIONAL PUBLIC POLICY.**

8 (a) *FOREIGN SERVICE PROFESSIONAL DEVELOP-*
9 *MENT.*—Section 621 (20 U.S.C. 1131) is amended—

10 (1) by striking the heading of such section and
11 inserting the following:

12 **“SEC. 621. PROGRAM FOR FOREIGN SERVICE PROFES-**
13 **SIONALS.”;**

14 (2) by striking the second sentence of subsection
15 (a) and inserting the following: “The Institute shall
16 conduct a program to enhance the international com-
17 petitiveness of the United States by increasing the
18 participation of underrepresented populations in the
19 international service, including private international
20 voluntary organizations and the foreign service of the
21 United States.”; and

22 (3) in subsection (b)(1), by striking subpara-
23 graphs (A) and (B) and inserting the following:

24 “(A) A Tribally Controlled College or Uni-
25 versity or Alaska Native or Native Hawaiian-

1 *serving institution eligible for assistance under*
 2 *title III, an institution eligible for assistance*
 3 *under part B of title III, or a Hispanic-serving*
 4 *institution eligible for assistance under title V.*

5 *“(B) An institution of higher education*
 6 *which serves substantial numbers of underrep-*
 7 *resented students.”.*

8 *(b) INSTITUTIONAL DEVELOPMENT.—Section 622 (20*
 9 *U.S.C. 1131–1) is amended by inserting before the period*
 10 *at the end of subsection (a) the following: “and promote*
 11 *collaboration with colleges and universities that receive*
 12 *funds under this title”.*

13 *(c) STUDY ABROAD PROGRAM.—Section 623(a) (20*
 14 *U.S.C. 1131a(a)) is amended by inserting after “1978,” the*
 15 *following: “Alaska Native-serving, Native Hawaiian-serv-*
 16 *ing, and Hispanic-serving institutions,”.*

17 *(d) ADVANCED DEGREE IN INTERNATIONAL RELA-*
 18 *TIONS.—Section 624 (20 U.S.C. 1131b) is amended—*

19 *(1) by striking “**MASTERS**” in the heading of*
 20 *such section and inserting “**ADVANCED**”;*

21 *(2) by striking “a masters degree in inter-*
 22 *national relations” and inserting “an advanced de-*
 23 *gree in international relations, international affairs,*
 24 *international economics, or other academic areas re-*
 25 *lated to the Institute fellow’s career objectives”; and*

1 (3) by striking “The masters degree program de-
 2 signed by the consortia” and inserting “The advanced
 3 degree study program shall be designed by the con-
 4 sortia, consistent with the fellow’s career objectives,
 5 and”.

6 (e) *INTERNSHIPS*.—Section 625 (20 U.S.C. 1131c) is
 7 amended—

8 (1) in subsection (a), by inserting after “1978,”
 9 the following: “Alaska Native-serving, Native Hawai-
 10 ian-serving, and Hispanic-serving institutions,”;

11 (2) in subsection (b)—

12 (A) by inserting “and” after the semicolon
 13 at the end of paragraph (2);

14 (B) by striking “; and” at the end of para-
 15 graph (3) and inserting a period; and

16 (C) by striking paragraph (4); and

17 (3) by amending subsection (c) to read as fol-
 18 lows:

19 “(c) *RALPH J. BUNCHE FELLOWS*.—In order to assure
 20 the recognition and commitment of individuals from under-
 21 represented student populations who demonstrate special
 22 interest in international affairs and language study, eligi-
 23 ble students who participate in the internship programs au-
 24 thorized under (a) and (b) shall be known as the ‘Ralph
 25 J. Bunche Fellows’.”.

1 (f) *REPORT.*—Section 626 (20 U.S.C. 1131d) is
 2 amended by striking “annually prepare a report” and in-
 3 serting “prepare a report biennially”.

4 (g) *AUTHORIZATION OF APPROPRIATIONS.*—Section
 5 628 (20 U.S.C. 1131f) is amended—

6 (1) by striking “1999” and inserting “2006”;
 7 and

8 (2) by striking “4 succeeding” and inserting “5
 9 succeeding”.

10 **SEC. 604. EVALUATION, OUTREACH, AND DISSEMINATION.**

11 Part D of title VI is amended by inserting after section
 12 631 (20 U.S.C. 1132) the following new section:

13 **“SEC. 632. EVALUATION, OUTREACH, AND DISSEMINATION.**

14 *“The Secretary may use not more than one percent*
 15 *of the funds made available for this title for program eval-*
 16 *uation, national outreach, and information dissemination*
 17 *activities.”.*

18 **SEC. 605. ADVISORY BOARD.**

19 Part D of title VI is amended by inserting after section
 20 632 (as added by section 604) the following new section:

21 **“SEC. 633. INTERNATIONAL HIGHER EDUCATION ADVISORY**
 22 **BOARD.**

23 *“(a) ESTABLISHMENT AND PURPOSE.—*

24 *“(1) ESTABLISHMENT.—There is established in*
 25 *the Department an independent International Higher*

1 *Education Advisory Board (hereafter in this section*
2 *referred to as the ‘International Advisory Board’).*
3 *The International Advisory Board shall provide ad-*
4 *vice, counsel, and recommendations to the Secretary*
5 *and the Congress on international education issues*
6 *for higher education.*

7 “(2) *PURPOSE.*—*The purpose of the Inter-*
8 *national Advisory Board is—*

9 “(A) *to provide expertise in the area of na-*
10 *tional needs for proficiency in world regions, for-*
11 *foreign languages, international affairs, and inter-*
12 *national business;*

13 “(B) *to make recommendations that will*
14 *promote the excellence of international education*
15 *programs and result in the growth and develop-*
16 *ment of such programs at the postsecondary edu-*
17 *cation level that will reflect diverse perspectives*
18 *and a wide range of views on world regions, for-*
19 *foreign language, international affairs, and inter-*
20 *national business; and*

21 “(C) *to advise the Secretary and the Con-*
22 *gress with respect to needs for expertise in gov-*
23 *ernment, the private sector, and education in*
24 *order to enhance America’s understanding of,*
25 *and engagement in, the world.*

1 “(b) *INDEPENDENCE OF INTERNATIONAL ADVISORY*
2 *BOARD.*—*In the exercise of its functions, powers, and du-*
3 *ties, the International Advisory Board shall be independent*
4 *of the Secretary and the other offices and officers of the De-*
5 *partment. Except as provided in this subsection and sub-*
6 *section (f), the recommendations of the International Advi-*
7 *sory Board shall not be subject to review or approval by*
8 *any officer of the Federal Government. Nothing in this title*
9 *shall be construed to authorize the International Advisory*
10 *Board to mandate, direct, or control an institution of high-*
11 *er education’s specific instructional content, curriculum, or*
12 *program of instruction or instructor. The International Ad-*
13 *visory Board is authorized to assess a sample of activities*
14 *supported under this title, using materials that have been*
15 *submitted to the Department of Education by grant recipi-*
16 *ents under this title, in order to provide recommendations*
17 *to the Secretary and the Congress for the improvement of*
18 *programs under the title and to ensure programs meet the*
19 *purposes of the title to promote the study of and expertise*
20 *in foreign language and world regions, especially with re-*
21 *spect to diplomacy, national security, and international*
22 *business and trade competitiveness. The recommendations*
23 *of the International Advisory Board may address any area*
24 *in need of improvement, except that any recommendation*

1 *of specific legislation to Congress shall be made only if the*
2 *President deems it necessary and expedient.*

3 “(c) *MEMBERSHIP.*—

4 “(1) *APPOINTMENT.*—*The International Advisory*
5 *Board shall have 7 members of whom—*

6 “(A) *3 members shall be appointed by the*
7 *Secretary;*

8 “(B) *2 members shall be appointed by the*
9 *Speaker of the House of Representatives, upon*
10 *the recommendation of the Majority Leader and*
11 *the Minority Leader; and*

12 “(C) *2 members shall be appointed by the*
13 *President pro tempore of the Senate, upon the*
14 *recommendation of the Majority Leader and the*
15 *Minority Leader.*

16 “(2) *REPRESENTATION.*—*Two of the members*
17 *appointed by the Secretary under paragraph (1)(A)*
18 *shall be appointed to represent Federal agencies that*
19 *have diplomacy, national security, international com-*
20 *merce, or other international activity responsibilities,*
21 *after consultation with the heads of such agencies. The*
22 *members of the International Advisory Board shall*
23 *also include (but not be limited to) persons with*
24 *international expertise representing States, institu-*
25 *tions of higher education, cultural organizations, edu-*

1 *cational organizations, international business, local*
2 *education agencies, students, and private citizens*
3 *with expertise in international concerns.*

4 “(3) *QUALIFICATION.—Members of the Inter-*
5 *national Advisory Board shall be individuals who*
6 *have technical qualifications, professional standing,*
7 *experience working in international affairs or foreign*
8 *service or international business occupations, or dem-*
9 *onstrated knowledge in the fields of higher education*
10 *and international education, including foreign lan-*
11 *guages, world regions, or international affairs.*

12 “(d) *FUNCTIONS OF THE INTERNATIONAL ADVISORY*
13 *BOARD.—*

14 “(1) *IN GENERAL.—The International Advisory*
15 *Board shall provide recommendations in accordance*
16 *with subsection (b) regarding improvement of pro-*
17 *grams under this title to the Secretary and the Con-*
18 *gress for their review. The International Advisory*
19 *Board may—*

20 “(A) *review and comment upon the regula-*
21 *tions for grants under this title;*

22 “(B) *assess a sample of activities supported*
23 *under this title based on the purposes and objec-*
24 *tives of this title, using materials that have been*
25 *submitted to the Department of Education by*

1 *grant recipients under this title, in order to pro-*
2 *vide recommendations for improvement of the*
3 *programs under this title;*

4 “(C) *make recommendations that will assist*
5 *the Secretary and the Congress to improve the*
6 *programs under this title to better reflect the na-*
7 *tional needs related to foreign languages, world*
8 *regions, diplomacy, national security, and inter-*
9 *national business and trade competitiveness, in-*
10 *cluding an assessment of the national needs and*
11 *the training provided by the institutions of high-*
12 *er education that receive a grant under this title*
13 *for expert and non-expert level foreign language*
14 *training;*

15 “(D) *make recommendations to the Sec-*
16 *retary and the Congress regarding such studies,*
17 *surveys, and analyses of international education*
18 *that will provide feedback about the programs*
19 *under this title and assure that their relative au-*
20 *thorized activities reflect diverse perspectives and*
21 *a wide range of views on world regions, foreign*
22 *languages, diplomacy, national security, and*
23 *international business and trade competitiveness;*

24 “(E) *make recommendations that will*
25 *strengthen the partnerships between local edu-*

1 *cational agencies, public and private elementary*
2 *and secondary education schools, and grant re-*
3 *cipients under this title to ensure that the re-*
4 *search and knowledge about world regions, for-*
5 *foreign languages, and international affairs is*
6 *widely disseminated to local educational agen-*
7 *cies;*

8 *“(F) make recommendations on how insti-*
9 *tutions of higher education that receive a grant*
10 *under this title can encourage students to serve*
11 *the Nation and meet national needs in an inter-*
12 *national affairs, international business, foreign*
13 *language, or national security capacity;*

14 *“(G) make recommendations on how link-*
15 *ages between institutions of higher education and*
16 *public and private organizations that are in-*
17 *volved in international education, international*
18 *business and trade competitiveness, language*
19 *training, and international research capacities*
20 *may fulfill the manpower and information needs*
21 *of United States businesses; and*

22 *“(H) make recommendations to the Sec-*
23 *retary and the Congress about opportunities for*
24 *underrepresented populations in the areas of for-*
25 *foreign language study, diplomacy, international*

1 *business and trade competitiveness, and inter-*
2 *national economics, in order to effectively carry*
3 *out the activities of the Institute under part C.*

4 “(2) *HEARINGS.*—*The International Advisory*
5 *Board shall provide for public hearing and comment*
6 *regarding the matter contained in the recommenda-*
7 *tions described in paragraph (1), prior to the submis-*
8 *sion of those recommendations to the Secretary and*
9 *the Congress.*

10 “(e) *OPERATIONS OF THE COMMITTEE.*—

11 “(1) *TERMS.*—*Each member of the International*
12 *Advisory Board shall be appointed for a term of 3*
13 *years, except that, of the members first appointed (A)*
14 *4 shall be appointed for a term of 3 years, and (B)*
15 *3 shall be appointed for a term of 4 years, as des-*
16 *ignated at the time of appointment by the Secretary.*
17 *A member of the International Advisory Board may*
18 *be reappointed to successive terms on the Inter-*
19 *national Advisory Board.*

20 “(2) *VACANCIES.*—*Any member appointed to fill*
21 *a vacancy occurring prior to the expiration of the*
22 *term of a predecessor shall be appointed only for the*
23 *remainder of such term. A member of the Inter-*
24 *national Advisory Board shall, upon the Secretary’s*

1 *request, continue to serve after the expiration of a*
2 *term until a successor has been appointed.*

3 “(3) *NO GOVERNMENTAL MEMBERS.—Except for*
4 *the members appointed by the Secretary under sub-*
5 *section (c)(1)(A), no officers or full-time employees of*
6 *the Federal Government shall serve as members of the*
7 *International Advisory Board.*

8 “(4) *MEETINGS.—The International Advisory*
9 *Board shall meet not less than once each year. The*
10 *International Advisory Board shall hold additional*
11 *meetings at the call of the Chair or upon the written*
12 *request of not less than 3 voting members of the Inter-*
13 *national Advisory Board.*

14 “(5) *QUORUM.—A majority of the voting mem-*
15 *bers of the International Advisory Board serving at*
16 *the time of a meeting shall constitute a quorum.*

17 “(6) *CHAIR.—The International Advisory Board*
18 *shall elect a Chairman or Chairwoman from among*
19 *the members of the International Advisory Board.*

20 “(f) *SUBMISSION TO DEPARTMENT FOR COMMENT.—*
21 *The International Advisory Board shall submit its proposed*
22 *recommendations to the Secretary of Education for com-*
23 *ment for a period not to exceed 30 days in each instance.*

24 “(g) *PERSONNEL AND RESOURCES.—*

1 “(1) *COMPENSATION AND EXPENSE.*—Members of
2 *the International Advisory Board shall serve without*
3 *pay for such service. Members of the International*
4 *Advisory Board who are officers or employees of the*
5 *United States may not receive additional pay, allow-*
6 *ances, or benefits by reason of their service on the*
7 *International Advisory Board. Members of the Inter-*
8 *national Advisory Board may each receive reimburse-*
9 *ment for travel expenses incident to attending Inter-*
10 *national Advisory Board meetings, including per*
11 *diem in lieu of subsistence, as authorized by section*
12 *5703 of title 5, United States Code, for persons in the*
13 *Government service employed intermittently.*

14 “(2) *PERSONNEL.*—*The International Advisory*
15 *Board may appoint such personnel as may be deter-*
16 *mined necessary by the Chairman without regard to*
17 *the provisions of title 5, United States Code, gov-*
18 *erning appointments in the competitive service, and*
19 *may be paid without regard to the provisions of chap-*
20 *ter 51 and subchapter III of chapter 53 of such title*
21 *relating to classification and General Schedule pay*
22 *rates, but no individual so appointed shall be paid in*
23 *excess of the maximum rate payable under section*
24 *5376 of such title. The International Advisory Board*
25 *may appoint not more than one full-time equivalent,*

1 *nonpermanent, consultant without regard to the pro-*
2 *visions of title 5, United States Code. The Inter-*
3 *national Advisory Board shall not be required by the*
4 *Secretary to reduce personnel to meet agency per-*
5 *sonnel reduction goals.*

6 “(3) CONSULTATION.—*In carrying out its duties*
7 *under the Act, the International Advisory Board shall*
8 *consult with other Federal agencies, representatives of*
9 *State and local governments, and private organiza-*
10 *tions to the extent feasible.*

11 “(4) ASSISTANCE FROM OTHER AGENCIES.—

12 “(A) INFORMATION.—*The International Ad-*
13 *visory Board is authorized to secure directly*
14 *from any executive department, bureau, agency,*
15 *board, commission, office, independent establish-*
16 *ment, or instrumentality information, sugges-*
17 *tions, estimates, and statistics for the purpose of*
18 *this section and each such department, bureau,*
19 *agency, board, commission, office, independent*
20 *establishment, or instrumentality is authorized*
21 *and directed, to the extent permitted by law, to*
22 *furnish such information, suggestions, estimates,*
23 *and statistics directly to the International Advi-*
24 *sory Board, upon request made by the Chairman*
25 *for the purpose of providing expertise in the area*

1 *of national needs for the proficiency in world re-*
2 *gions, foreign languages, and international af-*
3 *fairs.*

4 “(B) *SERVICES AND PERSONNEL.*—*The head*
5 *of each Federal agency shall, to the extent not*
6 *prohibited by law, consult with the International*
7 *Advisory Board in carrying out this section. The*
8 *International Advisory Board is authorized to*
9 *utilize, with their consent, the services, personnel,*
10 *information, and facilities of other Federal,*
11 *State, local, and private agencies with or with-*
12 *out reimbursement, for the purpose of providing*
13 *expertise in the area of national needs for the*
14 *proficiency in world regions, foreign languages,*
15 *and international affairs.*

16 “(5) *CONTRACTS; EXPERTS AND CONSULTANTS.*—
17 *The International Advisory Board may enter into*
18 *contracts for the acquisition of information, sugges-*
19 *tions, estimates, and statistics for the purpose of this*
20 *section. The International Advisory Board is author-*
21 *ized to obtain the services of experts and consultants*
22 *without regard to section 3109 of title 5, United*
23 *States Code and to set pay in accordance with such*
24 *section.*

1 “(h) *TERMINATION.*—Notwithstanding the sunset and
 2 *charter provisions of the Federal Advisory Committee Act*
 3 *(5 U.S.C. App. I) or any other statute or regulation, the*
 4 *International Advisory Board shall be authorized through*
 5 *September 30, 2012.*

6 “(i) *FUNDS.*—*The Secretary shall use not more than*
 7 *one-half of the funds available to the Secretary under sec-*
 8 *tion 632 to carry out this section.”.*

9 **SEC. 606. RECRUITER ACCESS TO STUDENTS AND STUDENT**
 10 **RECRUITING INFORMATION; SAFETY.**

11 *Part D of title VI is amended by inserting after section*
 12 *633 (as added by section 605) the following new sections:*

13 **“SEC. 634. RECRUITER ACCESS TO STUDENTS AND STU-**
 14 **DENT RECRUITING INFORMATION.**

15 *“Each institution of higher education that receives a*
 16 *grant under this title shall assure that—*

17 *“(1) recruiters of the United States Government*
 18 *and agencies thereof are given the same access to stu-*
 19 *dents as is provided generally to other institutions of*
 20 *higher education and prospective employers of those*
 21 *students for the purpose of recruiting for graduate op-*
 22 *portunities or prospective employment; and*

23 *“(2) no undue restrictions are placed upon stu-*
 24 *dents that seek employment with the United States*
 25 *Government or any agency thereof.*

1 **“SEC. 635. STUDENT SAFETY.**

2 *“Applicants seeking funds under this title to support*
 3 *student travel and study abroad shall submit as part of*
 4 *their grant application a description of safety policies and*
 5 *procedures for students participating in the program while*
 6 *abroad.”.*

7 **SEC. 607. NATIONAL STUDY OF FOREIGN LANGUAGE HERIT-**
 8 **AGE COMMUNITIES.**

9 *Part D of title VI is further amended by inserting after*
 10 *section 635 (as added by section 606) the following new sec-*
 11 *tion:*

12 **“SEC. 636. NATIONAL STUDY OF FOREIGN LANGUAGE HER-**
 13 **ITAGE COMMUNITIES.**

14 *“(a) STUDY.—The Secretary of Education, in con-*
 15 *sultation with the International Advisory Board, shall con-*
 16 *duct a study to identify foreign language heritage commu-*
 17 *nities, particularly such communities that include speakers*
 18 *of languages that are critical to the national security of*
 19 *the United States.*

20 *“(b) FOREIGN LANGUAGE HERITAGE COMMUNITY.—*
 21 *For purposes of this section, the term ‘foreign language her-*
 22 *itage community’ means a community of residents or citi-*
 23 *zens of the United States who are native speakers of, or*
 24 *who have partial fluency in, a foreign language.*

25 *“(c) REPORT.—Not later than one year after the date*
 26 *of the enactment of this Act, the Secretary of Education*

1 *shall submit a report to the Congress on the results of the*
 2 *study conducted under this section.”.*

3 ***TITLE VII—TITLE VII*** 4 ***AMENDMENTS***

5 ***SEC. 701. JAVITS FELLOWSHIP PROGRAM.***

6 *(a) AUTHORITY AND TIMING OF AWARDS.—Section*
 7 *701(a) (20 U.S.C. 1132a(a)) is amended by inserting after*
 8 *the second sentence the following: “For purposes of the ex-*
 9 *ception in the preceding sentence, a master’s degree in fine*
 10 *arts shall be considered a terminal degree.”.*

11 *(b) INTERRUPTIONS OF STUDY.—Section 701(c) (20*
 12 *U.S.C. 1134(c)) is amended by adding at the end the fol-*
 13 *lowing new sentence: “In the case of other exceptional cir-*
 14 *cumstances, such as active duty military service or personal*
 15 *or family member illness, the institution of higher education*
 16 *may also permit the fellowship recipient to interrupt peri-*
 17 *ods of study for the duration of the tour of duty (in the*
 18 *case of military service) or not more than 12 months (in*
 19 *any other case), but without payment of the stipend.”.*

20 *(c) ALLOCATION OF FELLOWSHIPS.—Section 702(a)(1)*
 21 *(20 U.S.C. 1134a(a)(1)) is amended—*

22 *(1) in the first sentence, by inserting “from di-*
 23 *verse geographic regions” after “higher education”;*
 24 *and*

1 (2) *by adding at the end the following new sen-*
2 *tence: “The Secretary shall also assure that at least*
3 *one representative appointed to the Board represents*
4 *an institution that is eligible for a grant under title*
5 *III or V of this Act.”.*

6 (d) *STIPENDS.—Section 703 (20 U.S.C. 1134b(a)) is*
7 *amended—*

8 (1) *in subsection (a)—*

9 (A) *by striking “1999–2000” and inserting*
10 *“2006–2007”;*

11 (B) *by striking “shall be set” and inserting*
12 *“may be set”; and*

13 (C) *by striking “Foundation graduate fel-*
14 *lowships” and inserting “Foundation Graduate*
15 *Research Fellowship Program on February 1 of*
16 *such academic year”; and*

17 (2) *in subsection (b), by amending paragraph*
18 (1)(A) *to read as follows:*

19 “(1) *IN GENERAL.—(A) The Secretary shall (in*
20 *addition to stipends paid to individuals under this*
21 *subpart) pay to the institution of higher education,*
22 *for each individual awarded a fellowship under this*
23 *subpart at such institution, an institutional allow-*
24 *ance. Except as provided in subparagraph (B), such*
25 *allowance shall be, for 2006–2007 and succeeding aca-*

1 *demic years, the same amount as the institutional*
 2 *payment made for 2005–2006 adjusted for 2006–2007*
 3 *and annually thereafter in accordance with inflation*
 4 *as determined by the Department of Labor’s Con-*
 5 *sumer Price Index for All Urban Consumers for the*
 6 *previous calendar year.”.*

7 *(e) AUTHORIZATION OF APPROPRIATIONS.—Section*
 8 *705 (20 U.S.C. 1134d) is amended by striking “fiscal year*
 9 *1999 and such sums as may be necessary for each of the*
 10 *4 succeeding fiscal years” and inserting “fiscal year 2006*
 11 *and such sums as may be necessary for each of the 5 suc-*
 12 *ceeding fiscal years”.*

13 **SEC. 702. GRADUATE ASSISTANCE IN AREAS OF NATIONAL**
 14 **NEED.**

15 *(a) DESIGNATION OF AREAS OF NATIONAL NEED; PRI-*
 16 *ORITY.—Section 712 (20 U.S.C. 1135a) is amended—*

17 *(1) in the last sentence of subsection (b)—*

18 *(A) by striking “and an assessment” and*
 19 *inserting “an assessment”; and*

20 *(B) by inserting before the period at the end*
 21 *the following: “, and the priority described in*
 22 *subsection (c) of this section”; and*

23 *(2) by adding at the end the following new sub-*
 24 *section:*

1 “(c) *PRIORITY.—The Secretary shall establish a pri-*
 2 *ority for grants in order to prepare individuals for the pro-*
 3 *fessoriate who will train highly-qualified elementary and*
 4 *secondary math and science teachers, special education*
 5 *teachers, and teachers who provide instruction for limited*
 6 *English proficient individuals. Such grants shall offer pro-*
 7 *gram assistance and graduate fellowships for—*

8 “(1) *post-baccalaureate study related to teacher*
 9 *preparation and pedagogy in math and science for*
 10 *students who have completed a master’s degree or are*
 11 *pursuing a doctorate of philosophy in math and*
 12 *science;*

13 “(2) *post-baccalaureate study related to teacher*
 14 *preparation and pedagogy in special education and*
 15 *English language acquisition and academic pro-*
 16 *ficiency for limited English proficient individuals;*
 17 *and*

18 “(3) *support of dissertation research in the fields*
 19 *of math, science, special education, or second lan-*
 20 *guage pedagogy and second language acquisition.”.*

21 (b) *COLLABORATION REQUIRED FOR CERTAIN APPLI-*
 22 *CATIONS.—Section 713(b) (20 U.S.C. 1135b) is amended—*

23 (1) *by striking “and” at the end of paragraph*
 24 (9);

1 (2) *by redesignating paragraph (10) as para-*
2 *graph (11); and*

3 (3) *by inserting after paragraph (9) the fol-*
4 *lowing new paragraph:*

5 “(10) *in the case of an application for a grant*
6 *by a department, program, or unit in education or*
7 *teacher preparation, contain assurances that such de-*
8 *partment, program, or unit collaborates with depart-*
9 *ments, programs, or units in all content areas to as-*
10 *sure a successful combination of training in both*
11 *teaching and such content; and”.*

12 (c) *STIPENDS.—Section 714(b) (20 U.S.C. 1135c(b))*
13 *is amended—*

14 (1) *by striking “1999–2000” and inserting*
15 *“2006–2007”;*

16 (2) *by striking “shall be set” and inserting “may*
17 *be set”;* and

18 (3) *by striking “Foundation graduate fellow-*
19 *ships” and inserting “Foundation Graduate Research*
20 *Fellowship Program on February 1 of such academic*
21 *year”.*

22 (d) *ADDITIONAL ASSISTANCE.—Section 715(a)(1) (20*
23 *U.S.C. 1135d(a)(1)) is amended—*

24 (1) *by striking “1999–2000” and inserting*
25 *“2006–2007”;*

1 (2) by striking “1998–1999” and inserting
2 “2005–2006”; and

3 (3) by inserting “for All Urban Consumers”
4 after “Price Index”.

5 (e) *AUTHORIZATION OF APPROPRIATIONS.*—Section
6 716 (20 U.S.C. 1135e) is amended by striking “fiscal year
7 1999 and such sums as may be necessary for each of the
8 4 succeeding fiscal years” and inserting “fiscal year 2006
9 and such sums as may be necessary for each of the 5 suc-
10 ceeding fiscal years”.

11 (f) *TECHNICAL AMENDMENTS.*—Section 714(c) (20
12 U.S.C. 1135c(c)) is amended—

13 (1) by striking “section 716(a)” and inserting
14 “section 715(a)”; and

15 (2) by striking “section 714(b)(2)” and inserting
16 “section 713(b)(2)”.

17 **SEC. 703. THURGOOD MARSHALL LEGAL EDUCATIONAL OP-**
18 **PORTUNITY PROGRAM.**

19 (a) *CONTRACT AND GRANT PURPOSES.*—Section
20 721(c) (20 U.S.C. 1136(c)) is amended—

21 (1) by amending paragraph (2) to read as fol-
22 lows:

23 “(2) to prepare such students for study at ac-
24 credited law schools and assist them with the develop-
25 ment of analytical skills and study methods to en-

1 *hance their success and promote completion of law*
 2 *school;”;*

3 *(2) by striking “and” at the end of paragraph*
 4 *(4);*

5 *(3) by striking the period at the end of para-*
 6 *graph (5) and inserting “; and”; and*

7 *(4) by adding at the end the following new para-*
 8 *graph:*

9 *“(6) to award Thurgood Marshall Fellowships to*
 10 *eligible law school students—*

11 *“(A) who participated in summer institutes*
 12 *authorized by subsection (d) and who are en-*
 13 *rolled in an accredited law school; or*

14 *“(B) who are eligible law school students*
 15 *who have successfully completed a comparable*
 16 *summer institute program certified by the Coun-*
 17 *cil on Legal Educational Opportunity.”.*

18 *(b) SERVICES PROVIDED.—Section 721(d)(1)(D) (20*
 19 *U.S.C. 1136(d)(1)(D)) is amended by inserting “in analyt-*
 20 *ical skills and study methods” after “courses”.*

21 *(c) AUTHORIZATION OF APPROPRIATIONS.—Section*
 22 *721(h) (20 U.S.C. 1136(h)) is amended by striking “1999*
 23 *and each of the 4 succeeding fiscal years” and inserting*
 24 *“2006 and each of the 5 succeeding fiscal years”.*

1 (d) *GENERAL PROVISIONS.*—Subsection (e) of section
2 731 (20 U.S.C. 1137(e)) is repealed.

3 **SEC. 704. FUND FOR THE IMPROVEMENT OF POSTSEC-**
4 **ONDARY EDUCATION.**

5 (a) *CONTRACT AND GRANT PURPOSES.*—Section
6 741(a) (20 U.S.C. 1138(a)) is amended—

7 (1) by amending paragraph (1) to read as fol-
8 lows:

9 “(1) the encouragement of the reform and im-
10 provement of, and innovation in, postsecondary edu-
11 cation and the provision of educational opportunity
12 for all, especially for the non-traditional student pop-
13 ulations;”;

14 (2) in paragraph (2), by inserting before the
15 semicolon at the end the following: “for postsecondary
16 students, especially institutions, programs, and joint
17 efforts that provide academic credit for programs”;

18 (3) by amending paragraph (3) to read as fol-
19 lows:

20 “(3) the establishment of institutions and pro-
21 grams based on the technology of communications, in-
22 cluding delivery by distance education;”;

23 (4) by amending paragraph (6) to read as fol-
24 lows:

1 “(6) the introduction of institutional reforms de-
2 signed to expand individual opportunities for enter-
3 ing and reentering postsecondary institutions and
4 pursuing programs of postsecondary study tailored to
5 individual needs;”;

6 (5) by striking “and” at the end of paragraph
7 (7);

8 (6) by striking the period at the end of para-
9 graph (8) and inserting a semicolon; and

10 (7) by adding at the end the following new para-
11 graphs:

12 “(9) the provision of support and assistance to
13 programs implementing integrated education reform
14 services in order to improve secondary school gradua-
15 tion and college attendance and completion rates for
16 disadvantaged students, and to programs that reduce
17 postsecondary remediation rates, and improve degree
18 attainment rates, for low-income students and former
19 high school dropouts; and

20 “(10) the assessment, in partnership with a pub-
21 lic or private nonprofit institution or agency, of the
22 performance of teacher preparation programs within
23 institutions of higher education in a State, using an
24 assessment which provides comparisons across such
25 schools within the State based upon indicators includ-

1 *ing teacher candidate knowledge in subject areas in*
2 *which such candidate has been prepared to teach. ”.*

3 (b) *PROHIBITION.*—Section 741 (20 U.S.C. 1138) is
4 *further amended by adding at the end the following new*
5 *subsection:*

6 “(c) *PROHIBITION.*—No funds made available under
7 *this part may be used to provide financial assistance to*
8 *students who do not meet the requirements of section*
9 *484(a)(5).”.*

10 (c) *AREAS OF NATIONAL NEED.*—Section 744(c) (20
11 *U.S.C. 1138c(c)) is amended—*

12 (1) *by amending paragraph (2) to read as fol-*
13 *lows:*

14 “(2)(A) *Development of partnerships between*
15 *local educational agencies and institutions of higher*
16 *education to establish or expand existing dual enroll-*
17 *ment programs at institutions of higher education*
18 *that allow high school students to earn high school*
19 *and transferable college credit.*

20 “(B) *Development of consortia of institutions of*
21 *higher education to create dual enrollment programs*
22 *including academic and student support agreements*
23 *and comprehensive articulation agreements that*
24 *would allow for the seamless and timeless acquisition*
25 *of college credits and the transfer of postsecondary*

1 *academic credits between such institutions, particu-*
2 *larly from 2-year to 4-year institutions of higher edu-*
3 *cation.”; and*

4 *(2) by striking paragraph (4) and inserting the*
5 *following:*

6 *“(4) International cooperation, partnerships, or*
7 *student exchange among postsecondary educational*
8 *institutions in the United States and abroad.*

9 *“(5) Establishment of academic programs in-*
10 *cluding graduate and undergraduate courses, semi-*
11 *nars and lectures, support of research, and develop-*
12 *ment of teaching materials for the purpose of sup-*
13 *porting faculty and academic programs that teach*
14 *traditional American history (including significant*
15 *constitutional, political, intellectual, economic, diplo-*
16 *matic, and foreign policy trends, issues, and docu-*
17 *ments; the history, nature, and development of demo-*
18 *cratic institutions of which American democracy is a*
19 *part; and significant events and individuals in the*
20 *history of the United States).*

21 *“(6) Support for planning, applied research,*
22 *training, resource exchanges or technology transfers,*
23 *the delivery of services, or other activities the purpose*
24 *of which is to design and implement programs to en-*
25 *able institutions of higher education to work with pri-*

1 *vate and civic organizations to assist communities to*
 2 *meet and address their pressing and severe problems,*
 3 *including economic development, community infra-*
 4 *structure and housing, crime prevention, education,*
 5 *healthcare, self-sufficiency, and workforce prepara-*
 6 *tion. Such activities may include support for the de-*
 7 *velopment of coordinated curriculum and internship*
 8 *opportunities for students in disadvantaged commu-*
 9 *nities.”.*

10 *(d) AUTHORIZATION OF APPROPRIATIONS.—Section*
 11 *745 (20 U.S.C. 1138d) is amended by striking “\$30,000,000*
 12 *for fiscal year 1999 and such sums as may be necessary*
 13 *for each of the 4 succeeding fiscal years” and inserting*
 14 *“\$40,000,000 for fiscal year 2006 and such sums as may*
 15 *be necessary for each of the 5 succeeding fiscal years” .*

16 **SEC. 705. URBAN COMMUNITY SERVICE.**

17 *Part C of title VII (20 U.S.C. 1139 et seq.) is repealed.*

18 **SEC. 706. DEMONSTRATION PROJECTS TO ENSURE STU-**
 19 **DENTS WITH DISABILITIES RECEIVE A QUAL-**
 20 **ITY HIGHER EDUCATION.**

21 *(a) SERVING ALL STUDENTS WITH DISABILITIES.—*
 22 *Section 762(a) (20 U.S.C. 1140a(a)) is amended by striking*
 23 *“students with learning disabilities” and inserting “stu-*
 24 *dents with disabilities”.*

25 *(b) AUTHORIZED ACTIVITIES.—*

1 (1) *AMENDMENT.—Section 762(b)(2) is amend-*
2 *ed—*

3 (A) *in subparagraph (A), by inserting “in*
4 *order to improve retention and completion” after*
5 *“disabilities”;*

6 (B) *by redesignating subparagraphs (B)*
7 *and (C) as subparagraphs (C) and (E), respec-*
8 *tively;*

9 (C) *by inserting after subparagraph (A) the*
10 *following new subparagraph:*

11 “(B) *EFFECTIVE TRANSITION PRACTICES.—*
12 *The development of innovative, effective, and effi-*
13 *cient teaching methods and strategies to ensure*
14 *the smooth transition of students with disabil-*
15 *ities from high school to postsecondary edu-*
16 *cation.”; and*

17 (D) *by inserting after subparagraph (C) (as*
18 *redesignated by subparagraph (B) of this para-*
19 *graph) the following new subparagraph:*

20 “(D) *DISTANCE LEARNING.—The develop-*
21 *ment of innovative, effective, and efficient teach-*
22 *ing methods and strategies to provide faculty*
23 *and administrators with the ability to provide*
24 *accessible distance education programs or classes*
25 *that would enhance access of students with dis-*

1 abilities to higher education, including the use of
2 electronic communication for instruction and ad-
3 visement.”.

4 (2) CONFORMING AMENDMENT.—Section
5 762(b)(3) is amended by striking “subparagraphs (A)
6 through (C)” and inserting “subparagraphs (A)
7 through (E)”.

8 (c) APPLICATIONS.—Section 763 (20 U.S.C. 1140b) is
9 amended—

10 (1) by amending paragraph (1) to read as fol-
11 lows:

12 “(1) a description of how such institution plans
13 to address the activities allowed under this part;”;

14 (2) by striking “and” at the end of paragraph
15 (2);

16 (3) by striking the period at the end of para-
17 graph (3) and inserting “; and”; and

18 (4) by adding at the end the following new para-
19 graph:

20 “(4) a description of the extent to which an in-
21 stitution will work to replicate the best practices of
22 institutions of higher education with demonstrated
23 success in serving students with disabilities.”.

24 (d) AUTHORIZATION OF APPROPRIATIONS.—Section
25 765 (20 U.S.C. 1140d) is amended by striking “fiscal year

1 1999 and such sums as may be necessary for each of the
 2 4 succeeding fiscal years” and inserting “fiscal year 2006
 3 and such sums as may be necessary for each of the 5 suc-
 4 ceeding fiscal years”.

5 **TITLE VIII—CLERICAL** 6 **AMENDMENTS**

7 **SEC. 801. CLERICAL AMENDMENTS.**

8 (a) *DEFINITION.*—Section 103 (20 U.S.C. 1003) (as
 9 amended by section 102) is further amended—

10 (1) by redesignating paragraphs (1) through (16)
 11 as paragraphs (2) through (17), respectively; and

12 (2) by inserting before paragraph (2) (as so re-
 13 designated) the following new paragraph:

14 “(1) *AUTHORIZING COMMITTEES.*—The term ‘au-
 15 thorizing committees’ means the Committee on
 16 Health, Education, Labor, and Pensions of the Senate
 17 and the Committee on Education and the Workforce
 18 of the House of Representatives.”.

19 (b) *COMMITTEES.*—

20 (1) The following provisions are each amended
 21 by striking “Committee on Labor and Human Re-
 22 sources of the Senate and the Committee on Edu-
 23 cation and the Workforce of the House of Representa-
 24 tives” and inserting “authorizing committees”:

25 (A) Section 428(g) (20 U.S.C. 1078(g)).

1 (B) Section 428A(a)(3) (20 U.S.C. 1078–
2 1(a)(3)), as redesignated by section 430(e)(4).

3 (C) Section 428A(c)(2) (20 U.S.C. 1078–
4 1(c)(2)).

5 (D) Section 428A(c)(5) (20 U.S.C. 1078–
6 1(c)(5)).

7 (E) Section 455(b)(7)(B) (20 U.S.C.
8 1087e(b)(7)(B)), as redesignated by section
9 423(b)(3).

10 (F) Section 483(c) (20 U.S.C. 1090(c)).

11 (G) Section 486(e) (20 U.S.C. 1093(e)).

12 (H) Section 486(f)(3)(A) (20 U.S.C.
13 1093(f)(3)(A)).

14 (I) Section 486(f)(3)(B) (20 U.S.C.
15 1093(f)(3)(B)).

16 (J) Section 487A(a)(5) (20 U.S.C.
17 1094a(a)(5)).

18 (K) Section 487A(b)(2) (20 U.S.C.
19 1094a(b)(2)).

20 (L) Section 487A(b)(3)(B) (20 U.S.C.
21 1094a(b)(3)(B)).

22 (M) Section 498B(d)(1) (20 U.S.C. 1099c–
23 2(d)(1)).

24 (N) Section 498B(d)(2) (20 U.S.C. 1099c–
25 2(d)(2)).

(2) *The following provisions are each amended by striking “Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate” and inserting “authorizing committees”:*

(A) *Section 141(d)(4)(B) (20 U.S.C. 1018(d)(4)(B)).*

(B) *Section 428(n)(4) (20 U.S.C. 1078(n)(4)).*

(C) *Section 437(c)(1) (20 U.S.C. 1087(c)(1)).*

(D) *Section 485(f)(5)(A) (20 U.S.C. 1092(f)(5)(A)).*

(E) *Section 485(g)(4)(B) (20 U.S.C. 1092(g)(4)(B)).*

(3) *Section 401(f)(3) (20 U.S.C. 1070a(f)(3)) is amended by striking “Committee on Appropriations and the Committee on Labor and Human Resources of the Senate and the Committee on Appropriations and the Committee on Education and the Workforce of the House of Representatives” and inserting “Committees on Appropriations of the Senate and House of Representatives and the authorizing committees”.*

(4) *Section 428(c)(9)(K) (20 U.S.C. 1078(c)(9)(K)) is amended by striking “House Com-*

1 *mittee on Education and the Workforce and the Sen-*
 2 *ate Committee on Labor and Human Resources” and*
 3 *inserting “authorizing committees”.*

4 (5) Section 432(f)(1)(C) (20 U.S.C.
 5 1082(f)(1)(C)) is amended by striking “Committee on
 6 Education and the Workforce of the House of Rep-
 7 resentatives or the Committee on Labor and Human
 8 Resources of the Senate” and inserting “either of the
 9 authorizing committees”.

10 (6) Section 439(d)(1)(E)(iii) (20 U.S.C. 1087-
 11 2(d)(1)(E)(iii)) is amended by striking “Chairman
 12 and the Ranking Member on the Committee on Labor
 13 and Human Resources of the Senate and the Chair-
 14 man and the Ranking Member of the Committee on
 15 Education and Labor of the House of Representa-
 16 tives” and inserting “chairpersons and ranking mi-
 17 nority members of the authorizing committees”.

18 (7) Paragraphs (3) and (8)(C) of section 439(r)
 19 (20 U.S.C. 1087-2(r)) are each amended by striking
 20 “Chairman and ranking minority member of the
 21 Committee on Labor and Human Resources of the
 22 Senate, the Chairman and ranking minority member
 23 of the Committee on Education and Labor of the
 24 House of Representatives,” and inserting “chair-

1 *persons and ranking minority members of the author-*
2 *izing committees”.*

3 *(8) Paragraphs (5)(B) and (10) of section 439(r)*
4 *(20 U.S.C. 1087–2(r)) are each amended by striking*
5 *“Chairman and ranking minority member of the Sen-*
6 *ate Committee on Labor and Human Resources and*
7 *to the Chairman and ranking minority member of the*
8 *House Committee on Education and Labor” and in-*
9 *serting “chairpersons and ranking minority members*
10 *of the authorizing committees”.*

11 *(9) Section 439(r)(6)(B) (20 U.S.C. 1087–*
12 *2(r)(6)(B)) is amended by striking “Chairman and*
13 *ranking minority member of the Committee on Labor*
14 *and Human Resources of the Senate and to the*
15 *Chairman and ranking minority member of the Com-*
16 *mittee on Education and Labor of the House of Rep-*
17 *resentatives” and inserting “chairpersons and rank-*
18 *ing minority members of the authorizing committees”.*

19 *(10) Section 439(s)(2)(A) (20 U.S.C. 1087–*
20 *2(s)(2)(A)) is amended by striking “Chairman and*
21 *Ranking Member of the Committee on Labor and*
22 *Human Resources of the Senate and the Chairman*
23 *and Ranking Member of the Committee on Economic*
24 *and Educational Opportunities of the House of Rep-*

1 *representatives” and inserting “chairpersons and rank-*
 2 *ing minority members of the authorizing committees”.*

3 *(11) Section 439(s)(2)(B) (20 U.S.C. 1087–*
 4 *2(s)(2)(B)) is amended by striking “Chairman and*
 5 *Ranking Minority Member of the Committee on Labor*
 6 *and Human Resources of the Senate and Chairman*
 7 *and Ranking Minority Member of the Committee on*
 8 *Economic and Educational Opportunities of the*
 9 *House of Representatives” and inserting “chair-*
 10 *persons and ranking minority members of the author-*
 11 *izing committees”.*

12 *(12) Section 482(d) (20 U.S.C. 1089(d)) is*
 13 *amended by striking “Committee on Labor and*
 14 *Human Resources of the Senate and the Committee*
 15 *on Education and Labor of the House of Representa-*
 16 *tives” and inserting “authorizing committees”.*

17 *(c) ADDITIONAL CLERICAL AMENDMENTS.—*

18 *(1) Clauses (i) and (ii) of section 425(a)(2)(A)*
 19 *(20 U.S.C. 1075(a)(2)(A)) are each amended by strik-*
 20 *ing “428A or 428B” and inserting “428B or 428H”.*

21 *(2) Section 428(a)(2)(E) (20 U.S.C.*
 22 *1078(a)(2)(E)) is amended by striking “428A or”.*

23 *(3) Clauses (i) and (ii) of section 428(b)(1)(B)*
 24 *(20 U.S.C. 1078(b)(1)(B)) are each amended by strik-*
 25 *ing “428A or 428B” and inserting “428B or 428H”.*

1 (4) Section 428(b)(1)(Q) (20 U.S.C.
2 1078(b)(1)(Q)) is amended by striking “sections 428A
3 and 428B” and inserting “section 428B or 428H”.

4 (5) Section 428(b)(7)(C) (20 U.S.C.
5 1078(b)(7)(C)) is amended by striking “428A, 428B,”
6 and inserting “428B”.

7 (6) Section 428G(c)(2) (20 U.S.C. 1078–7(c)(2))
8 is amended by striking “428A” and inserting
9 “428H”.

10 (7) The heading for section 433(e) (20 U.S.C.
11 1083(e)) is amended by striking “SLS LOANS AND”.

12 (8) Section 433(e) (20 U.S.C. 1083(e)) is amend-
13 ed by striking “428A, 428B,” and inserting “428B”.

14 (9) Section 435(a)(3) (20 U.S.C. 1085(a)(3)) is
15 amended—

16 (A) by inserting “or” at the end of subpara-
17 graph (A);

18 (B) by striking subparagraph (B); and

19 (C) by redesignating subparagraph (C) as
20 subparagraph (B).

21 (10) Section 435(d)(1)(G) (20 U.S.C.
22 1085(d)(1)(G)) is amended by striking “428A(d),
23 428B(d), 428C,” and inserting “428B(d), 428C,
24 428H,”.

1 (11) *Section 435(m) (20 U.S.C. 1085(m)) is*
2 *amended—*

3 (A) *in paragraph (1)(A), by striking “,*
4 *428A,”; and*

5 (B) *in paragraph (2)(D), by striking*
6 *“428A” each place it appears and inserting*
7 *“428H”.*

8 (12) *Section 438(b)(2)(D)(ii) (20 U.S.C. 1087–*
9 *1(b)(2)(D)(ii)) is amended by striking “division (i) of*
10 *this subparagraph” and inserting “clause (i) of this*
11 *subparagraph”.*

12 (13) *Section 438(c)(6) (20 U.S.C. 1087–1(c)(6))*
13 *is amended—*

14 (A) *by striking “SLS AND PLUS” in the*
15 *heading and inserting “PLUS”; and*

16 (B) *by striking “428A or”.*

17 (14) *Section 438(c)(7) (20 U.S.C. 1087–1(c)(7))*
18 *is amended by striking “428A or”.*

19 (15) *Nothing in the amendments made by this*
20 *subsection shall be construed to alter the terms, condi-*
21 *tions, and benefits applicable to Federal supplemental*
22 *loans for students (“SLS loans”) under section 428A*
23 *as in effect prior to July 1, 1994 (20 U.S.C. 1078–*
24 *1).*

**TITLE IX—AMENDMENTS TO
OTHER EDUCATION LAWS**

PART A—EDUCATION OF THE DEAF ACT OF 1986

**SEC. 901. LAURENT CLERC NATIONAL DEAF EDUCATION
CENTER.**

(a) *GENERAL AUTHORITY.*—Section 104(a)(1)(A) of the Education of the Deaf Act of 1986 (20 U.S.C. 4304(a)(1)(A)) is amended by inserting after “maintain and operate” the following: “, at the Laurent Clerc National Deaf Education Center,”.

(b) *ADMINISTRATIVE REQUIREMENTS.*—

(1) *IN GENERAL.*—Section 104(b) of the Education of the Deaf Act of 1986 (20 U.S.C. 4304(b)) is amended—

(A) in the matter preceding subparagraph (A) of paragraph (1), by striking “elementary and secondary education programs” and inserting “Laurent Clerc National Deaf Education Center”; and

(B) in paragraph (2), by striking “elementary and secondary education programs” and inserting “Laurent Clerc National Deaf Education Center”.

(2) *ACADEMIC CONTENT STANDARDS, ACHIEVEMENT STANDARDS, AND ASSESSMENTS.*—Section

1 104(b) of the *Education of the Deaf Act of 1986* (20
2 *U.S.C. 4304(b)*) is amended by adding at the end the
3 following new paragraph:

4 “(5) *The University, in consultation with the Sec-*
5 *retary and consistent with the mission of the elementary*
6 *and secondary programs operated at the Laurent Clerc Na-*
7 *tional Deaf Education Center, shall—*

8 “(A) *not later than the beginning of the 2007–*
9 *2008 school year, adopt and implement academic con-*
10 *tent standards, academic achievement standards, and*
11 *academic assessments as described in paragraphs (1)*
12 *and (3) of section 1111(b) of the Elementary and Sec-*
13 *ondary Education Act of 1965 for such Center;*

14 “(B) *develop adequate yearly progress standards*
15 *for such Center as described in section 1111(b)(2)(C)*
16 *of such Act; and*

17 “(C) *publicly report the results of such assess-*
18 *ments, except in such case in which such reporting*
19 *would not yield statistically reliable information or*
20 *would reveal personally identifiable information*
21 *about an individual student.”.*

22 **SEC. 902. AUTHORITY.**

23 *Section 111 of the Education of the Deaf Act of 1986*
24 *(20 U.S.C. 4331) is amended by striking “the institution*
25 *of higher education with which the Secretary has an agree-*

1 *ment under this part” and inserting “the Rochester Insti-*
 2 *tute of Technology”.*

3 **SEC. 903. AGREEMENT FOR THE NATIONAL TECHNICAL IN-**
 4 **STITUTE FOR THE DEAF.**

5 (a) *GENERAL AUTHORITY.*—Section 112(a) of the
 6 *Education of the Deaf Act of 1986 (20 U.S.C. 4332(a)) is*
 7 *amended—*

8 (1) *in paragraph (1)—*

9 (A) *in the first sentence—*

10 (i) *by striking “an institution of high-*
 11 *er education” and inserting “the Rochester*
 12 *Institute of Technology, Rochester, New*
 13 *York,”; and*

14 (ii) *by striking “of a” and inserting*
 15 *“of the”; and*

16 (B) *by striking the second sentence; and*

17 (2) *in paragraph (2)—*

18 (A) *in the matter preceding subparagraph*
 19 *(A), by striking “the institution of higher edu-*
 20 *cation with which the Secretary has an agree-*
 21 *ment under this section” and inserting “the*
 22 *Rochester Institute of Technology”; and*

23 (B) *in subparagraph (B), by striking “the*
 24 *institution” and inserting “the Rochester Insti-*
 25 *tute of Technology”.*

1 (b) *PROVISIONS OF AGREEMENT.*—Section 112(b) of
2 the *Education of the Deaf Act of 1986* (20 U.S.C. 4332(b))
3 is amended—

4 (1) in paragraph (2), by striking “or other gov-
5 erning body of the institution” and inserting “of the
6 Rochester Institute of Technology”; and

7 (2) in paragraph (3)—

8 (A) by striking “or other governing body of
9 the institution” and inserting “of the Rochester
10 Institute of Technology”;

11 (B) by striking “the institution of higher
12 education under the agreement with the Sec-
13 retary” and inserting “the Rochester Institute of
14 Technology by the National Technical Institute
15 for the Deaf”; and

16 (C) by striking “Committee on Education
17 and Labor of the House of Representatives and
18 to the Committee on Labor and Human Re-
19 sources of the Senate” and inserting “Committee
20 on Education and the Workforce of the House of
21 Representatives and to the Committee on Health,
22 Education, Labor, and Pensions of the Senate”.

23 (c) *LIMITATION.*—Section 112(c) of the *Education of*
24 the *Deaf Act of 1986* (20 U.S.C. 4332(c)) is amended in
25 paragraphs (1) and (2) by striking “institution” each place

1 *it appears and inserting “Rochester Institute of Tech-*
 2 *nology”.*

3 **SEC. 904. DEFINITIONS.**

4 *Section 201 of the Education of the Deaf Act of 1986*
 5 *(20 U.S.C. 4351) is amended—*

6 *(1) by striking paragraph (3);*

7 *(2) by redesignating paragraphs (4) through (7)*
 8 *as paragraphs (3) through (6), respectively; and*

9 *(3) by adding at the end the following new para-*
 10 *graph:*

11 *“(7) The term ‘RIT’ means the Rochester Insti-*
 12 *tute of Technology.”.*

13 **SEC. 905. AUDIT.**

14 *(a) GOVERNMENT ACCOUNTABILITY OFFICE AUTHOR-*
 15 *ITY.—Section 203(a) of the Education of the Deaf Act of*
 16 *1986 (20 U.S.C. 4353(a)) is amended—*

17 *(1) in the heading, by striking “GENERAL AC-*
 18 *COUNTING OFFICE” and inserting “GOVERNMENT AC-*
 19 *COUNTABILITY OFFICE”; and*

20 *(2) in the matter following paragraph (2), by*
 21 *striking “General Accounting Office” and inserting*
 22 *“Government Accountability Office”.*

23 *(b) INDEPENDENT FINANCIAL AND COMPLIANCE*
 24 *AUDIT.—Section 203(b)(1) of the Education of the Deaf Act*
 25 *of 1986 (20 U.S.C. 4353(b)(1)) is amended by striking the*

1 *second sentence and inserting the following: “NTID shall*
 2 *have an annual independent financial and compliance*
 3 *audit made of RIT programs and activities, including*
 4 *NTID programs and activities.”.*

5 *(c) COMPLIANCE.—Section 203(b)(2) of the Education*
 6 *of the Deaf Act of 1986 (20 U.S.C. 4353(b)(2)) is amended*
 7 *by striking “sections” and all that follows through “section*
 8 *207” and inserting “sections 102(b), 105(b)(4), 112(b)(5),*
 9 *203(c), 207(b)(2), subsections (c) through (f) of section 207”.*

10 *(d) SUBMISSION OF AUDITS.—Section 203(b)(3) of the*
 11 *Education of the Deaf Act of 1986 (20 U.S.C. 4353(b)(3))*
 12 *is amended—*

13 *(1) by inserting after “Secretary” the following:*
 14 *“and the Committee on Education and the Workforce*
 15 *of the House of Representatives and the Committee on*
 16 *Health, Education, Labor, and Pensions of the Sen-*
 17 *ate”; and*

18 *(2) by striking “or the institution authorized to*
 19 *establish and operate the NTID under section 112(a)”*
 20 *and inserting “or RIT”.*

21 *(e) LIMITATIONS REGARDING EXPENDITURE OF*
 22 *FUNDS.—Section 203(c)(2)(A) of the Education of the Deaf*
 23 *Act of 1986 (20 U.S.C. 4353(c)(2)(A)) is amended in the*
 24 *fifth sentence by striking “the Committee on Education and*
 25 *Labor of the House of Representatives and the Committee*

1 *on Labor and Human Resources of the Senate” and insert-*
 2 *ing “the Committee on Education and the Workforce of the*
 3 *House of Representatives and the Committee on Health,*
 4 *Education, Labor, and Pensions of the Senate”.*

5 **SEC. 906. REPORTS.**

6 (a) *TECHNICAL AMENDMENTS.*—Section 204 of the
 7 *Education of the Deaf Act of 1986 (20 U.S.C. 4354) is*
 8 *amended in the matter preceding paragraph (1)—*

9 (1) *by striking “or other governing body of the*
 10 *institution of higher education with which the Sec-*
 11 *retary has an agreement under section 112” and in-*
 12 *serting “of RIT”; and*

13 (2) *by striking “Committee on Education and*
 14 *Labor of the House of Representatives and the Com-*
 15 *mittee on Labor and Human Resources of the Senate”*
 16 *and inserting “Committee on Education and the*
 17 *Workforce of the House of Representatives and the*
 18 *Committee on Health, Education, Labor, and Pen-*
 19 *sions of the Senate”.*

20 (b) *CONTENTS OF REPORT.*—Section 204 of the *Edu-*
 21 *cation of the Deaf Act of 1986 (20 U.S.C. 4354) is amend-*
 22 *ed—*

23 (1) *in paragraph (2)(C), by striking “upon*
 24 *graduation/completion” and inserting “within one*
 25 *year of graduation/completion”; and*

1 (2) in paragraph (3)(B), by striking “of the in-
 2 stitution of higher education with which the Secretary
 3 has an agreement under section 112, including spe-
 4 cific schedules and analyses for all NTID funds, as
 5 required under section 203” and inserting “of RIT
 6 programs and activities”.

7 **SEC. 907. LIAISON FOR EDUCATIONAL PROGRAMS.**

8 Section 206(a) of the Education of the Deaf Act of
 9 1986 (20 U.S.C. 4356(a)) is amended by striking “Not later
 10 than 30 days after the date of enactment of this Act, the”
 11 and inserting “The”.

12 **SEC. 908. FEDERAL ENDOWMENT PROGRAMS FOR GAL-**
 13 **LAUDET UNIVERSITY AND THE NATIONAL**
 14 **TECHNICAL INSTITUTE FOR THE DEAF.**

15 Section 207(a)(2) of the Education of the Deaf Act of
 16 1986 (20 U.S.C. 4357(a)(2)) is amended by striking “or
 17 other governing body of the institution of higher education
 18 with which the Secretary has an agreement under section
 19 112” and inserting “of RIT”.

20 **SEC. 909. OVERSIGHT AND EFFECT OF AGREEMENTS.**

21 Section 208(a) of the Education of the Deaf Act of
 22 1986 (20 U.S.C. 4359(a)) is amended—

23 (1) by striking “the institution of higher edu-
 24 cation with which the Secretary has an agreement
 25 under part B of title I” and inserting “RIT”; and

1 (2) by striking “Committee on Labor and
 2 *Human Resources of the Senate and the Committee*
 3 *on Education and the Workforce of the House of Rep-*
 4 *resentatives” and inserting “Committee on Education*
 5 *and the Workforce of the House of Representatives*
 6 *and the Committee on Health, Education, Labor, and*
 7 *Pensions of the Senate”.*

8 **SEC. 910. AUTHORIZATION OF APPROPRIATIONS.**

9 (a) *MONITORING AND EVALUATION ACTIVITIES.*—Sec-
 10 tion 205(c) of the *Education of the Deaf Act of 1986* (20
 11 U.S.C. 4355(c)) is amended by striking “fiscal years 1998
 12 through 2003” and inserting “fiscal years 2006 through
 13 2011”.

14 (b) *FEDERAL ENDOWMENT PROGRAMS FOR GAL-*
 15 *LAUDET UNIVERSITY AND THE NATIONAL TECHNICAL IN-*
 16 *STITUTE FOR THE DEAF.*—Section 207(h) of the *Education*
 17 *of the Deaf Act of 1986* (20 U.S.C. 4357(h)) is amended
 18 in paragraphs (1) and (2) by striking “fiscal years 1998
 19 through 2003” each place it appears and inserting “fiscal
 20 years 2006 through 2011”.

21 (c) *GENERAL AUTHORIZATION OF APPROPRIATIONS.*—
 22 Section 212 of the *Education of the Deaf Act of 1986* (20
 23 U.S.C. 4360a) is amended—

24 (1) in the matter preceding paragraph (1) in
 25 subsection (a), by striking “fiscal years 1998 through

1 2003” and inserting “fiscal years 2006 through
2 2011”; and

3 (2) in subsection (b), by striking “fiscal years
4 1998 through 2003” and inserting “fiscal years 2006
5 through 2011”.

6 (d) *SHORT TITLE.*—

7 (1) *IN GENERAL.*—*The Education of the Deaf*
8 *Act of 1986 (20 U.S.C. 4301 note) is amended by*
9 *striking the matter preceding title I and inserting the*
10 *following:*

11 **“SEC. 1. SHORT TITLE.**

12 *“This Act may be cited as the ‘Gallaudet University*
13 *and National Technical Institute for the Deaf Act’.”.*

14 (2) *OTHER REFERENCES.*— *Any reference in a*
15 *law, regulation, document, or other record of the*
16 *United States to the Education of the Deaf Act of*
17 *1986 shall be deemed to be a reference to the Gal-*
18 *laudet University and National Technical Institute*
19 *for the Deaf Act.*

20 **PART B—ADDITIONAL EDUCATION LAWS**

21 **SEC. 921. CANCELLATION OF STUDENT LOAN INDEBTED-**
22 **NESS FOR SURVIVORS OF VICTIMS OF THE**
23 **SEPTEMBER 11, 2001, ATTACKS.**

24 (a) *DEFINITIONS.*—*For purposes of this section:*

1 (1) *ELIGIBLE PUBLIC SERVANT.*—The term “eli-
2 gible public sesrvant” means an individual who, as
3 determined in accordance with regulations of the Sec-
4 retary—

5 (A) served as a police officer, firefighter,
6 other safety or rescue personnel, or as a member
7 of the Armed Forces; and

8 (B) died (or dies) or became (or becomes)
9 permanently and totally disabled due to injuries
10 suffered in the terrorist attack on September 11,
11 2001.

12 (2) *ELIGIBLE VICTIM.*—The term “eligible vic-
13 tim” means an individual who, as determined in ac-
14 cordance with regulations of the Secretary, died (or
15 dies) or became (or becomes) permanently and totally
16 disabled due to injuries suffered in the terrorist attack
17 on September 11, 2001.

18 (3) *ELIGIBLE PARENT.*—The term “eligible par-
19 ent” means the parent of an eligible victim if—

20 (A) the parent owes a Federal student loan
21 that is a consolidation loan that was used to
22 repay a PLUS loan incurred on behalf of such
23 eligible victim; or

1 (B) *the parent owes a Federal student loan*
2 *that is a PLUS loan incurred on behalf of an el-*
3 *igible victim.*

4 (4) *SECRETARY.—The term “Secretary” means*
5 *the Secretary of Education.*

6 (5) *FEDERAL STUDENT LOAN.—The term “Fed-*
7 *eral student loan” means any loan made, insured, or*
8 *guaranteed under part B, D, or E of title IV of the*
9 *Higher Education Act of 1965.*

10 (b) *RELIEF FROM INDEBTEDNESS.—*

11 (1) *IN GENERAL.—The Secretary shall provide*
12 *for the discharge or cancellation of—*

13 (A) *the Federal student loan indebtedness of*
14 *the spouse of an eligible public servant, as deter-*
15 *mined in accordance with regulations of the Sec-*
16 *retary, including any consolidation loan that*
17 *was used jointly by the eligible public servant*
18 *and his or her spouse to repay the Federal stu-*
19 *dent loans of the spouse and the eligible public*
20 *servant;*

21 (B) *the portion incurred on behalf of the eli-*
22 *gible victim (other than an eligible public serv-*
23 *ant), of a Federal student loan that is a consoli-*
24 *dation loan that was used jointly by the eligible*
25 *victim and his or her spouse, as determined in*

1 *accordance with regulations of the Secretary, to*
 2 *repay the Federal student loans of the eligible*
 3 *victim and his or her spouse;*

4 *(C) the portion of the consolidation loan in-*
 5 *debtedness of an eligible parent that was in-*
 6 *curring on behalf of an eligible victim; and*

7 *(D) the PLUS loan indebtedness of an eligi-*
 8 *ble parent that was incurred on behalf of an eli-*
 9 *gible victim.*

10 *(2) METHOD OF DISCHARGE OR CANCELLA-*
 11 *TION.—A loan required to be discharged or canceled*
 12 *under paragraph (1) shall be discharged or canceled*
 13 *by the method used under section 437(a), 455(a)(1),*
 14 *or 464(c)(1)(F) of the Higher Education Act of 1965*
 15 *(20 U.S.C. 1087(a), 1087e(a)(1), 1087dd(c)(1)(F)),*
 16 *whichever is applicable to such loan.*

17 *(c) FACILITATION OF CLAIMS.—The Secretary shall—*

18 *(1) establish procedures for the filing of applica-*
 19 *tions for discharge or cancellation under this section*
 20 *by regulations that shall be prescribed and published*
 21 *within 90 days after the date of enactment of this Act*
 22 *and without regard to the requirements of section 553*
 23 *of title 5, United States Code; and*

24 *(2) take such actions as may be necessary to*
 25 *publicize the availability of discharge or cancellation*

1 of Federal student loan indebtedness under this sec-
2 tion.

3 (d) *AVAILABILITY OF FUNDS FOR PAYMENTS.*—Funds
4 available for the purposes of making payments to lenders
5 in accordance with section 437(a) for the discharge of in-
6 debtedness of deceased or disabled individuals shall be avail-
7 able for making payments under section 437(a) to lenders
8 of loans as required by this section.

9 (e) *APPLICABLE TO OUTSTANDING DEBT.*—The provi-
10 sions of this section shall be applied to discharge or cancel
11 only Federal student loans (including consolidation loans)
12 on which amounts were owed on September 11, 2001. Noth-
13 ing in this section shall be construed to authorize any re-
14 funding of any repayment of a loan.

15 **SEC. 922. AMENDMENT TO HIGHER EDUCATION AMEND-**
16 **MENTS OF 1998.**

17 (a) *REPEALS OF EXPIRED AND EXECUTED PROVI-*
18 *SIONS.*—The following provisions of the Higher Education
19 Amendments of 1998 are repealed:

20 (1) *STUDY OF MARKET MECHANISMS IN FEDERAL*
21 *STUDENT LOAN PROGRAMS.*—Section 801 (20 U.S.C.
22 1018 note).

23 (2) *STUDY OF FEASIBILITY OF ALTERNATE FI-*
24 *NANCIAL INSTRUMENTS FOR DETERMINING LENDER*
25 *YIELDS.*—Section 802.

1 (3) *STUDENT RELATED DEBT STUDY*.—Section
2 803 (20 U.S.C. 1015 note).

3 (4) *STUDY OF OPPORTUNITIES FOR PARTICIPA-*
4 *TION IN ATHLETIC PROGRAMS*.—Section 805 (20
5 U.S.C. 1001 note).

6 (5) *COMMUNITY SCHOLARSHIP MOBILIZATION*.—
7 Part C of title VIII (20 U.S.C. 1070 note).

8 (6) *INCARCERATED YOUTH*.—Part D of title VIII
9 (20 U.S.C. 1151).

10 (7) *IMPROVING UNITED STATES UNDERSTANDING*
11 *OF SCIENCE, ENGINEERING, AND TECHNOLOGY IN*
12 *EAST ASIA*.—Part F of title VIII (42 U.S.C. 1862
13 note).

14 (8) *WEB-BASED EDUCATION COMMISSION*.—Part
15 J of title VIII.

16 (b) *EXTENSIONS OF AUTHORIZATIONS AND STUD-*
17 *IES*.—

18 (1) *TRANSFER OF CREDIT*.—Section 804(b) of
19 such Act (20 U.S.C. 1099b note) is amended—

20 (A) by striking “one year after the date of
21 enactment of this Act” and inserting “September
22 30, 2007”; and

23 (B) by inserting “and policies of institu-
24 tions of higher education” after “agencies or as-
25 sociations”.

1 (2) *COHORT DEFAULT RATE STUDY.*—Section
2 806 of such Act is amended—

3 (A) in subsection (a), by striking “higher
4 education at which less” and inserting “higher
5 education. The study shall also review the effect
6 of cohort default rates specifically on institutions
7 of higher education at which less”; and

8 (B) in subsection (c), by striking “Sep-
9 tember 30, 1999,” and inserting “September 30,
10 2007,”.

11 (3) *VIOLENCE AGAINST WOMEN.*—Section 826 of
12 such Act (20 U.S.C. 1152) is amended—

13 (A) in subsection (g), by striking “for each
14 of the fiscal years 2001 through 2005” and in-
15 serting “fiscal year 2006 and each of the 5 suc-
16 ceeding fiscal years”; and

17 (B) by redesignating subsections (f) and (g)
18 as subsections (e) and (f), respectively.

19 (4) *UNDERGROUND RAILROAD.*—Subsection (c)
20 of section 841 (20 U.S.C. 1153(c)) is amended to read
21 as follows:

22 “(c) *AUTHORIZATION OF APPROPRIATIONS.*—There are
23 authorized to be appropriated to carry out this section
24 \$3,000,000 for fiscal year 2006 and such sums as may be
25 necessary for each of the 5 succeeding fiscal years.”.

1 (c) *DISBURSEMENT OF STUDENT LOANS*.—Section
 2 422(d) of the *Higher Education Amendments of 1998* (Pub-
 3 lic Law 105–244; 112 Stat. 1696) is amended by adding
 4 at the end the following new sentence: “Such amendments
 5 shall also be effective on and after July 1, 2006.”.

6 **SEC. 923. TRIBALLY CONTROLLED COLLEGE OR UNIVER-**
 7 **SITY ASSISTANCE ACT OF 1978.**

8 (a) *TITLE I AUTHORIZATION*.—Section 110(a) of the
 9 *Tribally Controlled Community College or University As-*
 10 *sistance Act of 1978* (25 U.S.C. 1810(a)) is amended—

11 (1) by striking “1999” each place it appears and
 12 inserting “2006”; and

13 (2) by striking “4 succeeding” each place it ap-
 14 pears and inserting “5 succeeding”.

15 (b) *TITLE III REAUTHORIZATION*.—Section 306(a) of
 16 the *Tribally Controlled Community College or University*
 17 *Assistance Act of 1978* (25 U.S.C. 1836(a)) is amended—

18 (1) by striking “1999” and inserting “2006”;
 19 and

20 (2) by striking “4 succeeding” and inserting “5
 21 succeeding”.

22 (c) *TITLE IV REAUTHORIZATION*.—Section 403 of the
 23 *Tribal Economic Development and Technology Related*
 24 *Education Assistance Act of 1990* (25 U.S.C. 1852) is
 25 amended—

1 (1) *by striking “1999” and inserting “2006”;*
2 *and*

3 (2) *by striking “4 succeeding” and inserting “5*
4 *succeeding”.*

5 (d) *ADDITIONAL AMENDMENTS.—The Tribally Con-*
6 *trolled Community College or University Assistance Act of*
7 *1978 is further amended—*

8 (1) *in section 2(a)(6) (25 U.S.C. 1801(a)(6)), by*
9 *striking “in the field of Indian education” and insert-*
10 *ing “in the field of Tribal Colleges and Universities*
11 *and Indian higher education”;*

12 (2) *in section 2(b), by striking paragraph (5)*
13 *and inserting the following:*

14 *“(5) Eligible credits earned in a continuing edu-*
15 *cation program shall be determined as one credit for*
16 *every 10 contact hours for institutions on a quarter*
17 *system, and 15 contact hours for institutions on a se-*
18 *mester system, of participation in an organized con-*
19 *tinuing education experience under responsible spon-*
20 *sorship, capable direction, and qualified instruction,*
21 *as described in the criteria established by the Inter-*
22 *national Association for Continuing Education and*
23 *Training, and may not exceed 20 percent of an insti-*
24 *tution’s total Indian student count.”; and*

1 (3) in section 103 (25 U.S.C. 1804), by striking
2 “and” at the end of paragraph (2), by striking the pe-
3 riod at the end of paragraph (3) and inserting “;
4 and”, and by inserting after paragraph (3) the fol-
5 lowing new paragraph:

6 “(4) has been accredited by a nationally recog-
7 nized accrediting agency or association determined by
8 the Secretary of Education to be a reliable authority
9 as to the quality of training offered, or is, according
10 to such an agency or association, making reasonable
11 progress toward accreditation.”.

12 **SEC. 924. NAVAJO COMMUNITY COLLEGE ACT.**

13 Section 5(a)(1) of the Navajo Community College Act
14 (25 U.S.C. 640c-1(a)(1)) is amended—

15 (1) by striking “1999” and inserting “2006”;
16 and

17 (2) by striking “4 succeeding” and inserting “5
18 succeeding”.

19 **SEC. 925. EDUCATION AMENDMENTS OF 1992.**

20 Section 1543(d) of the Education Amendments of 1992
21 (20 U.S.C. 1070 note) is amended—

22 (1) by striking “1999” and inserting “2006”;
23 and

24 (2) by striking “4 succeeding” and inserting “5
25 succeeding”.

1 **SEC. 926. STUDY OF STUDENT LEARNING OUTCOMES AND**
2 **PUBLIC ACCOUNTABILITY.**

3 (a) *STUDY REQUIRED.*—*The Secretary shall provide*
4 *for the conduct a study of the best practices of States in*
5 *assessing undergraduate postsecondary student learning,*
6 *particularly as such practices relate to public account-*
7 *ability systems.*

8 (b) *CHARACTERISTICS OF THE ASSOCIATION.*—*Such*
9 *study shall be conducted by an association or organization*
10 *with specific expertise and knowledge in state practices and*
11 *access to necessary state officials (in this section referred*
12 *to as the “association”). The association responsible for the*
13 *study under this section shall be a national, non-partisan*
14 *or bi-partisan entity representing States or State officials*
15 *with expertise in evaluative and qualitative policy research*
16 *for best practice models, the capacity to convene experts,*
17 *and to formulate policy recommendations.*

18 (c) *REQUIRED SUBJECTS OF STUDY.*—*In performing*
19 *the study, the association shall, at a minimum, examine*
20 *the following:*

21 (1) *The current status of institutional and state*
22 *efforts to embed student learning assessments into the*
23 *state-level public accountability frameworks.*

24 (2) *The extent to which there is commonality*
25 *among educators and accrediting agencies on learning*
26 *standards for the associates and bachelors degrees.*

1 (3) *The reliability, rigor, and generalizability of*
 2 *available instruments to assess general education at*
 3 *the undergraduate level.*

4 (4) *Roles and responsibilities for public account-*
 5 *ability for student learning.*

6 (d) *CONSULTATION.—*

7 (1) *NATIONAL COMMITTEE.—The association*
 8 *shall establish and consult with a national committee.*
 9 *The committee shall meet not less than twice a year*
 10 *to review the research, identify best practice models,*
 11 *and review recommendations.*

12 (2) *MEMBERSHIP.—The national advisory com-*
 13 *mittee shall consist of a representative of the Sec-*
 14 *retary of Education and individuals with expertise*
 15 *in—*

16 (A) *State accountability systems;*

17 (B) *student learning assessments;*

18 (C) *student flow data;*

19 (D) *transitions between K–12 and higher*
 20 *education; and*

21 (E) *Federal higher education policy.*

22 (3) *ADDITIONAL EXPERTISE.—The association*
 23 *may augment this committee with other expertise, as*
 24 *appropriate.*

1 (e) *CONGRESSIONAL CONSULTATION.*—*The association*
2 *shall consult on a regular basis with the Committee on Edu-*
3 *cation and the Workforce of the House of Representatives*
4 *and the Committee on Health Education Labor and Pen-*
5 *sions of the Senate in carrying out the study required by*
6 *this section.*

7 (f) *REPORT.*—*The association shall, not later than two*
8 *years after the date of enactment of this Act, prepare and*
9 *submit a report on the study required by this section to*
10 *the Committee on Education and the Workforce of the*
11 *House of Representatives and the Committee on Health,*
12 *Education, Labor, and Pensions of the Senate.*

13 **SEC. 927. STUDY OF MINORITY GRADUATION RATES.**

14 (a) *STUDY REQUIRED.*—*The Secretary of Education*
15 *shall—*

16 (1) *commission a national study on the decreas-*
17 *ing numbers of underrepresented minority males, par-*
18 *ticularly African American males, entering and grad-*
19 *uating from colleges and universities; and*

20 (2) *make specific recommendations to the Con-*
21 *gress on new approaches to increase minority male*
22 *graduation rates and the number of minority males*
23 *going into careers where the population is underrep-*
24 *resented.*

1 (b) *SUBMISSION OF REPORT.*—Not later than one year
 2 after the date of the enactment this Act, the Secretary shall
 3 submit a report on the study required by subsection (a)(1),
 4 together with the recommendations required by subsection
 5 (a)(2), to the Committee on Health, Education, Labor and
 6 Pensions of the Senate and the Committee on Education
 7 and the Workforce of the House of Representatives.

8 **SEC. 928. STUDY OF EDUCATION-RELATED INDEBTEDNESS**
 9 **OF MEDICAL SCHOOL GRADUATES.**

10 (a) *STUDY REQUIRED.*—The Secretary of Education
 11 shall conduct a study to evaluate the higher education-re-
 12 lated indebtedness of medical school graduates in the United
 13 States at the time of graduation.

14 (b) *DEADLINE.*—Not later than one year after the date
 15 of enactment of this Act, the Secretary shall submit a report
 16 on the study required by subsection (a) to the Committee
 17 on Education and the Workforce of the House of Representa-
 18 tives and the Committee on Health, Education, Labor and
 19 Pensions of the Senate, and shall make the report widely
 20 available to the public. Additional reports may be periodi-
 21 cally prepared and released as necessary.

22 **SEC. 929. STUDY OF ADULT LEARNERS.**

23 The Secretary of Education shall conduct a study of
 24 the developing trends in older adult learners attending col-
 25 lege and how institutions of higher education are addressing

1 *the needs of this specific population in terms of outreach,*
2 *accessibility, financing, and student support services, in-*
3 *cluding online education. The Secretary shall submit a re-*
4 *port on the study to the Committee on Education and the*
5 *Workforce of the House of Representatives that includes rec-*
6 *ommendations on measures the Federal Government can*
7 *take to address the needs in regards to education and job*
8 *training for the aging population and the changing demo-*
9 *graphics of our country.*

10 **SEC. 930. INCREASE IN COLLEGE TEXTBOOK PRICES.**

11 *(a) FINDINGS.—The Committee on Education and the*
12 *Workforce of the House of Representatives makes the fol-*
13 *lowing findings:*

14 *(1) The rising costs of higher education are mak-*
15 *ing a postsecondary education inaccessible for many*
16 *individuals.*

17 *(2) The rise in college textbook pricing contrib-*
18 *utes to the overall costs of higher education, and*
19 *many factors have contributed to the rise in textbook*
20 *pricing.*

21 *(b) SENSE OF THE COMMITTEE ON EDUCATION AND*
22 *THE WORKFORCE.—It is the sense of the Committee on*
23 *Education and the Workforce of the House of Representa-*
24 *tives that in order to make a higher education more acces-*

1 sible for all students, the following should occur to make
2 college textbooks more affordable for students:

3 (1) The Congress encourages textbook publishers
4 to provide students with the option of buying mate-
5 rials such as textbooks, CD-ROMs, access to websites,
6 and workbooks, “a la carte” or “unbundled”.

7 (2) Textbook publishers should work with faculty
8 to understand the cost to students of purchasing the
9 recommended textbooks.

10 (3) College bookstores should work with faculty to
11 review timelines and processes for ordering and stock-
12 ing selected textbooks, and disclose textbook costs to
13 faculty and students.

14 (4) Colleges and universities should be encour-
15 aged to implement numerous options to address text-
16 book affordability.

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109TH CONGRESS
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H. R. 609

[Report No. 109-231]

A BILL

To amend and extend the Higher Education Act of
1965.

SEPTEMBER 22, 2005

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed