

111<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3221

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

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## IN THE HOUSE OF REPRESENTATIVES

JULY 15, 2009

Mr. GEORGE MILLER of California (for himself, Mr. HINOJOSA, Mr. BISHOP of New York, Mr. PAYNE, Mr. HOLT, Mr. COURTNEY, Ms. HIRONO, Mr. ANDREWS, Mr. KILDEE, Ms. SHEA-PORTER, Mr. GRIJALVA, Mr. LOEBSACK, Ms. FUDGE, Mr. SCOTT of Virginia, Ms. ESHOO, Mr. TIERNEY, Mr. SABLAN, Mr. WU, Mr. KUCINICH, Mr. HARE, Mr. SESTAK, Ms. WOOLSEY, and Mrs. DAVIS of California) introduced the following bill; which was referred to the Committee on Education and Labor

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## A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Student Aid and Fiscal  
5 Responsibility Act of 2009”.

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

7 The table of contents is as follows:

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

## TITLE I—INVESTING IN STUDENTS AND FAMILIES

## Subtitle A—Increasing College Access and Completion

- Sec. 101. Federal Pell Grants.
- Sec. 102. College Access and Completion Innovation Fund.
- Sec. 103. Investment in historically Black colleges and universities and other minority-serving institutions.
- Sec. 104. Investment in cooperative education.

## Subtitle B—Student Financial Aid Form Simplification

- Sec. 121. General effective date.
- Sec. 122. Treatment of assets in need analysis.
- Sec. 123. Social Security allowances.
- Sec. 124. Changes to total income; aid eligibility.

## TITLE II—STUDENT LOAN REFORM

## Subtitle A—Stafford Loan Reform

- Sec. 201. Federal Family Education Loan appropriations.
- Sec. 202. Scope and duration of Federal loan insurance program.
- Sec. 203. Applicable interest rates.
- Sec. 204. Federal payments to reduce student interest costs.
- Sec. 205. Federal PLUS Loans.
- Sec. 206. Federal Consolidation Loan.
- Sec. 207. Unsubsidized Stafford loans for middle-income borrowers.
- Sec. 208. Loan repayment for civil legal assistance attorneys.
- Sec. 209. Special allowances.
- Sec. 210. Revised special allowance calculation.
- Sec. 211. Origination of Direct Loans at institutions located outside the United States.
- Sec. 212. Agreements with institutions.
- Sec. 213. Terms and conditions of loans.
- Sec. 214. Contracts.
- Sec. 215. Subsidized loan limitation.
- Sec. 216. Interest rates.

## Subtitle B—Perkins Loan Reform

- Sec. 221. Federal Direct Perkins Loans terms and conditions.
- Sec. 222. Authorization of appropriations.
- Sec. 223. Allocation of funds.
- Sec. 224. Federal Direct Perkins Loan allocation.
- Sec. 225. Agreements with institutions of higher education.
- Sec. 226. Student loan information by eligible institutions.
- Sec. 227. Terms of loans.
- Sec. 228. Distribution of assets from student loan funds.
- Sec. 229. Administrative expenses.

## TITLE III—MODERNIZATION, RENOVATION, AND REPAIR

## Subtitle A—Elementary and Secondary Education

- Sec. 301. Definitions.

CHAPTER 1—GRANTS FOR MODERNIZATION, RENOVATION, OR REPAIR OF  
PUBLIC SCHOOL FACILITIES

- Sec. 311. Purpose.
- Sec. 312. Allocation of funds.
- Sec. 313. Allowable uses of funds.
- Sec. 314. Priority projects.

CHAPTER 2—SUPPLEMENTAL GRANTS FOR LOUISIANA, MISSISSIPPI, AND  
ALABAMA

- Sec. 321. Purpose.
- Sec. 322. Allocation to local educational agencies.
- Sec. 323. Allowable uses of funds.

CHAPTER 3—GENERAL PROVISIONS

- Sec. 331. Impermissible uses of funds.
- Sec. 332. Supplement, not supplant.
- Sec. 333. Prohibition regarding State aid.
- Sec. 334. Maintenance of effort.
- Sec. 335. Special rule on contracting.
- Sec. 336. Use of American iron, steel, and manufactured goods.
- Sec. 337. Labor standards.
- Sec. 338. Charter schools.
- Sec. 339. Green schools.
- Sec. 340. Reporting.
- Sec. 341. Special rules.
- Sec. 342. Promotion of employment experiences.
- Sec. 343. Advisory Council on Green, High-Performing Schools.
- Sec. 344. Education regarding projects.
- Sec. 345. Availability of funds.

Subtitle B—Higher Education

- Sec. 351. Federal assistance for community college modernization and construction.

TITLE IV—EARLY LEARNING CHALLENGE FUND

- Sec. 401. Purpose.
- Sec. 402. Programs authorized.
- Sec. 403. Quality pathways grants.
- Sec. 404. Development grants.
- Sec. 405. Research and evaluation.
- Sec. 406. Reporting requirements.
- Sec. 407. Construction.
- Sec. 408. Definitions.
- Sec. 409. Availability of funds.

TITLE V—COMMUNITY COLLEGE INITIATIVE

- Sec. 501. Authorization and appropriation.
- Sec. 502. Definitions.
- Sec. 503. Grants to eligible entities for community college reform.
- Sec. 504. Grants to eligible States for community college programs.
- Sec. 505. National activities.

1 **SEC. 3. REFERENCES.**

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

8 **TITLE I—INVESTING IN**  
9 **STUDENTS AND FAMILIES**  
10 **Subtitle A—Increasing College**  
11 **Access and Completion**

12 **SEC. 101. FEDERAL PELL GRANTS.**

13 Section 401(b) (20 U.S.C. 1070a(b)) is amended—  
14 (1) by amending paragraph (2)(A) to read as  
15 follows:

16 “(A) The amount of the Federal Pell  
17 Grant for a student eligible under this part  
18 shall be—

19 “(i) the maximum Federal Pell Grant,  
20 as specified in the last enacted appropria-  
21 tion Act applicable to that award year,  
22 plus

23 “(ii) the amount of the increase cal-  
24 culated under paragraph (8)(B) for that  
25 year, less

1                   “(iii) an amount equal to the amount  
2                   determined to be the expected family con-  
3                   tribution with respect to that student for  
4                   that year.”; and

5                   (2) by amending paragraph (8), as amended by  
6                   the Higher Education Opportunity Act (Public Law  
7                   110–315), to read as follows:

8                   “(8) ADDITIONAL FUNDS.—

9                   “(A) IN GENERAL.—There are authorized  
10                  to be appropriated, and there are appropriated,  
11                  to carry out subparagraph (B) of this para-  
12                  graph (in addition to any other amounts appro-  
13                  priated to carry out this section and out of any  
14                  money in the Treasury not otherwise appro-  
15                  priated) the following amounts—

16                  “(i) \$2,030,000,000 for fiscal year  
17                  2008;

18                  “(ii) \$2,733,000,000 for fiscal year  
19                  2009; and

20                  “(iii) such sums as may be necessary  
21                  for fiscal year 2010 and each subsequent  
22                  fiscal year to provide the amount of in-  
23                  crease of the maximum Federal Pell Grant  
24                  required by clauses (ii) and (iii) of sub-  
25                  paragraph (B).

1           “(B) INCREASE IN FEDERAL PELL  
2 GRANTS.—The amounts made available pursu-  
3 ant to subparagraph (A) shall be used to in-  
4 crease the amount of the maximum Federal  
5 Pell Grant for which a student shall be eligible  
6 during an award year, as specified in the last  
7 enacted appropriation Act applicable to that  
8 award year, by—

9           “(i) \$490 for each of the award years  
10           2008–2009 and 2009–2010;

11           “(ii) \$690 for the award year 2010–  
12           2011; and

13           “(iii) the amount determined under  
14           subparagraph (C) for each succeeding  
15           award year.

16           “(C) INFLATION-ADJUSTED AMOUNTS.—

17           “(i) AWARD YEAR 2011–2012.—For  
18           award year 2011–2012, the amount deter-  
19           mined under this subparagraph for pur-  
20           poses of subparagraph (B)(iii) shall be  
21           equal to—

22           “(I) \$5,550 or the total max-  
23           imum Federal Pell Grant for the pre-  
24           ceding award year (as determined  
25           under clause (iv)(II)), whichever is

1 greater, increased by a percentage  
2 equal to the annual adjustment per-  
3 centage for award year 2011–2012;  
4 reduced by

5 “(II) \$4,860 or the maximum  
6 Federal Pell Grant for which a stu-  
7 dent was eligible for the preceding  
8 award year, as specified in the last en-  
9 acted appropriation Act applicable to  
10 that year, whichever is greater; and

11 “(III) rounded to the nearest \$5.

12 “(ii) SUBSEQUENT AWARD YEARS.—  
13 For award year 2012–2013 and each of  
14 the subsequent award years, the amount  
15 determined under this subparagraph for  
16 purposes of subparagraph (B)(iii) shall be  
17 equal to—

18 “(I) the total maximum Federal  
19 Pell Grant for the preceding award  
20 year (as determined under clause  
21 (iv)(II)), increased by a percentage  
22 equal to the annual adjustment per-  
23 centage for the award year for which  
24 the amount under this subparagraph  
25 is being determined; reduced by

1                   “(II) \$4,860 or the maximum  
2                   Federal Pell Grant for which a stu-  
3                   dent was eligible for the preceding  
4                   award year, as specified in the last en-  
5                   acted appropriation Act applicable to  
6                   that year, whichever is greater; and

7                   “(III) rounded to the nearest \$5.

8                   “(iii) LIMITATION ON DECREASES.—

9                   Notwithstanding clauses (i) and (ii), if the  
10                  amount determined under clause (i) or (ii)  
11                  for an award year is less than the amount  
12                  determined under this paragraph for the  
13                  preceding award year, the amount deter-  
14                  mined under such clause for such award  
15                  year shall be the amount determined under  
16                  this paragraph for the preceding award  
17                  year.

18                  “(iv) DEFINITIONS.—For purposes of  
19                  this subparagraph—

20                  “(I) the term ‘annual adjustment  
21                  percentage’ as it applies to an award  
22                  year is equal to the sum of—

23                  “(aa) the estimated percent-  
24                  age change in the Consumer  
25                  Price Index (as determined by

1 the Secretary, using the defini-  
2 tion in section 478(f)) for the  
3 most recent calendar year ending  
4 prior to the beginning of that  
5 award year; and

6 “(bb) one percentage point;  
7 and

8 “(II) the term ‘total maximum  
9 Federal Pell Grant’ as it applies to a  
10 preceding award year is equal to the  
11 sum of—

12 “(aa) the maximum Federal  
13 Pell Grant for which a student is  
14 eligible during an award year, as  
15 specified in the last enacted ap-  
16 propriation Act applicable to that  
17 preceding award year; and

18 “(bb) the amount of the in-  
19 crease in the maximum Federal  
20 Pell Grant required by this para-  
21 graph for that preceding award  
22 year.

23 “(D) PROGRAM REQUIREMENTS AND OP-  
24 ERATIONS OTHERWISE UNAFFECTED.—Except  
25 as provided in subparagraphs (B) and (C),

1 nothing in this paragraph shall be construed to  
2 alter the requirements and operations of the  
3 Federal Pell Grant Program as authorized  
4 under this section, or to authorize the imposi-  
5 tion of additional requirements or operations  
6 for the determination and allocation of Federal  
7 Pell Grants under this section.

8 “(E) AVAILABILITY OF FUNDS.—The  
9 amounts made available by subparagraph (A)  
10 for any fiscal year shall be available beginning  
11 on October 1 of that fiscal year, and shall re-  
12 main available through September 30 of the  
13 succeeding fiscal year.”.

14 **SEC. 102. COLLEGE ACCESS AND COMPLETION INNOVA-**  
15 **TION FUND.**

16 (a) **HEADER.**—Part E of title VII (20 U.S.C. 1141  
17 et seq.) is amended by striking the header of such part  
18 and inserting the following:

19 **“PART E—COLLEGE ACCESS AND COMPLETION**  
20 **INNOVATION FUND”.**

21 (b) **PURPOSE.**—Part E of title VII (20 U.S.C. 1141  
22 et seq.) is further amended by inserting before section 781  
23 the following:

24 **“SEC. 780. PURPOSES.**

25 “The purposes of this part are—

1           “(1) to promote innovation in postsecondary  
2 education practices and policies by institutions of  
3 higher education, States, and nonprofit organiza-  
4 tions to improve student success, completion, and  
5 post-completion employment, particularly for stu-  
6 dents from groups that are underrepresented in  
7 postsecondary education; and

8           “(2) to assist States in developing longitudinal  
9 data systems, common metrics, and reporting sys-  
10 tems to enhance the quality and availability of infor-  
11 mation about student success, completion, and post-  
12 completion employment.”.

13           (c) AUTHORIZATION AND APPROPRIATION.—Section  
14 781(a) (20 U.S.C. 1141(a)) is amended to read as follows:

15           “(a) AUTHORIZATION AND APPROPRIATION.—

16           “(1) IN GENERAL.—There are authorized to be  
17 appropriated, and there are appropriated, to carry  
18 out this part (in addition to any other amounts ap-  
19 propriated to carry out this part and out of any  
20 money in the Treasury not otherwise appropriated),  
21 \$600,000,000 for each of the fiscal years 2010  
22 through 2014.

23           “(2) ALLOCATIONS.—Of the amount appro-  
24 priated for any fiscal year under paragraph (1)—

1           “(A) 25 percent shall be made available to  
2           carry out section 781;

3           “(B) 50 percent shall be made available to  
4           carry out section 782;

5           “(C) 24 percent shall be made available to  
6           carry out section 783; and

7           “(D) 1 percent shall be made available to  
8           carry out section 784.”.

9           (d) STATE GRANTS AND GRANTS TO ELIGIBLE ENTI-  
10          TIES.—Part E of title VII (20 U.S.C. 1141 et seq.) is  
11          further amended by adding at the end the following:

12          **“SEC. 782. STATE INNOVATION COMPLETION GRANTS.**

13           “(a) PROGRAM AUTHORIZATION.—From the amount  
14          appropriated under section 781(a)(2)(B) to carry out this  
15          section, the Secretary shall award grants to States on a  
16          competitive basis to promote student persistence in, and  
17          completion of, postsecondary education.

18           “(b) FEDERAL SHARE; NON-FEDERAL SHARE.—

19           “(1) FEDERAL SHARE.—The amount of the  
20          Federal share under this section for a fiscal year  
21          shall be equal to  $\frac{2}{3}$  of the costs of the activities and  
22          services described in subsection (d)(1) that are car-  
23          ried out under the grant.

24           “(2) NON-FEDERAL SHARE.—The amount of  
25          the non-Federal share under this section shall be

1 equal to  $\frac{1}{3}$  of the costs of the activities and services  
2 described in subsection (d)(1). The non-Federal  
3 share may be in cash or in kind, and may be pro-  
4 vided from State resources, contributions from pri-  
5 vate organizations, or both.

6 “(3) SUPPLEMENT, NOT SUPPLANT.—The Fed-  
7 eral and non-Federal shares required by this para-  
8 graph shall be used to supplement, and not sup-  
9 plant, State and private resources that would other-  
10 wise be expended to carry out activities and services  
11 to promote student persistence in and completion of  
12 postsecondary education.

13 “(c) APPLICATION AND SELECTION.—

14 “(1) APPLICATION REQUIREMENTS.—For each  
15 fiscal year for which a State desires to receive a  
16 grant under this section, the State agency with ju-  
17 risdiction over higher education, or another agency  
18 designated by the Governor or chief executive of the  
19 State to administer the grant program under this  
20 section, shall submit an application to the Secretary  
21 at such time, in such manner, and containing such  
22 information as the Secretary may require. Such ap-  
23 plication shall include—

24 “(A) a description of the State’s capacity  
25 to administer the grant under this section;

1           “(B) a description of the State’s plans for  
2           using the grant funds for activities described in  
3           subsection (d)(1), including plans for how the  
4           State will make special efforts to provide bene-  
5           fits to students in the State who are from  
6           groups that are underrepresented in postsec-  
7           ondary education;

8           “(C) a description of how the State will  
9           provide for the non-Federal share from State  
10          resources, private contributions, or both;

11          “(D) a description of—

12                 “(i) the administrative system that  
13                 the State has in place to administer the ac-  
14                 tivities and services described in subsection  
15                 (d)(1); or

16                 “(ii) the plan to develop such adminis-  
17                 trative system;

18          “(E) a description of the data system the  
19          State has or will have in place to measure the  
20          performance and progress toward the State’s  
21          goals included in the Access and Completion  
22          Plan submitted, or that will be submitted,  
23          under paragraph (2)(A); and

24          “(F) the assurances under paragraph (2).

1           “(2) STATE ASSURANCES.—The assurances re-  
2           quired in paragraph (1)(F) shall include an assur-  
3           ance of each of the following:

4                   “(A) That the State will submit, not later  
5                   than July 1, 2011, an Access and Completion  
6                   Plan to increase the State’s rate of persistence  
7                   in and completion of postsecondary education.  
8                   Such plan shall include—

9                           “(i) the State’s annual and long-term  
10                           quantifiable goals with respect to—

11                                   “(I) the rates of postsecondary  
12                                   enrollment, persistence, and comple-  
13                                   tion, disaggregated by income, race,  
14                                   ethnicity, gender, disability, and age  
15                                   of students;

16                                   “(II) closing gaps in enrollment,  
17                                   persistence, and completion rates for  
18                                   students from groups that are under-  
19                                   represented in postsecondary edu-  
20                                   cation;

21                                   “(III) targeting education and  
22                                   training programs to address labor  
23                                   market needs in the State, as such  
24                                   needs are determined by the State;  
25                                   and

1 “(IV) improving coordination be-  
2 tween two-year and four-year institu-  
3 tions of higher education in the State,  
4 including supporting comprehensive  
5 articulation agreements between such  
6 institutions; and

7 “(ii) the State’s plan to develop a  
8 statewide longitudinal data system that  
9 will—

10 “(I) collect, maintain,  
11 disaggregate (by income, race, eth-  
12 nicity, gender, disability, and age of  
13 students), and analyze postsecondary  
14 education and workforce information,  
15 including—

16 “(aa) postsecondary edu-  
17 cation enrollment, persistence,  
18 and completion information;

19 “(bb) post-completion em-  
20 ployment outcomes of students  
21 who enrolled in postsecondary  
22 programs and training programs  
23 offered by eligible training pro-  
24 viders under the Workforce In-

1 vestment Act of 1998 (29 U.S.C.  
2 2801 et seq.); and

3 “(cc) postsecondary edu-  
4 cation and employment outcomes  
5 of students who move out of the  
6 State; and

7 “(II) make the information de-  
8 scribed in subclause (I) available to  
9 the general public in a manner that is  
10 transparent and user-friendly.

11 “(B) That the State has a comprehensive  
12 planning or policy formulation process with re-  
13 spect to increasing postsecondary enrollment,  
14 persistence, and completion that—

15 “(i) encourages coordination between  
16 the State administration of grants under  
17 this section and similar State programs;

18 “(ii) encourages State policies that  
19 are designed to improve rates of enroll-  
20 ment and persistence in, and completion  
21 of, postsecondary education for all cat-  
22 egories of institutions of higher education  
23 described in section 132(d) in the State;

24 “(iii) considers the postsecondary edu-  
25 cation needs of students from groups that

1 are underrepresented in postsecondary  
2 education;

3 “(iv) considers the resources of public  
4 and private institutions of higher edu-  
5 cation, organizations, and agencies within  
6 the State that are capable of providing ac-  
7 cess to postsecondary education opportuni-  
8 ties within the State; and

9 “(v) provides for direct, equitable, and  
10 active participation in the comprehensive  
11 planning or policy formulation process or  
12 processes, through membership on State  
13 planning commissions, State advisory  
14 councils, or other State entities established  
15 by the State and consistent with State law,  
16 by representatives of—

17 “(I) institutions of higher edu-  
18 cation, including at least one member  
19 from a junior or community college  
20 (as defined in section 312(f));

21 “(II) students;

22 “(III) other providers of postsec-  
23 ondary education services (including  
24 organizations providing access to such  
25 services); and

1                   “(IV) the general public in the  
2                   State.

3                   “(C) That the State will incorporate poli-  
4                   cies and practices that, through the activities  
5                   funded under this section, are determined to be  
6                   effective in improving rates of postsecondary  
7                   education enrollment, persistence, and comple-  
8                   tion into the future postsecondary education  
9                   policies and practices of the State to ensure  
10                  that the benefits achieved through the activities  
11                  funded under this section continue beyond the  
12                  period of the grant.

13                  “(3) SUBGRANTS TO NONPROFIT ORGANIZA-  
14                  TIONS.—A State receiving a payment under this sec-  
15                  tion may elect to make a subgrant to one or more  
16                  nonprofit organizations in the State, including agen-  
17                  cies with agreements with the Secretary under sub-  
18                  sections (b) and (c) of section 428 on the date of the  
19                  enactment of the Student Aid and Fiscal Responsi-  
20                  bility Act of 2009, or a partnership of such organi-  
21                  zations, to carry out activities and services described  
22                  in subsection (d)(1), if the nonprofit organization or  
23                  partnership—

1           “(A) was in existence on the day before the  
2           date of the enactment of the Student Aid and  
3           Fiscal Responsibility Act of 2009; and

4           “(B) as of such day, was participating in  
5           activities and services related to promoting per-  
6           sistence in, and completion of, postsecondary  
7           education, such as the activities and services de-  
8           scribed in subsection (d)(1).

9           “(4) PRIORITY.—In awarding grants under this  
10          section, the Secretary shall give priority to States  
11          that enter into a partnership with one of the fol-  
12          lowing entities to carry out the activities and serv-  
13          ices described in subsection (d)(1):

14                 “(A) A philanthropic organization, as such  
15                 term is defined in section 781(i)(1).

16                 “(B) An agency with an agreement with  
17                 the Secretary under subsections (b) and (c) of  
18                 section 428 on the date of the enactment of  
19                 Student Aid and Fiscal Responsibility Act of  
20                 2009.

21          “(d) USES OF FUNDS.—

22                 “(1) AUTHORIZED USES.—A State receiving a  
23                 grant under this section shall use the grant funds  
24                 to—

1           “(A) provide programs in such State that  
2           increase persistence in, and completion of, post-  
3           secondary education, which may include—

4                   “(i) programs to assist institutions of  
5                   higher education in providing financial lit-  
6                   eracy, education, and counseling to en-  
7                   rolled students;

8                   “(ii) programs intended to assist stu-  
9                   dents enrolled in an institution of higher  
10                  education with reducing the amount of  
11                  loan debt incurred by such students;

12                  “(iii) providing grants to students de-  
13                  scribed in section 415A(a)(1), in accord-  
14                  ance with the terms of that section; and

15                  “(iv) carrying out the activities de-  
16                  scribed in section 415E(a); and

17           “(B) support the development and imple-  
18           mentation of a statewide longitudinal data sys-  
19           tem, as described in subsection (c)(2)(A)(ii).

20           “(2) PROHIBITED USES.—Funds made avail-  
21           able under this section shall not be used to promote  
22           any lender’s loans or other services.

23           “(3) RESTRICTIONS ON USE OF FUNDS.—A  
24           State—

1           “(A) shall use not less than  $\frac{1}{3}$  of the sum  
2 of the Federal and non-Federal share used for  
3 paragraph (1)(A) on activities that benefit stu-  
4 dents enrolled in junior or community colleges  
5 (as defined in section 312(f)), two-year public  
6 institutions, or two-year programs of instruc-  
7 tion at four-year public institutions;

8           “(B) may use not more than 10 percent of  
9 the sum of the Federal and non-Federal share  
10 under this section for activities described in  
11 paragraph (1)(B); and

12           “(C) may use not more than 6 percent of  
13 the sum of the Federal and non-Federal share  
14 under this section for administrative purposes  
15 relating to the grant under this section.

16       “(e) ANNUAL REPORT.—Each State receiving a  
17 grant under this section shall submit to the Secretary an  
18 annual report on—

19           “(1) the activities and services described in sub-  
20 section (d)(1) that are carried out with such grant;

21           “(2) the effectiveness of such activities and  
22 services in increasing postsecondary persistence and  
23 completion, as determined by measurable progress in  
24 achieving the State’s goals for persistence and com-  
25 pletion described in the Access and Completion Plan

1 submitted by the State under subsection (c)(2)(A),  
2 if such plan has been submitted; and

3 “(3) any other information or assessments the  
4 Secretary may require.

5 **“SEC. 783. INNOVATION IN COLLEGE ACCESS AND COMPLE-**  
6 **TION NATIONAL ACTIVITIES.**

7 “(a) PROGRAMS AUTHORIZED.—From the amount  
8 appropriated under section 781(a)(2)(C) to carry out this  
9 section, the Secretary shall award grants, on a competitive  
10 basis, to eligible entities in accordance with this section  
11 to conduct innovative programs that advance knowledge  
12 about, and adoption of, policies and practices that increase  
13 the number of individuals with postsecondary degrees or  
14 certificates.

15 “(b) ELIGIBLE ENTITIES.—The Secretary is author-  
16 ized to award grants under subsection (a) to—

17 “(1) institutions of higher education;

18 “(2) States;

19 “(3) nonprofit organizations with demonstrated  
20 experience in the operation of programs to increase  
21 postsecondary completion;

22 “(4) philanthropic organizations (as such term  
23 is defined in section 781(i)(1));

24 “(5) entities receiving a grant under chapter 1  
25 of subpart 2 of part A of title IV; and

1           “(6) consortia of any of the entities described  
2           in paragraphs (1) through (5).

3           “(c) INNOVATION GRANTS.—

4           “(1) MINIMUM AWARD.—A grant awarded  
5           under subsection (a) shall be not less than  
6           \$1,000,000.

7           “(2) GRANTS USES.—The Secretary’s authority  
8           to award grants under subsection (a) includes—

9                   “(A) the authority to award to an eligible  
10                  entity a grant in an amount equal to all or part  
11                  of the amount of funds received by such entity  
12                  from philanthropic organizations (as such term  
13                  is defined in section 781(i)(1)) to conduct inno-  
14                  vative programs that advance knowledge about,  
15                  and adoption of, policies and practices that in-  
16                  crease the number of individuals with postsec-  
17                  ondary degrees or certificates; and

18                   “(B) the authority to award an eligible en-  
19                  tity a grant to develop 2-year programs that  
20                  provide supplemental grant or loan benefits to  
21                  students that—

22                           “(i) are designed to improve student  
23                          outcomes, including degree completion,  
24                          graduation without student loan debt, and  
25                          post-completion employment;

1                   “(ii) are in addition to the student fi-  
2                   nancial aid available under title IV of this  
3                   Act; and

4                   “(iii) do not result in the reduction of  
5                   the amount of that aid or any other stu-  
6                   dent financial aid for which a student is  
7                   otherwise eligible under Federal law.

8                   “(3) APPLICATION.—To be eligible to receive a  
9                   grant under subsection (a), an eligible entity shall  
10                  submit an application at such time, in such manner,  
11                  and containing such information as the Secretary  
12                  shall require.

13                  “(4) PRIORITIES.—In awarding grants under  
14                  subsection (a), the Secretary shall give priority to  
15                  applications that—

16                         “(A) are from an eligible entity with dem-  
17                         onstrated experience in serving students from  
18                         groups that are underrepresented in postsec-  
19                         ondary education, including institutions of high-  
20                         er education that are eligible for assistance  
21                         under title III or V, or are from a consortium  
22                         that includes an eligible entity with such experi-  
23                         ence;

24                         “(B) are from an eligible entity that is a  
25                         public institution of higher education that does

1 not predominantly provide an educational pro-  
2 gram for which it awards a bachelor's degree  
3 (or an equivalent degree), or from a consortium  
4 that includes at least one such institution;

5 “(C) include activities to increase degree or  
6 certificate completion in the fields of science,  
7 technology, engineering, and mathematics, in-  
8 cluding preparation for, or entry into,  
9 postbaccalaureate study;

10 “(D) are from an eligible entity that is a  
11 philanthropic organization with the primary  
12 purpose of providing scholarships and support  
13 services to students from groups that are tradi-  
14 tionally underrepresented in postsecondary edu-  
15 cation, or are from a consortium that includes  
16 such an organization; or

17 “(E) encourage partnerships between insti-  
18 tutions of higher education with high degree-  
19 completion rates and institutions of higher edu-  
20 cation with low degree-completion rates from  
21 the same category of institutions described in  
22 section 132(d) to facilitate the sharing of infor-  
23 mation relating to, and the implementation of,  
24 best practices for increasing postsecondary com-  
25 pletion.

1           “(5) TECHNICAL ASSISTANCE.—The Secretary  
2           may reserve up to \$50,000,000 per year to award  
3           grants and contracts to provide technical assistance  
4           to eligible entities receiving a grant under subsection  
5           (a), including technical assistance on the evaluation  
6           conducted in accordance with section 784 and estab-  
7           lishing networks of eligible entities receiving grants  
8           under such subsection.

9           “(d) REPORTS.—

10           “(1) ANNUAL REPORTS BY ENTITIES.—Each el-  
11           igible entity receiving a grant under subsection (a)  
12           shall submit to the Secretary and annual report  
13           on—

14                   “(A) the effectiveness of the program car-  
15                   ried out with such grant in increasing postsec-  
16                   ondary completion, as determined by measur-  
17                   able progress in achieving the goals of the pro-  
18                   gram, as described in the application for such  
19                   grant; and

20                   “(B) any other information or assessments  
21                   the Secretary may require.

22           “(2) ANNUAL REPORT TO CONGRESS.—The  
23           Secretary shall submit to the authorizing committees  
24           an annual report on grants awarded under sub-  
25           section (a), including—

1           “(A) the amount awarded to each eligible  
2           entity receiving a grant under such subsection;  
3           and

4           “(B) a description of the activities con-  
5           ducted by each such eligible entity.

6 **“SEC. 784. EVALUATION.**

7           “From the amount appropriated under section  
8 781(a)(2)(D), the Director of the Institute of Education  
9 Sciences shall conduct a rigorous evaluation of the pro-  
10 grams funded under this part. Not later than January 30,  
11 2016, the Director shall issue a final report on such eval-  
12 uation to the authorizing committees and the Secretary,  
13 and shall make such report available to the public.”.

14 **SEC. 103. INVESTMENT IN HISTORICALLY BLACK COL-**  
15 **LEGES AND UNIVERSITIES AND OTHER MI-**  
16 **NORITY-SERVING INSTITUTIONS.**

17           Section 371(b) (20 U.S.C. 1067q(b)) is amended—

18           (1) in paragraph (1)(A), by striking  
19 “\$255,000,000” and all that follows and inserting  
20 “\$255,000,000 for each of the fiscal years 2008  
21 through 2014.”; and

22           (2) by amending paragraph (2)(B) to read as  
23 follows:

24           “(B) STEM AND ARTICULATION PRO-  
25 GRAMS.—From the amount made available for

1 allocation under this subparagraph by subpara-  
2 graph (A)(i) for any fiscal year—

3 “(i) 90 percent shall be available for  
4 Hispanic-serving Institutions for activities  
5 described in sections 503 and 517, with a  
6 priority given to applications that pro-  
7 pose—

8 “(I) to increase the number of  
9 Hispanic and other low-income stu-  
10 dents attaining degrees in the fields of  
11 science, technology, engineering, or  
12 mathematics; and

13 “(II) to develop model transfer  
14 and articulation agreements between  
15 2-year Hispanic-serving institutions  
16 and 4-year institutions in such fields;  
17 and

18 “(ii) 10 percent shall be available for  
19 grants under section 355.”.

20 **SEC. 104. INVESTMENT IN COOPERATIVE EDUCATION.**

21 There are authorized to be appropriated, and there  
22 are appropriated, to carry out part N of title VIII of the  
23 Higher Education Act of 1965 (20 U.S.C. 1161n) (in ad-  
24 dition to any other amounts appropriated to carry out

1 such part and out of any money in the Treasury not other-  
 2 wise appropriated), \$10,000,000 for fiscal year 2010.

3 **Subtitle B—Student Financial Aid**  
 4 **Form Simplification**

5 **SEC. 121. GENERAL EFFECTIVE DATE.**

6 Except as otherwise provided in this subtitle, amend-  
 7 ments made by this subtitle shall be effective with respect  
 8 to determinations of need for assistance under title IV of  
 9 the Higher Education Act of 1965 (20 U.S.C. 1070 et  
 10 seq.) for award years beginning on or after July 1, 2011.

11 **SEC. 122. TREATMENT OF ASSETS IN NEED ANALYSIS.**

12 (a) AMOUNT OF NEED.—Section 471 (20 U.S.C.  
 13 1087kk) is amended—

14 (1) by striking “Except” and inserting the fol-  
 15 lowing:

16 “(a) IN GENERAL.—Except”;

17 (2) by inserting “and subject to subsection (b)”  
 18 after “therein”; and

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

20 “(b) ASSET CAP FOR NEED-BASED AID.—Notwith-  
 21 standing any other provision of this title, a student shall  
 22 not be eligible to receive any need-based grant, loan, or  
 23 work assistance under this title if—

24 “(1) in the case of a dependent student, the  
 25 combined net assets of the student and the student’s

1 parents are equal to an amount greater than  
2 \$150,000 (or a successor amount prescribed by the  
3 Secretary under section 478(c)); or

4 “(2) in the case of an independent student, the  
5 net assets of the student (and the student’s spouse,  
6 if applicable) are equal to an amount greater than  
7 \$150,000 (or a successor amount prescribed by the  
8 Secretary under section 478(c)).”.

9 (b) DATA ELEMENTS.—Section 474(b) (20 U.S.C.  
10 1087nn(b)) is amended—

11 (1) by striking paragraph (4); and

12 (2) by redesignating paragraphs (5), (6), and  
13 (7) as paragraphs (4), (5), and (6), respectively.

14 (c) DEPENDENT STUDENTS.—Section 475 (20  
15 U.S.C. 1087oo) is amended—

16 (1) in subsection (a)—

17 (A) in paragraph (1)—

18 (i) by striking “adjusted”; and

19 (ii) by inserting “and” after the semi-  
20 colon;

21 (B) in paragraph (2), by striking “; and”  
22 and inserting a period; and

23 (C) by striking paragraph (3);

24 (2) in subsection (b)—

1 (A) in the header, by striking “AD-  
2 JUSTED”;

3 (B) in the matter preceding paragraph (1),  
4 by striking “adjusted”;

5 (C) by striking paragraph (1);

6 (D) by redesignating paragraphs (2) and  
7 (3) as paragraphs (1) and (2), respectively;

8 (E) in paragraph (1) (as redesignated by  
9 subparagraph (D) of this paragraph), by strik-  
10 ing “adjusted”; and

11 (F) in paragraph (2) (as redesignated by  
12 subparagraph (D) of this paragraph), by strik-  
13 ing “paragraph (2)” and inserting “paragraph  
14 (1)”;

15 (3) by repealing subsection (d);

16 (4) in subsection (e)—

17 (A) by striking “The adjusted available”  
18 and inserting “The available”;

19 (B) by striking “to as ‘AAI’” and insert-  
20 ing “to as ‘AI’”;

21 (C) by striking “From Adjusted Available  
22 Income (AAI)” and inserting “From Available  
23 Income (AI)”;

24 (D) in the table—

1 (i) by striking “*If AAI*” and inserting  
2 “*If AI*”; and

3 (ii) by striking “of AAI” each place it  
4 appears and inserting “of AI”;

5 (5) in subsection (f)—

6 (A) by striking “and assets” each place it  
7 appears;

8 (B) in paragraph (2)(B), by striking “or  
9 assets”; and

10 (C) in paragraph (3)—

11 (i) by striking “are taken into” and  
12 inserting “is taken into”; and

13 (ii) by striking “adjusted”;

14 (6) in subsection (g)(6), by striking “exceeds  
15 the sum of” and all that follows and inserting “ex-  
16 ceeds the parents’ total income (as defined in section  
17 480)”;

18 (7) by repealing subsection (h); and

19 (8) in subsection (i), by striking “adjusted”  
20 each place it appears.

21 (d) FAMILY CONTRIBUTION FOR INDEPENDENT STU-  
22 DENTS WITHOUT DEPENDENTS OTHER THAN A  
23 SPOUSE.—Section 476 (20 U.S.C. 1087pp) is amended—

24 (1) in subsection (a)—

25 (A) by striking paragraph (1);

1 (B) by redesignating paragraphs (2) and  
2 (3) as paragraphs (1) and (2), respectively;

3 (C) in paragraph (1) (as redesignated by  
4 subparagraph (B)), by striking “the sum result-  
5 ing under paragraph (1)” and inserting “the  
6 family’s contribution from available income (de-  
7 termined in accordance with subsection (b))”;  
8 and

9 (D) in paragraph (2)(A) (as redesignated  
10 by subparagraph (B)), by striking “paragraph  
11 (2)” and inserting “paragraph (1)”;  
12 (2) by repealing subsection (c); and  
13 (3) in subsection (d)—

14 (A) by striking “and assets”; and

15 (B) by striking “or assets”.

16 (e) FAMILY CONTRIBUTION FOR INDEPENDENT STU-  
17 DENTS WITH DEPENDENTS OTHER THAN A SPOUSE.—  
18 Section 477 (20 U.S.C. 1087qq) is amended—

19 (1) in subsection (a)—

20 (A) by striking paragraph (1);

21 (B) by redesignating paragraphs (2), (3),  
22 and (4) as paragraphs (1), (2), and (3), respec-  
23 tively;

24 (C) in paragraph (1) (as redesignated by  
25 subparagraph (B)), by striking “such adjusted

1 available income” and inserting “the family’s  
2 available income (determined in accordance with  
3 subsection (b))”;

4 (D) in paragraph (2) (as redesignated by  
5 subparagraph (B)), by striking “paragraph (2)”  
6 and inserting “paragraph (1)”; and

7 (E) in paragraph (3)(A) (as redesignated  
8 by subparagraph (B)), by striking “paragraph  
9 (3)” and inserting “paragraph (2)”;  
10 (2) by repealing subsection (c); and  
11 (3) in subsection (d)—

12 (A) by striking “The adjusted available”  
13 and inserting “The available”;

14 (B) by striking “to as ‘AAI’” and insert-  
15 ing “to as ‘AI’”;

16 (C) by striking “From Adjusted Available  
17 Income (AAI)” and inserting “From Available  
18 Income (AI)”; and

19 (D) in the table—

20 (i) by striking “*If AAI*” and inserting  
21 “*If AI*”; and

22 (ii) by striking “of AAI” each place it  
23 appears and inserting “of AI”; and

24 (E) in subsection (e)—

25 (i) by striking “and assets”; and

1 (ii) by striking “or assets”.

2 (f) REGULATIONS; UPDATED TABLES.—Section 478  
3 (20 U.S.C. 1087rr) is amended—

4 (1) in subsection (a), by inserting “or amounts,  
5 as the case may be,” after “tables” each place the  
6 term appears;

7 (2) by amending subsection (c) to read as fol-  
8 lows:

9 “(c) ASSET CAP FOR NEED-BASED AID.—For each  
10 award year after award year 2011–2012, the Secretary  
11 shall publish in the Federal Register a revised net asset  
12 cap for the purposes of section 471(b). Such revised cap  
13 shall be determined by increasing the dollar amount in  
14 such section by a percentage equal to the estimated per-  
15 centage change in the Consumer Price Index (as deter-  
16 mined by the Secretary) between December 2010 and the  
17 December preceding the beginning of such award year,  
18 and rounding the result to the nearest \$5.”;

19 (3) by repealing subsection (d); and

20 (4) in subsection (e), by striking “adjusted”  
21 both places it appears.

22 **SEC. 123. SOCIAL SECURITY ALLOWANCES.**

23 (a) PARENT’S AVAILABLE INCOME.—Section  
24 475(c)(3) (20 U.S.C. 1087oo(c)(3)) is amended by strik-

1 ing “amount earned by” and inserting “total income (as  
2 defined in section 480) of”.

3 (b) STUDENTS WITHOUT DEPENDENTS.—Section  
4 476(b)(3) (20 U.S.C. 1087pp(b)(3)) is amended by strik-  
5 ing “amount earned by” and inserting “total income (as  
6 defined in section 480) of”.

7 (c) STUDENTS WITH DEPENDENTS.—Section  
8 477(b)(3) (20 U.S.C. 1087qq(b)(3)) is amended by strik-  
9 ing “amount estimated to be earned by” and inserting  
10 “total income (as defined in section 480) of”.

11 **SEC. 124. CHANGES TO TOTAL INCOME; AID ELIGIBILITY.**

12 (a) DEFINITION OF UNTAXED INCOME AND BENE-  
13 FITS.—Section 480(b)(1) (20 U.S.C. 1087vv(b)(1)), as  
14 amended by the Higher Education Opportunity Act (Pub-  
15 lic Law 110–315), is amended—

16 (1) by striking subparagraphs (A), (B), (C),  
17 (E), (F), and (I);

18 (2) by redesignating subparagraphs (D), (G),  
19 and (H) as subparagraphs (A), (B), and (C), respec-  
20 tively;

21 (3) in subparagraph (B) (as redesignated by  
22 paragraph (2)), by inserting “and” after the semi-  
23 colon; and

1           (4) in subparagraph (C) (as redesignated by  
2           paragraph (2)), by striking “; and” and inserting a  
3           period.

4           (b) DEFINITION OF ASSETS.—Section 480(f)(2) (20  
5 U.S.C. 1087vv(f)(2)) is amended—

6           (1) by striking “or” at the end of subparagraph  
7           (B);

8           (2) by striking the period at the end of sub-  
9           paragraph (C) and inserting “; or”; and

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

11                   “(D) an employee pension benefit plan (as  
12                   defined in section 3(2) of the Employee Retirement  
13                   Income Security Act of 1974 (29 U.S.C.  
14                   1002(2))).”.

15          (c) FINANCIAL ADMINISTRATOR DISCRETION.—Sec-  
16          tion 479A(b) (20 U.S.C. 1087tt) is amended in the sub-  
17          section heading, by striking “TO ASSETS”.

18          (d) SUSPENSION OF ELIGIBILITY FOR DRUG-RE-  
19          LATED OFFENSES.—Section 484(r)(1) (20 U.S.C.  
20          1091(r)(1)) is amended to read as follows:

21                   “(1) IN GENERAL.—A student who is convicted  
22                   of any offense under any Federal or State law in-  
23                   volving the sale of a controlled substance for conduct  
24                   that occurred during a period of enrollment for  
25                   which the student was receiving any grant, loan, or

1 work assistance under this title shall not be eligible  
 2 to receive any grant, loan, or work assistance under  
 3 this title from the date of that conviction for the pe-  
 4 riod of time specified in the following subpara-  
 5 graphs:

6 “(A) For a first offense, the period of in-  
 7 eligibility shall be 2 years.

8 “(B) For a second offense, the period of  
 9 ineligibility shall be indefinite.”

## 10 **TITLE II—STUDENT LOAN** 11 **REFORM**

### 12 **Subtitle A—Stafford Loan Reform**

#### 13 **SEC. 201. FEDERAL FAMILY EDUCATION LOAN APPROPRIA-** 14 **TIONS.**

15 Section 421 (20 U.S.C. 1071) is amended—

16 (1) in subsection (b), in the matter following  
 17 paragraph (6), by inserting “, except that no sums  
 18 may be expended after June 30, 2010, with respect  
 19 to loans under this part for which the first disburse-  
 20 ment would be made after such date” after “ex-  
 21 pended”; and

22 (2) by adding at the end the following new sub-  
 23 section:

24 “(d) **TERMINATION OF AUTHORITY TO MAKE OR IN-**  
 25 **SURE NEW LOANS.**—Notwithstanding paragraphs (1)

1 through (6) of subsection (b) or any other provision of  
2 law—

3 “(1) no new loans (including consolidation  
4 loans) may be made or insured under this part after  
5 June 30, 2010; and

6 “(2) no funds are authorized to be appro-  
7 priated, or may be expended, under this Act or any  
8 other Act to make or insure loans under this part  
9 (including consolidation loans) for which the first  
10 disbursement would be made after June 30, 2010,  
11 except as expressly authorized by an Act of Congress en-  
12 acted after the date of enactment of Student Aid and Fis-  
13 cal Responsibility Act of 2009.”.

14 **SEC. 202. SCOPE AND DURATION OF FEDERAL LOAN INSUR-**  
15 **ANCE PROGRAM.**

16 Section 424(a) (20 U.S.C. 1074(a)) is amended by  
17 striking “September 30, 1976,” and all that follows and  
18 inserting “September 30, 1976, for each of the succeeding  
19 fiscal years ending prior to October 1, 2009, and for the  
20 period from October 1, 2009, to June 30, 2010, for loans  
21 first disbursed on or before June 30, 2010.”.

22 **SEC. 203. APPLICABLE INTEREST RATES.**

23 Section 427A(l) (20 U.S.C. 1077a(l)) is amended—

24 (1) in paragraph (1), by inserting “and before  
25 July 1, 2010,” after “July 1, 2006,”;

1 (2) in paragraph (2), by inserting “and before  
2 July 1, 2010,” after “July 1, 2006,”;

3 (3) in paragraph (3), by inserting “and that  
4 was disbursed before July 1, 2010,” after “July 1,  
5 2006,”; and

6 (4) in paragraph (4)—

7 (A) in the matter preceding subparagraph  
8 (A), by striking “July 1, 2012” and inserting  
9 “July 1, 2010”; and

10 (B) by repealing subparagraphs (D) and  
11 (E).

12 **SEC. 204. FEDERAL PAYMENTS TO REDUCE STUDENT IN-**  
13 **TEREST COSTS.**

14 (a) HIGHER EDUCATION ACT OF 1965.—Section 428  
15 (20 U.S.C. 1078) is amended—

16 (1) in subsection (a)—

17 (A) in paragraph (1), in the matter pre-  
18 ceding subparagraph (A), by inserting “for  
19 which the first disbursement is made before  
20 July 1, 2010, and” after “eligible institution”;  
21 and

22 (B) in paragraph (5), by striking “Sep-  
23 tember 30, 2014,” and all that follows through  
24 the period and inserting “June 30, 2010.”;

25 (2) in subsection (b)(1)—

1 (A) in subparagraph (G)(ii), by inserting  
2 “and before July 1, 2010,” after “July 1,  
3 2006,”; and

4 (B) in subparagraph (H)(ii), by inserting  
5 “and that are first disbursed before July 1,  
6 2010,” after “July 1, 2006,”;

7 (3) in subsection (f)(1)(A)(ii)—

8 (A) by striking “during fiscal years begin-  
9 ning”; and

10 (B) by inserting “and first disbursed be-  
11 fore July 1, 2010,” after “October 1, 2003,”;  
12 and

13 (4) in subsection (j)(1), by inserting “, before  
14 July 1, 2010,” after “section 435(d)(1)(D) of this  
15 Act shall”.

16 (b) COLLEGE COST REDUCTION AND ACCESS ACT.—  
17 Section 303 of the College Cost Reduction and Access Act  
18 (Public Law 110–84) is repealed.

19 **SEC. 205. FEDERAL PLUS LOANS.**

20 Section 428B(a)(1) (20 U.S.C. 1078–2(a)(1)) is  
21 amended by striking “A graduate” and inserting “Prior  
22 to July 1, 2010, a graduate”.

23 **SEC. 206. FEDERAL CONSOLIDATION LOAN.**

24 (a) AMENDMENTS.—Section 428C (20 U.S.C. 1078–  
25 3) is amended—

1 (1) in subsection (a)—

2 (A) by amending paragraph (3)(B)(i)(V) to  
3 read as follows:

4 “(V) an individual who has a consoli-  
5 dation loan under this section and does not  
6 have a consolidation loan under section  
7 455(g) may obtain a subsequent consolida-  
8 tion loan under section 455(g).”; and

9 (B) in paragraph (4)(A), by inserting “,  
10 and first disbursed before July 1, 2010” after  
11 “under this part”;

12 (2) in subsection (b)—

13 (A) in paragraph (1)(E), by inserting be-  
14 fore the semicolon “, and before July 1, 2010”  
15 and

16 (B) in paragraph (5), by striking “In the  
17 event that” and inserting “If, before July 1,  
18 2010,”;

19 (3) in subsection (c)(1)—

20 (A) in subparagraph (A)(ii), by inserting  
21 “and that is disbursed before July 1, 2010,”  
22 after “2006,”; and

23 (B) in subparagraph (C), by inserting  
24 “and first disbursed before July 1, 2010,” after  
25 “1994,”; and



1 **SEC. 208. LOAN REPAYMENT FOR CIVIL LEGAL ASSISTANCE**

2 **ATTORNEYS.**

3 Section 428L(b)(2)(A) (20 U.S.C. 1078–  
4 12(b)(2)(A)) is amended—

5 (1) by amending clause (i) to read as follows:

6 “(i) subject to clause (ii)—

7 “(I) a loan made, insured, or  
8 guaranteed under this part, and that

9 is first disbursed before July 1, 2010;

10 or

11 “(II) a loan made under part D

12 or part E; and”; and

13 (2) in clause (ii)—

14 (A) by striking “428C or 455(g)” and in-  
15 serting “428C, that is disbursed before July 1,

16 2010, or section 455(g)”; and

17 (B) in subclause (II), by inserting “for

18 which the first disbursement is made before

19 July 1, 2010,” after “or 428H”.

20 **SEC. 209. SPECIAL ALLOWANCES.**

21 Section 438 (20 U.S.C. 1087–1) is amended—

22 (1) in subsection (b)(2)(I)—

23 (A) in the header, by inserting “, AND BE-  
24 FORE JULY 1, 2010” after “2000”;

25 (B) in clause (i), by inserting “and before  
26 July 1, 2010,” after “2000,”;

1 (C) in clause (ii)(II), by inserting “and be-  
2 fore July 1, 2010,” after “2006,”;

3 (D) in clause (iii), by inserting “and before  
4 July 1, 2010,” after “2000,”;

5 (E) in clause (iv), by inserting “and that  
6 is disbursed before July 1, 2010,” after  
7 “2000,”;

8 (F) in clause (v)(I), by inserting “and be-  
9 fore July 1, 2010,” after “2006,”; and

10 (G) in clause (vi)—

11 (i) in the header, by inserting “, AND  
12 BEFORE JULY 1, 2010” after “2007,”; and

13 (ii) in the matter preceding subclause  
14 (I), by inserting “and before July 1,  
15 2010,” after “2007,”;

16 (2) in subsection (c)—

17 (A) in paragraph (2)(B)—

18 (i) in clause (iii), by inserting “and”  
19 after the semicolon;

20 (ii) in clause (iv), by striking “; and”  
21 and inserting a period; and

22 (iii) by striking clause (v); and

23 (B) in paragraph (6), by inserting “and  
24 first disbursed before July 1, 2010,” after  
25 “1992,”; and

1           (3) in subsection (d)(2)(B), by inserting “, and  
2           before July 1, 2010” after “2007”.

3 **SEC. 210. REVISED SPECIAL ALLOWANCE CALCULATION.**

4           (a) **REVISED CALCULATION RULE.**—Section  
5 438(b)(2)(I) of the Higher Education Act of 1965 (20  
6 U.S.C. 1087–1(b)(2)(I)) is amended by adding at the end  
7 the following new clause:

8                           “(vii) **REVISED CALCULATION RULE**  
9                           **TO REFLECT FINANCIAL MARKET CONDI-**  
10                           **TIONS.**—

11   “(I) **CALCULATION BASED ON**  
12   **LIBOR.**—For the calendar quarter be-  
13   ginning on January 1, 2010, and each  
14   subsequent calendar quarter, in com-  
15   puting the special allowance paid pur-  
16   suant to this subsection with respect  
17   to loans described in subclause (II),  
18   clause (i)(I) of this subparagraph  
19   shall be applied by substituting ‘of the  
20   1-month London Inter Bank Offered  
21   Rate (LIBOR) for United States dol-  
22   lars in effect for each of the days in  
23   such quarter as compiled and released  
24   by the British Bankers Association’  
25   for ‘of the quotes of the 3-month com-

1           mercant paper (financial) rates in ef-  
2           fect for each of the days in such quar-  
3           ter as reported by the Federal Reserve  
4           in Publication H-15 (or its successor)  
5           for such 3-month period’.

6                       “(II) LOANS ELIGIBLE FOR  
7           LIBOR-BASED CALCULATION.—The  
8           special allowance paid pursuant to  
9           this subsection shall be calculated as  
10          described in subclause (I) with respect  
11          to special allowance payments for the  
12          3-month period ending March 31,  
13          2010, and each succeeding 3-month  
14          period, on loans for which the first  
15          disbursement is made—

16                      “(aa) on or after the date of  
17                      enactment of the Student Aid  
18                      and Fiscal Responsibility Act of  
19                      2009, and before July 1, 2010;  
20                      and

21                      “(bb) on or after January 1,  
22                      2000, and before the date of en-  
23                      actment of the Student Aid and  
24                      Fiscal Responsibility Act of  
25                      2009, if, not later than the last

1 day of the second full fiscal quar-  
2 ter after the date of enactment of  
3 such Act, the holder of the loan  
4 affirmatively and permanently  
5 waives all contractual, statutory  
6 or other legal rights to a special  
7 allowance paid pursuant to this  
8 subsection that is calculated  
9 using the formula in effect at the  
10 time the loans were first dis-  
11 bursed.

12 “(III) TERMS OF WAIVER.—A  
13 waiver pursuant to subclause (II)(bb)  
14 shall—

15 “(aa) be applicable to all  
16 loans described in such subclause  
17 that are held, under any lender  
18 identification number associated  
19 with the holder (pursuant to sec-  
20 tion 487B), directly or as an eli-  
21 gible lender trustee on behalf of  
22 another party; and

23 “(bb) apply with respect to  
24 all future calculations of the spe-  
25 cial allowance on loans described

1 in such subclause that are held  
2 on the date of such waiver or  
3 that are acquired by the holder  
4 after such date.

5 “(IV) PARTICIPANT’S YIELD.—  
6 For the calendar quarter beginning on  
7 January 1, 2010, and each subse-  
8 quent calendar quarter, the Sec-  
9 retary’s participant yield in any loan  
10 for which the first disbursement is  
11 made on or after January 1, 2000,  
12 and before January 1, 2010, and that  
13 is held by a lender that has sold any  
14 participation interest in such loan to  
15 the Secretary shall be determined by  
16 using the LIBOR-based rate described  
17 in subclause (I) as the substitute rate  
18 (for the commercial paper rate) re-  
19 ferred to in the participation agree-  
20 ment between the Secretary and such  
21 lender.”;

22 (b) CONFORMING AMENDMENT.—Section  
23 438(b)(2)(I) of such Act (20 U.S.C. 1087–1(b)(2)(I)) is  
24 further amended in clause (v)(III) by striking “(iv), and  
25 (vi)” and inserting “(iv), (vi), and (vii)”.

1 **SEC. 211. ORIGINATION OF DIRECT LOANS AT INSTITU-**  
2 **TIONS LOCATED OUTSIDE THE UNITED**  
3 **STATES.**

4 (a) LOANS FOR STUDENTS ATTENDING INSTITU-  
5 TIONS LOCATED OUTSIDE THE UNITED STATES.—Sec-  
6 tion 452 (20 U.S.C. 1087b) is amended by adding at the  
7 end the following:

8 “(d) INSTITUTIONS LOCATED OUTSIDE THE UNITED  
9 STATES.—Loan funds for students (and parents of stu-  
10 dents) attending institutions located outside the United  
11 States shall be disbursed through a financial institution  
12 located in the United States and designated by the Sec-  
13 retary to serve as the agent of such institutions with re-  
14 spect to the receipt of the disbursements of such loan  
15 funds and the transfer of such funds to such institutions.  
16 To be eligible to receive funds under this part, an other-  
17 wise eligible institution located outside the United States  
18 shall make arrangements, subject to regulations by the  
19 Secretary, with the agent designated by the Secretary  
20 under this subsection to receive funds under this part.”.

21 (b) CONFORMING AMENDMENTS.—

22 (1) AMENDMENTS.—Section 102 (20 U.S.C.  
23 1002), as amended by section 102 of the Higher  
24 Education Opportunity Act (Public Law 110–315)  
25 and section 101 of Public Law 111–39, is amend-  
26 ed—

1 (A) by striking “part B” each place it ap-  
2 pears and inserting “part D”;

3 (B) in subsection (a)(1)(C), by inserting “,  
4 consistent with the requirements of section  
5 452(d)” before the period at the end; and

6 (C) in subsection (a)(2)(A)—

7 (i) in the matter preceding clause (i),  
8 by striking “made, insured, or guaranteed”  
9 and inserting “made”; and

10 (ii) in clause (iii)—

11 (I) in subclause (III), by striking  
12 “only Federal Stafford” and all that  
13 follows through “section 428B” and  
14 inserting “only Federal Direct Staf-  
15 ford Loans under section  
16 455(a)(2)(A), Federal Direct Unsub-  
17 sidized Stafford Loans under section  
18 455(a)(2)(D), or Federal Direct  
19 PLUS Loans under section  
20 455(a)(2)(B)”;

21 (II) in subclause (V), by striking  
22 “a Federal Stafford” and all that fol-  
23 lows through “section 428B” and in-  
24 serting “a Federal Direct Stafford  
25 Loan under section 455(a)(2)(A), a

1 Federal Direct Unsubsidized Stafford  
2 Loan under section 455(a)(2)(D), or a  
3 Federal Direct PLUS Loan under  
4 section 455(a)(2)(B)”.

5 (2) EFFECTIVE DATE.—The amendments made  
6 by subparagraph (C) of paragraph (1) shall be effec-  
7 tive on July 1, 2010, as if enacted as part of section  
8 102(a)(1) of the Higher Education Opportunity Act  
9 (Public Law 110–315).

10 **SEC. 212. AGREEMENTS WITH INSTITUTIONS.**

11 Section 454 (20 U.S.C. 1087d) is amended—

12 (1) in subsection (a), by striking paragraph (4)  
13 and redesignating the succeeding paragraphs accord-  
14 ingly; and

15 (2) in subsection (b)(2), by striking “(5), (6),  
16 and (7)” and inserting “(5), and (6)”.

17 **SEC. 213. TERMS AND CONDITIONS OF LOANS.**

18 (a) AMENDMENTS.—Section 455 (20 U.S.C. 1087e)  
19 is amended—

20 (1) in subsection (a)(1), by inserting “, and  
21 first disbursed on June 30, 2010,” before “under  
22 sections 428”; and

23 (2) in subsection (g)—

1 (A) by inserting “, including any loan  
2 made under part B and first disbursed before  
3 July 1, 2010” after “section 428C(a)(4)”; and

4 (B) by striking the third sentence.

5 (b) EFFECTIVE DATE.—The amendment made by  
6 subsection (a)(1) shall apply with respect to loans first dis-  
7 bursed under part D of title IV of the Higher Education  
8 Act of 1965 (20 U.S.C. 1087a et seq.) on or after July  
9 1, 2010.

10 **SEC. 214. CONTRACTS.**

11 Section 456 (20 U.S.C. 1087f) is amended—

12 (1) in subsection (a)—

13 (A) in paragraph (1)—

14 (i) in the header, by striking “IN  
15 GENERAL” and inserting “AWARDING OF  
16 CONTRACTS”;

17 (ii) by striking “The Secretary” and  
18 inserting the following:

19 “(A) IN GENERAL.—The Secretary”; and

20 (iii) by adding at the end the fol-  
21 lowing:

22 “(B) AWARDING CONTRACTS FOR SERV-  
23 ICING LOANS.—The Secretary shall, if prac-  
24 ticable, award multiple contracts, through a  
25 competitive bidding process, to entities, includ-

1 ing eligible not-for-profit servicers, to service  
2 loans originated under this part. The competi-  
3 tive bidding process shall take into account  
4 price, servicing capacity, and capability, and  
5 may take into account the capacity and capa-  
6 bility to provide default aversion activities and  
7 outreach services.”;

8 (B) in paragraph (2)—

9 (i) in the first sentence, by inserting  
10 “, including eligible not-for-profit  
11 servicers,” after “The entities”;

12 (ii) by amending the third sentence to  
13 read as follows: “The entities with which  
14 the Secretary may enter into such con-  
15 tracts shall include, where practicable,  
16 agencies with agreements with the Sec-  
17 retary under sections 428(b) and (c) on  
18 the date of the enactment of the Student  
19 Aid and Fiscal Responsibility Act of 2009,  
20 and eligible not-for-profit servicers, if such  
21 agencies or servicers meet the qualifica-  
22 tions as determined by the Secretary under  
23 this subsection and if those agencies or  
24 servicers have such experience and dem-  
25 onstrated effectiveness.”; and

1 (iii) by striking the last sentence and  
2 inserting the following: “In awarding con-  
3 tracts to such State agencies, and such eli-  
4 gible not-for-profit servicers, the Secretary  
5 shall, to the extent practicable and con-  
6 sistent with the purposes of this part, give  
7 special consideration to State agencies and  
8 such servicers with a history of high qual-  
9 ity performance and demonstrated integ-  
10 rity in conducting operations with institu-  
11 tions of higher education and the Sec-  
12 retary.”;

13 (C) by redesignating paragraph (3) as  
14 paragraph (4), and by inserting in such para-  
15 graph “, or of any eligible not-for-profit servicer  
16 to enter into an agreement for the purposes of  
17 this section as a member of a consortium of  
18 such entities” before the period at the end; and

19 (D) by inserting after paragraph (2) the  
20 following new paragraph:

21 “(3) SERVICING BY ELIGIBLE NOT-FOR-PROFIT  
22 SERVICERS.—

23 “(A) IN GENERAL.—Notwithstanding any  
24 other provision of this section, in each State  
25 where one or more eligible not-for-profit

1           servicer has its principal place of business, the  
2           Secretary shall contract with each such servicer  
3           to service loans originated under this part on  
4           behalf of borrowers attending institutions lo-  
5           cated within such State, provided that the  
6           servicer demonstrates that it meets the stand-  
7           ards for servicing Federal assets and agrees to  
8           service the loans at a competitive market rate,  
9           as determined by the Secretary. In determining  
10          such a competitive market rate, the Secretary  
11          may take into account the volume of loans serv-  
12          iced by the servicer. Contracts awarded under  
13          this paragraph shall be subject to the same re-  
14          quirements for quality, performance, and ac-  
15          countability as contracts awarded under para-  
16          graph (2) for similar activities.

17                 “(B)           ALLOCATIONS.—(i)           ONE  
18           SERVICER.—In the case of a State with only  
19           one eligible not-for-profit servicer with a con-  
20           tract described in subparagraph (A), the Sec-  
21           retary shall, at a minimum, allocate to such  
22           servicer, on an annual basis, the servicing  
23           rights for the lesser of—

24                         “(I) the loans of 100,000 borrowers  
25                         (including borrowers who borrowed loans

1 in a prior year that were serviced by the  
2 servicer) attending institutions located  
3 within the State; or

4 “(II) the loans of all the borrowers at-  
5 tending institutions located within the  
6 State.

7 “(ii) MULTIPLE SERVICERS.—In the case  
8 of a State with more than one eligible not-for-  
9 profit servicer with a contract described in sub-  
10 paragraph (A), the Secretary shall, at a min-  
11 imum, allocate to each such servicer the serv-  
12 icing rights for the lesser of—

13 “(I) the loans of 100,000 borrowers  
14 (including borrowers who borrowed loans  
15 in a prior year that were serviced by the  
16 servicer) attending institutions located  
17 within the State; or

18 “(II) an equal share of the loans of all  
19 borrowers attending institutions located  
20 within the State, except the Secretary shall  
21 adjust such shares as necessary to ensure  
22 that the loans of any single borrower re-  
23 main with a single servicer.

24 “(iii) ADDITIONAL ALLOCATION.—The Sec-  
25 retary may allocate additional servicing rights

1 to an eligible not-for-profit servicer based on  
2 the performance of such servicer, as determined  
3 by the Secretary, including performance in the  
4 areas of customer service and default aversion.

5 “(C) MULTIPLE LOANS.—Notwithstanding  
6 the allocations required by subparagraph (B),  
7 the Secretary may transfer loans among  
8 servicers who are awarded contracts to service  
9 loans pursuant to this section to ensure that  
10 the loans of any single borrower remain with a  
11 single servicer.”; and

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

13 “(c) REPORT TO CONGRESS.—Not later than 3 years  
14 after the date of the enactment of the Student Aid and  
15 Fiscal Responsibility Act of 2009, the Secretary shall pre-  
16 pare and submit to the authorizing committees, a report  
17 evaluating the performance of all eligible not-for-profit  
18 servicers awarded a contract under this section to service  
19 loans originated under this part. Such report shall give  
20 consideration to—

21 “(1) customer satisfaction of borrowers and in-  
22 stitutions with respect to the loan servicing provided  
23 by the servicers;

24 “(2) compliance with applicable regulations by  
25 the servicers; and

1           “(3) the effectiveness of default aversion activi-  
2 ties, and outreach services (if any), provided by the  
3 servicers.

4           “(d) DEFINITIONS.—In this section:

5           “(1) DEFAULT AVERSION ACTIVITIES.—The  
6 term ‘default aversion activities’ means activities  
7 that are directly related to providing collection as-  
8 sistance to the Secretary on a delinquent loan, prior  
9 to the loan being legally in a default status, includ-  
10 ing due diligence activities required pursuant to reg-  
11 ulations.

12           “(2) ELIGIBLE NOT-FOR-PROFIT SERVICER.—

13           “(A) IN GENERAL.—The term ‘eligible not-  
14 for-profit servicer’ means an entity that, on the  
15 date of enactment of the Student Aid and Fis-  
16 cal Responsibility Act of 2009—

17           “(i) meets the definition of an eligible  
18 not-for-profit holder under section 435(p),  
19 except that such term does not include eli-  
20 gible lenders described in paragraph  
21 (1)(D) of such section;

22           “(ii) notwithstanding clause (i), is the  
23 sole beneficial owner of a loan for which  
24 the special allowance rate is calculated  
25 under section 438(b)(2)(I)(vi)(II) because

1 the loan is held by an eligible lender trust-  
2 ee that is an eligible not-for-profit holder  
3 as defined under section 435(p)(1)(D); or

4 “(iii) is an affiliated entity of an eligi-  
5 ble not-for-profit servicer described in  
6 clause (i) or (ii) that—

7 “(I) directly employs, or will di-  
8 rectly employ (on or before the date  
9 the entity begins servicing loans under  
10 a contract awarded by the Secretary  
11 pursuant to subsection (a)(3)(A)), the  
12 majority of individuals who perform  
13 student loan servicing functions; and

14 “(II) on such date of enactment,  
15 was performing, or had entered into a  
16 contract with a third party servicer  
17 (as such term is defined in section  
18 481(c)) who was performing, student  
19 loan servicing functions for loans  
20 made under part B of this title.

21 “(B) AFFILIATED ENTITY.—For the pur-  
22 poses of subparagraph (A), the term ‘affiliated  
23 entity’ means an entity contracted to perform  
24 services for an eligible not-for-profit servicer  
25 that—

1 “(i) is a nonprofit entity; and

2 “(ii) is not owned or controlled, in  
3 whole or in part, by—

4 “(I) a for-profit entity; or

5 “(II) an entity having its prin-  
6 cipal place of business in another  
7 State.

8 “(3) OUTREACH SERVICES.—The term ‘out-  
9 reach services’ means programs offered to students  
10 and families, including programs delivered in coordi-  
11 nation with institutions of higher education that—

12 “(A) encourage—

13 “(i) students to attend and complete a  
14 degree or certification program at an insti-  
15 tution of higher education; and

16 “(ii) students and families to obtain  
17 financial aid, but minimize the borrowing  
18 of education loans; and

19 “(B) deliver financial literacy and coun-  
20 seling tools.”.

21 **SEC. 215. SUBSIDIZED LOAN LIMITATION.**

22 Section 455(a) (20 U.S.C. 1087e(a)) is amended by  
23 adding at the end the following new paragraph:

24 “(3) TERMINATION OF AUTHORITY TO MAKE  
25 INTEREST SUBSIDIZED LOANS TO GRADUATE AND

1       PROFESSIONAL STUDENTS.—Notwithstanding any  
2       provision of this part or part B, a graduate or pro-  
3       fessional student shall not be eligible to receive a  
4       subsidized Federal Direct Stafford loan under this  
5       part for any period of instruction beginning on or  
6       after July 1, 2015.”.

7       **SEC. 216. INTEREST RATES.**

8       Section 455(b)(7) (20 U.S.C. 1087e(b)(7)) is amend-  
9       ed by adding at the end the following new subparagraph:

10               “(E) REDUCED RATES FOR UNDER-  
11               GRADUATE FDSL ON AND AFTER JULY 1,  
12               2012.—Notwithstanding the preceding para-  
13               graphs of this subsection and subparagraph (A)  
14               of this paragraph, for Federal Direct Stafford  
15               Loans made to undergraduate students for  
16               which the first disbursement is made on or  
17               after July 1, 2012, the applicable rate of inter-  
18               est shall, during any 12-month period beginning  
19               on July 1 and ending on June 30, be deter-  
20               mined on the preceding June 1 and be equal  
21               to—

22                       “(i) the bond equivalent rate of 91-  
23                       day Treasury bills auctioned at the final  
24                       auction held prior to such June 1; plus

25                       “(ii) 2.3 percent,

1           except that such rate shall not exceed 6.8 per-  
2           cent.”.

### 3     **Subtitle B—Perkins Loan Reform**

#### 4     **SEC. 221. FEDERAL DIRECT PERKINS LOANS TERMS AND** 5           **CONDITIONS.**

6           Part D of title IV (20 U.S.C. 1087a et seq.) is  
7     amended by inserting after section 455 the following new  
8     section:

#### 9     **“SEC. 455A. FEDERAL DIRECT PERKINS LOANS.**

10           “(a) DESIGNATION OF LOANS.—Loans made to bor-  
11     rowers under this section shall be known as ‘Federal Di-  
12     rect Perkins Loans’.

13           “(b) IN GENERAL.—It is the purpose of this section  
14     to authorize loans to be awarded by institutions of higher  
15     education through agreements established under section  
16     463(f). Unless otherwise specified in this section, all terms  
17     and conditions and other requirements applicable to Fed-  
18     eral Direct Unsubsidized Stafford loans established under  
19     section 455(a)(2)(D) shall apply to loans made pursuant  
20     to this section.

21           “(c) ELIGIBLE BORROWERS.—Any student meeting  
22     the requirements for student eligibility under section  
23     464(b) (including graduate and professional students as  
24     defined in regulations promulgated by the Secretary) shall  
25     be eligible to borrow a Federal Direct Perkins Loan, pro-

1 vided the student attends an eligible institution with an  
2 agreement with the Secretary under section 463(f), and  
3 the institution uses its authority under that agreement to  
4 award the student a loan.

5 “(d) LOAN LIMITS.—The annual and aggregate lim-  
6 its for loans under this section shall be the same as those  
7 established under section 464, and aggregate limits shall  
8 include loans made by institutions under agreements  
9 under section 463(a).

10 “(e) APPLICABLE RATES OF INTEREST.—Loans  
11 made pursuant to this section shall bear interest, on the  
12 unpaid balance of the loan, at the rate of 5 percent per  
13 year.”.

14 **SEC. 222. AUTHORIZATION OF APPROPRIATIONS.**

15 Section 461 (20 U.S.C. 1087aa) is amended—

16 (1) in subsection (a), by inserting “, before July  
17 1, 2010,” after “The Secretary shall”;

18 (2) in subsection (b)—

19 (A) in paragraph (1)—

20 (i) by striking “(1) For the purpose”  
21 and inserting “For the purpose”; and

22 (ii) by striking “and for each of the  
23 five succeeding fiscal years”; and

24 (B) by striking paragraph (2); and

25 (3) by striking subsection (c).

1 **SEC. 223. ALLOCATION OF FUNDS.**

2 Section 462 (20 U.S.C. 1087bb) is amended—

3 (1) in subsection (a)(1), by striking “From”  
4 and inserting “For any fiscal year before fiscal year  
5 2010, from”; and

6 (2) in subsection (i)(1), by striking “for any fis-  
7 cal year,” and inserting “for any fiscal year before  
8 fiscal year 2010,”.

9 **SEC. 224. FEDERAL DIRECT PERKINS LOAN ALLOCATION.**

10 Part E of title IV is further amended by inserting  
11 after section 462 (20 U.S.C. 1087bb) the following:

12 **“SEC. 462A. FEDERAL DIRECT PERKINS LOAN ALLOCATION.**

13 “(a) PURPOSES.—The purposes of this section are—

14 “(1) to allocate, among eligible and partici-  
15 pating institutions (as such terms are defined in this  
16 section), the authority to make Federal Direct Per-  
17 kins Loans under section 455A with a portion of the  
18 annual loan authority described in subsection (b);  
19 and

20 “(2) to make funds available, in accordance  
21 with section 452, to each participating institution  
22 from a portion of the annual loan authority de-  
23 scribed in subsection (b), in an amount not to exceed  
24 the sum of an institution’s allocation of funds under  
25 subparagraphs (A), (B), and (C) of subsection (b)(1)  
26 to enable each such institution to make Federal Di-

1       rect Perkins Loans to eligible students at the insti-  
2       tution.

3       “(b) AVAILABLE DIRECT PERKINS ANNUAL LOAN  
4       AUTHORITY.—

5               “(1) AVAILABILITY AND ALLOCATIONS.—There  
6       are hereby made available, from funds made avail-  
7       able for loans made under part D, not to exceed  
8       \$6,000,000,000 of annual loan authority for award  
9       year 2010–2011 and each succeeding award year, to  
10      be allocated as follows:

11               “(A) The Secretary shall allocate not more  
12      than  $\frac{1}{2}$  of such funds for each award year by  
13      allocating to each participating institution an  
14      amount equal to the adjusted self-help need  
15      amount of the institution, as determined in ac-  
16      cordance with subsection (c) for such award  
17      year.

18               “(B) The Secretary shall allocate not more  
19      than  $\frac{1}{4}$  of such funds for each award year by  
20      allocating to each participating institution an  
21      amount equal to the low tuition incentive  
22      amount of the institution, as determined in ac-  
23      cordance with subsection (d).

24               “(C) The Secretary shall allocate not more  
25      than  $\frac{1}{4}$  of such funds for each award year by

1 allocating to each participating institution an  
2 amount which bears the same ratio to the funds  
3 allocated under this subparagraph as the ratio  
4 determined in accordance with subsection (e)  
5 for the calculation of the Federal Pell Grant  
6 and degree recipient amount of the institution.

7 “(2) NO FUNDS TO NON-PARTICIPATING INSTI-  
8 TUTIONS.—The Secretary shall not make funds  
9 available under this subsection to any eligible insti-  
10 tution that is not a participating institution. The ad-  
11 justed self-help need amount (determined in accord-  
12 ance with subsection (c)) of an eligible institution  
13 that is not a participating institution shall not be  
14 made available to any other institution.

15 “(c) ADJUSTED SELF-HELP NEED AMOUNT.—For  
16 the purposes of subsection (b)(1)(A), the Secretary shall  
17 calculate the adjusted self-help need amount of each eligi-  
18 ble institution for an award year as follows:

19 “(1) USE OF BASE SELF-HELP NEED  
20 AMOUNTS.—

21 “(A) IN GENERAL.—Except as provided in  
22 paragraphs (2), (3), and (4), the adjusted self-  
23 help need amount of each eligible institution  
24 shall be the institution’s base self-help need  
25 amount, which is the sum of—

1           “(i) the self-help need of the institu-  
2           tion’s eligible undergraduate students for  
3           such award year; and

4           “(ii) the self-help need of the institu-  
5           tion’s eligible graduate and professional  
6           students for such award year.

7           “(B) UNDERGRADUATE STUDENT SELF-  
8           HELP NEED.—To determine the self-help need  
9           of an institution’s eligible undergraduate stu-  
10          dents, the Secretary shall determine the sum of  
11          each eligible undergraduate student’s average  
12          cost of attendance for the second preceding  
13          award year less each such student’s expected  
14          family contribution (computed in accordance  
15          with part F) for the second preceding award  
16          year, except that, for each such eligible under-  
17          graduate student, the amount computed by  
18          such subtraction shall not be less than zero or  
19          more than the lesser of—

20                 “(i) 25 percent of the average cost of  
21                 attendance with respect to such eligible  
22                 student; or

23                 “(ii) \$5,500.

24           “(C) GRADUATE AND PROFESSIONAL STU-  
25          DENT SELF-HELP NEED.—To determine the

1 self-help need of an institution's eligible grad-  
2 uate and professional students, the Secretary  
3 shall determine the sum of each eligible grad-  
4 uate and professional student's average cost of  
5 attendance for the second preceding award year  
6 less each such student's expected family con-  
7 tribution (computed in accordance with part F)  
8 for such second preceding award year, except  
9 that, for each such eligible graduate and profes-  
10 sional student, the amount computed by such  
11 subtraction shall not be less than zero or more  
12 than \$8,000.

13 “(2) RATABLE REDUCTION ADJUSTMENTS.—If  
14 the sum of the base self-help need amounts of all eli-  
15 gible institutions for an award year as determined  
16 under paragraph (1) exceeds  $\frac{1}{2}$  of the annual loan  
17 authority under subsection (b) for such award year,  
18 the Secretary shall ratably reduce the base self-help  
19 need amounts of all eligible institutions until the  
20 sum of such amounts is equal to the amount that is  
21  $\frac{1}{2}$  of the annual loan authority under subsection  
22 (b).

23 “(3) REQUIRED MINIMUM AMOUNT.—Notwith-  
24 standing paragraph (2), the adjusted self-help need  
25 amount of each eligible institution shall not be less

1 than the average of the institution's total principal  
2 amount of loans made under this part for each of  
3 the 5 most recent award years.

4 “(4) ADDITIONAL ADJUSTMENTS.—If the Sec-  
5 retary determines that a ratable reduction under  
6 paragraph (2) results in the adjusted self-help need  
7 amount of any eligible institution being reduced  
8 below the minimum amount required under para-  
9 graph (3), the Secretary shall—

10 “(A) for each institution for which the  
11 minimum amount under paragraph (3) is not  
12 satisfied, increase the adjusted self-help need  
13 amount to the amount of the required minimum  
14 under such subparagraph; and

15 “(B) ratably reduce the adjusted self-help  
16 need amounts of all eligible institutions not de-  
17 scribed in subparagraph (A) until the sum of  
18 the adjusted self-help need amounts of all eligi-  
19 ble institutions is equal to the amount that is  
20  $\frac{1}{2}$  of the annual loan authority under sub-  
21 section (b).

22 “(d) LOW TUITION INCENTIVE AMOUNT.—

23 “(1) IN GENERAL.—For purposes of subsection  
24 (b)(1)(B), the Secretary shall determine the low tui-  
25 tion incentive amount for each participating institu-

1       tion for each award year, by calculating for each  
2       such institution the sum of—

3               “(A) the total amount, if any (but not less  
4       than zero), by which—

5                       “(i) the average tuition and required  
6       fees for the institution’s sector for the sec-  
7       ond preceding award year; exceeds

8                       “(ii) the tuition and required fees for  
9       the second preceding award year for each  
10      undergraduate and graduate student at-  
11      tending the institution who had financial  
12      need (as determined under part F); plus

13               “(B) the total amount, if any (but not less  
14      than zero), by which—

15                       “(i) the total amount for the second  
16      preceding award year of non-Federal grant  
17      aid provided to meet the financial need of  
18      all undergraduate students attending the  
19      institution (as determined without regard  
20      to financial aid not received under this  
21      title); exceeds

22                       “(ii) the total amount for the second  
23      preceding award year, if any, by which—

1                   “(I) the tuition and required fees  
2                   of each such student with such finan-  
3                   cial need; exceeds

4                   “(II) the average tuition and re-  
5                   quired fees for the institution’s sector.

6                   “(2) RATABLE REDUCTION.—If the sum of the  
7                   low tuition incentive amounts of all participating in-  
8                   stitutions for an award year as determined under  
9                   paragraph (1) exceeds  $\frac{1}{4}$  of the annual loan author-  
10                  ity under subsection (b) for such award year, the  
11                  Secretary shall ratably reduce the low tuition incen-  
12                  tive amounts of all participating institutions until  
13                  the sum of such amounts is equal to the amount  
14                  that is  $\frac{1}{4}$  of the annual loan authority under sub-  
15                  section (b).

16                  “(e) FEDERAL PELL GRANT AND DEGREE RECIPI-  
17                  ENT AMOUNT.—For purposes of subsection (b)(1)(C), the  
18                  Secretary shall determine the Federal Pell Grant and de-  
19                  gree recipient amount for each participating institution for  
20                  each award year, by calculating for each such institution  
21                  the ratio of—

22                  “(1) the number of students who, during the  
23                  most recent year for which data are available, ob-  
24                  tained an associate’s degree or other postsecondary  
25                  degree from such participating institution and, prior

1 to obtaining such degree, received a Federal Pell  
2 Grant for attendance at any institution of higher  
3 education; to

4 “(2) the sum of the number of students who,  
5 during the most recent year for which data are  
6 available, obtained an associate’s degree or other  
7 postsecondary degree from each participating insti-  
8 tution and, prior to obtaining such degree, received  
9 a Federal Pell Grant for attendance at any institu-  
10 tion of higher education.

11 “(f) DEFINITIONS.—As used in this section:

12 “(1) ANNUAL LOAN AUTHORITY.—The term  
13 ‘annual loan authority’ means the total original prin-  
14 cipal amount of loans that may be allocated and  
15 made available for an award year to make Federal  
16 Direct Perkins Loans under section 455A.

17 “(2) AVERAGE COST OF ATTENDANCE.—

18 “(A) IN GENERAL.—The term ‘average  
19 cost of attendance’ means the average of the at-  
20 tendance costs for undergraduate students and  
21 for graduate and professional students, respec-  
22 tively, for the second preceding award year  
23 which shall include—

1           “(i) tuition and required fees deter-  
2           mined in accordance with subparagraph  
3           (B);

4           “(ii) standard living expenses deter-  
5           mined in accordance with subparagraph  
6           (C); and

7           “(iii) books and supplies determined  
8           in accordance with subparagraph (D).

9           “(B) TUITION AND REQUIRED FEES.—The  
10          average undergraduate and graduate and pro-  
11          fessional tuition and required fees described in  
12          subparagraph (A)(i) shall be computed on the  
13          basis of information reported by the institution  
14          to the Secretary, which shall include—

15               “(i) total revenue received by the in-  
16               stitution from undergraduate and graduate  
17               and professional students, respectively, for  
18               tuition and required fees for the second  
19               preceding award year; and

20               “(ii) the institution’s full-time equiva-  
21               lent enrollment of undergraduate and  
22               graduate and professional students, respec-  
23               tively, for such second preceding award  
24               year.

1           “(C) STANDARD LIVING EXPENSES.—The  
2           standard living expense described in subpara-  
3           graph (A)(ii) is equal to the allowance, deter-  
4           mined by an institution, for room and board  
5           costs incurred by a student, as computed in ac-  
6           cordance with part F for the second preceding  
7           award year.

8           “(D) BOOKS AND SUPPLIES.—The allow-  
9           ance for books and supplies described in sub-  
10          paragraph (A)(iii) is equal to the allowance, de-  
11          termined by an institution, for books, supplies,  
12          transportation, and miscellaneous personal ex-  
13          penses, including a reasonable allowance for the  
14          documented rental or purchase of a personal  
15          computer, as computed in accordance with part  
16          F for the second preceding award year.

17          “(3) AVERAGE TUITION AND REQUIRED FEES  
18          FOR THE INSTITUTION’S SECTOR.—The term ‘aver-  
19          age tuition and required fees for the institution’s  
20          sector’ shall be determined by the Secretary for each  
21          of the categories described in section 132(d).

22          “(4) ELIGIBLE INSTITUTION.—The term ‘eligi-  
23          ble institution’ means an institution of higher edu-  
24          cation that participates in the Federal Direct Staf-  
25          ford Loan Program.

1           “(5) PARTICIPATING INSTITUTION.—The term  
2           ‘participating institution’ means an institution of  
3           higher education that has an agreement under sec-  
4           tion 463(f).

5           “(6) SECTOR.—The term ‘sector’ means each of  
6           the categories described in section 132(d).”.

7   **SEC. 225. AGREEMENTS WITH INSTITUTIONS OF HIGHER**  
8           **EDUCATION.**

9           (a) AMENDMENTS.—Section 463 (20 U.S.C. 1087cc)  
10 is amended—

11           (1) in subsection (a)—

12                   (A) in the heading, by inserting “FOR  
13                   LOANS MADE BEFORE JULY 1, 2010” after  
14                   “AGREEMENTS”;

15                   (B) in paragraph (3)(A), by inserting “be-  
16                   fore July 1, 2010” after “students”;

17                   (C) in paragraph (4), by striking “there-  
18                   on—” and all that follows and inserting “there-  
19                   on, if the institution has failed to maintain an  
20                   acceptable collection record with respect to such  
21                   loan, as determined by the Secretary in accord-  
22                   ance with criteria established by regulation, the  
23                   Secretary may require the institution to assign  
24                   such note or agreement to the Secretary, with-  
25                   out recompense;” and

1           (D) in paragraph (5), by striking “and the  
2           Secretary shall apportion” and all that follows  
3           through “in accordance with section 462” and  
4           inserting “and the Secretary shall return a por-  
5           tion of funds from loan repayments to the insti-  
6           tution as specified in section 466(b)”;

7           (2) by amending subsection (b) to read as fol-  
8           lows:

9           “(b) ADMINISTRATIVE EXPENSES.—An institution  
10          that has entered into an agreement under subsection (a)  
11          shall be entitled, for each fiscal year during which it serv-  
12          ices student loans from a student loan fund established  
13          under such agreement, to a payment in lieu of reimburse-  
14          ment for its expenses in servicing student loans made be-  
15          fore July 1, 2010. Such payment shall be equal to 0.50  
16          percent of the outstanding principal and interest balance  
17          of such loans being serviced by the institution as of Sep-  
18          tember 30 of each fiscal year.”; and

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

20          “(f) CONTENTS OF AGREEMENTS FOR LOANS MADE  
21          ON OR AFTER JULY 1, 2010.—An agreement with any  
22          institution of higher education that elects to participate  
23          in the Federal Direct Perkins Loan program under section  
24          455A shall provide—

1           “(1) for the establishment and maintenance of  
2 a Direct Perkins Loan program at the institution  
3 under which the institution shall use loan authority  
4 allocated under section 462A to make loans to eligi-  
5 ble students attending the institution;

6           “(2) that the institution, unless otherwise speci-  
7 fied in this subsection, shall operate the program  
8 consistent with the requirements of agreements es-  
9 tablished under section 454;

10           “(3) that the institution will pay matching  
11 funds, quarterly, in an amount agreed to by the in-  
12 stitution and the Secretary, to an escrow account  
13 approved by the Secretary, for the purpose of pro-  
14 viding loan benefits to borrowers;

15           “(4) that if the institution fails to meet the re-  
16 quirements of paragraph (3), the Secretary shall  
17 suspend or terminate the institution’s eligibility to  
18 make Federal Direct Perkins Loans under section  
19 455A until such time as the Secretary determines,  
20 in accordance with section 498, that the institution  
21 has met the requirements of such paragraph; and

22           “(5) that if the institution ceases to be an eligi-  
23 ble institution within the meaning of section 435(a)  
24 by reason of having a cohort default rate that ex-  
25 ceeds the threshold percentage specified paragraph

1 (2) of such section, the Secretary shall suspend or  
2 terminate the institution's eligibility to make Fed-  
3 eral Direct Perkins Loans under section 455A un-  
4 less and until the institution would qualify for a re-  
5 sumption of eligible institution status under such  
6 section.”.

7 (b) EFFECTIVE DATE.—The amendments made by  
8 paragraph (2) of subsection (a) shall take effect on Octo-  
9 ber 1, 2010.

10 **SEC. 226. STUDENT LOAN INFORMATION BY ELIGIBLE IN-**  
11 **STITUTIONS.**

12 Section 463A (20 U.S.C. 1087cc-1) is amended—

13 (1) in subsection (a), by striking “Each institu-  
14 tion” and inserting “For loans made before July 1,  
15 2010, each institution”; and

16 (2) in subsection (b), by striking “Each institu-  
17 tion” and inserting “For loans made before July 1,  
18 2010, each institution”.

19 **SEC. 227. TERMS OF LOANS.**

20 (a) Section 464 (20 U.S.C. 1087dd) is amended—

21 (1) in subsection (a)(1), by striking “section  
22 463” and inserting “section 463(a)”;

23 (2) in subsection (b)(1), by inserting “made be-  
24 fore July 1, 2010,” after “A loan”;

25 (3) in subsection (c)—

1 (A) in paragraph (1), by inserting “made  
2 before July 1, 2010,” after “a loan”;

3 (B) in paragraph (2)—

4 (i) in subparagraph (A), by inserting  
5 “made before July 1, 2010,” after “any  
6 loan”; and

7 (ii) in subparagraph (B), by inserting  
8 “made before July 1, 2010,” after “any  
9 loan”;

10 (C) in paragraph (3)(B), by inserting “for  
11 a loan made before July 1, 2010,” after “dur-  
12 ing the repayment period”;

13 (D) in paragraph (4), by inserting “before  
14 July 1, 2010,” after “for a loan made”;

15 (E) in paragraph (5), by striking “The in-  
16 stitution” and inserting “For loans made before  
17 July 1, 2010, the institution”; and

18 (F) in paragraph (6), by inserting “made  
19 before July 1, 2010,” after “of loans”;

20 (4) in subsection (d), by inserting “made before  
21 July 1, 2010,” before “from the student loan fund”;

22 (5) in subsection (e), by inserting “with respect  
23 to loans made before July 1, 2010, and” before “as  
24 documented in accordance with paragraph (2),”;

25 (6) by repealing subsection (f);

1 (7) in subsection (g)(1), by inserting “and be-  
2 fore July 1, 2010,” after “January 1, 1986,”;

3 (8) in subsection (h)—

4 (A) in paragraph (1)(A) by inserting “be-  
5 fore July 1, 2010,” after “made under this  
6 part”; and

7 (B) in paragraph (2), by inserting “before  
8 July 1, 2010,” after “under this part”; and

9 (9) in subsection (j)(1), by inserting “before  
10 July 1, 2010,” after “under this part”.

11 **SEC. 228. DISTRIBUTION OF ASSETS FROM STUDENT LOAN**  
12 **FUNDS.**

13 (a) Section 465 (20 U.S.C. 1087ee) is amended—

14 (1) in subsection (a), by inserting “and before  
15 July 1, 2010,” after “June 30, 1972,”; and

16 (2) by amending subsection (b) to read as fol-  
17 lows:

18 “(b) REIMBURSEMENT FOR CANCELLATIONS.—

19 “(1) ASSIGNED LOANS.—In the case of loans  
20 made under this part before July 1, 2010, and that  
21 are assigned to the Secretary, the Secretary shall,  
22 from amounts repaid each quarter on assigned Per-  
23 kins Loans made before July 1, 2010, pay to each  
24 institution for each quarter an amount equal to—

1           “(A) the aggregate of the amounts of loans  
2           from its student loan fund that are canceled  
3           pursuant to this section for such quarter, minus

4           “(B) an amount equal to the aggregate of  
5           the amounts of any such loans so canceled that  
6           were made from Federal capital contributions  
7           to its student loan fund.

8           “(2) RETAINED LOANS.—In the case of loans  
9           made under this part before July 1, 2010, and that  
10          are retained by the institution for servicing, the in-  
11          stitution shall deduct from loan repayments owed to  
12          the Secretary under section 466, an amount equal  
13          to—

14                 “(A) the aggregate of the amounts of loans  
15                 from its student loan fund that are canceled  
16                 pursuant to this section for such quarter, minus

17                 “(B) an amount equal to the aggregate of  
18                 the amounts of any such loans so canceled that  
19                 were made from Federal capital contributions  
20                 to its student loan fund.”.

21          (b) Section 466 (20 U.S.C. 1087ff) is amended to  
22          read as follows:

1 **“SEC. 466. DISTRIBUTION OF ASSETS FROM STUDENT LOAN**  
2 **FUNDS.**

3 “(a) CAPITAL DISTRIBUTION.—Beginning July 1,  
4 2010, there shall be a capital distribution of the balance  
5 of the student loan fund established under this part by  
6 each institution of higher education as follows:

7 “(1) For the quarter beginning July 1, 2010,  
8 the Secretary shall first be paid, no later than Sep-  
9 tember 30, 2010, an amount that bears the same  
10 ratio to the cash balance in such fund at the close  
11 of June 30, 2010, as the total amount of the Fed-  
12 eral capital contributions to such fund by the Sec-  
13 retary under this part bears to—

14 “(A) the sum of such Federal contribu-  
15 tions and the institution’s capital contributions  
16 to such fund, less

17 “(B) an amount equal to—

18 “(i) the institution’s outstanding ad-  
19 ministrative costs as calculated under sec-  
20 tion 463(b),

21 “(ii) outstanding charges assessed  
22 under section 464(c)(1)(H), and

23 “(iii) outstanding loan cancellation  
24 costs incurred under section 465.

25 “(2) At the end of each quarter subsequent to  
26 the quarter ending September 30, 2010, the Sec-

1       retary shall first be paid an amount that bears the  
2       same ratio to the cash balance in such fund at the  
3       close of the preceding quarter, as the total amount  
4       of the Federal capital contributions to such fund by  
5       the Secretary under this part bears to—

6               “(A) the sum of such Federal contribu-  
7               tions and the institution’s capital contributions  
8               to such fund, less

9               “(B) an amount equal to—

10              “(i) the institution’s administrative  
11              costs incurred for that quarter as cal-  
12              culated under section 463(b),

13              “(ii) charges assessed for that quarter  
14              under section 464(c)(1)(H), and

15              “(iii) loan cancellation costs incurred  
16              for that quarter under section 465.

17              “(3)(A) The Secretary shall calculate the  
18              amounts due to the Secretary under paragraph (1)  
19              (adjusted in accordance with subparagraph (B), as  
20              appropriate) and paragraph (2) and shall promptly  
21              inform the institution of such calculated amounts.

22              “(B) In the event that, prior to the date of en-  
23              actment of the Student Aid and Fiscal Responsi-  
24              bility Act of 2009, an institution made a short-term,  
25              interest-free loan to the institution’s student loan

1 fund established under this part in anticipation of  
2 collections or receipt of Federal capital contribu-  
3 tions, and the institution demonstrates to the Sec-  
4 retary, on or before June 30, 2010, that such loan  
5 will still be outstanding after June 30, 2010, the  
6 Secretary shall subtract the amount of such out-  
7 standing loan from the cash balance of the institu-  
8 tion's student loan fund that is used to calculate the  
9 amount due to the Secretary under paragraph (1).  
10 An adjustment of an amount due to the Secretary  
11 under this subparagraph shall be made by the Sec-  
12 retary on a case-by-case basis.

13 “(4) Any remaining balance at the end of a  
14 quarter after a payment under paragraph (1) or (2)  
15 shall be retained by the institution for use at its dis-  
16 cretion. Any balance so retained shall be withdrawn  
17 from the student loan fund and shall not be counted  
18 in calculating amounts owed to the Secretary for  
19 subsequent quarters.

20 “(5) Each institution shall make the quarterly  
21 payments to the Secretary described in paragraph  
22 (2) until all outstanding Federal Perkins Loans at  
23 that institution have been assigned to the Secretary  
24 and there are no funds remaining in the institution's  
25 student loan fund.

1           “(6) In the event that the institution’s adminis-  
2           trative costs, charges, and cancellation costs de-  
3           scribed in paragraph (2) for a quarter exceed the  
4           amount owed to the Secretary under paragraphs (1)  
5           and (2) for that quarter, no payment shall be due  
6           to the Secretary from the institution for that quarter  
7           and the Secretary shall pay the institution, from  
8           funds realized from the collection of assigned Fed-  
9           eral Perkins Loans made before July 1, 2010, an  
10          amount that, when combined with the amount re-  
11          tained by the institution under paragraphs (1) and  
12          (2), equals the full amount of such administrative  
13          costs, charges, and cancellation costs.

14          “(b) ASSIGNMENT OF OUTSTANDING LOANS.—Be-  
15          ginning July 1, 2010, an institution of higher education  
16          may assign all outstanding loans made under this part be-  
17          fore July 1, 2010, to the Secretary, consistent with the  
18          requirements of section 463(a)(5). In collecting loans so  
19          assigned, the Secretary shall pay an institution an amount  
20          that constitutes the same fraction of such collections as  
21          the fraction of the cash balance that the institution retains  
22          under subsection (a)(2), but determining such fraction  
23          without regard to subparagraph (B)(i) of such sub-  
24          section.”.

1 **SEC. 229. ADMINISTRATIVE EXPENSES.**

2 Section 489(a) (20 U.S.C. 1096(a)) is amended—

3 (1) in the second sentence, by striking “or  
4 under part E of this title”; and

5 (2) in the third sentence—

6 (A) by inserting “and” after “subpart 3 of  
7 part A,”; and

8 (B) by striking “compensation of stu-  
9 dents,” and all that follows through the period  
10 and inserting “compensation of students.”.

11 **TITLE III—MODERNIZATION,**  
12 **RENOVATION, AND REPAIR**  
13 **Subtitle A—Elementary and**  
14 **Secondary Education**

15 **SEC. 301. DEFINITIONS.**

16 In this subtitle:

17 (1) The term “Bureau-funded school” has the  
18 meaning given such term in section 1141 of the  
19 Education Amendments of 1978 (25 U.S.C. 2021).

20 (2) The term “charter school” has the meaning  
21 given such term in section 5210 of the Elementary  
22 and Secondary Education Act of 1965 (20 U.S.C.  
23 7221i).

24 (3) The term “CHPS Criteria” means the  
25 green building rating program developed by the Col-  
26 laborative for High Performance Schools.

1           (4) The term “Energy Star” means the Energy  
2           Star program of the United States Department of  
3           Energy and the United States Environmental Pro-  
4           tection Agency.

5           (5) The term “Green Globes” means the Green  
6           Building Initiative environmental design and rating  
7           system referred to as Green Globes.

8           (6) The term “LEED Green Building Rating  
9           System” means the United States Green Building  
10          Council Leadership in Energy and Environmental  
11          Design green building rating standard referred to as  
12          LEED Green Building Rating System.

13          (7) The term “local educational agency”—

14                (A) has the meaning given such term in  
15                section 9101 of the Elementary and Secondary  
16                Education Act of 1965 (20 U.S.C. 7801);

17                (B) includes any public charter school that  
18                constitutes a local educational agency under  
19                State law; and

20                (C) includes the Recovery School District  
21                of Louisiana.

22          (8) The term “outlying area”—

23                (A) means the United States Virgin Is-  
24                lands, Guam, American Samoa, and the Com-

1 monwealth of the Northern Mariana Islands;  
2 and

3 (B) includes the Republic of Palau.

4 (9) The term “public school facilities” means  
5 existing public elementary or secondary school facili-  
6 ties, including public charter school facilities and  
7 other existing facilities planned for adaptive reuse as  
8 public charter school facilities.

9 (10) The term “Secretary” means the Secretary  
10 of Education.

11 (11) The term “State” means each of the 50  
12 States, the District of Columbia, and the Common-  
13 wealth of Puerto Rico.

14 **CHAPTER 1—GRANTS FOR MODERNIZA-**  
15 **TION, RENOVATION, OR REPAIR OF**  
16 **PUBLIC SCHOOL FACILITIES**

17 **SEC. 311. PURPOSE.**

18 Grants under this chapter shall be for the purpose  
19 of modernizing, renovating, or repairing public school fa-  
20 cilities (including early learning facilities, as appropriate),  
21 based on the need of the facilities for such improvements,  
22 to ensure safe, healthy, high-performing, and techno-  
23 logically up-to-date public school facilities.

24 **SEC. 312. ALLOCATION OF FUNDS.**

25 (a) RESERVATION.—

1           (1) IN GENERAL.—From the amount appro-  
2           priated to carry out this chapter for each fiscal year  
3           pursuant to section 345(a), the Secretary shall re-  
4           serve 2 percent of such amount, consistent with the  
5           purpose described in section 311—

6                   (A) to provide assistance to the outlying  
7           areas; and

8                   (B) for payments to the Secretary of the  
9           Interior to provide assistance to Bureau-funded  
10          schools.

11          (2) USE OF RESERVED FUNDS.—In each fiscal  
12          year, the amount reserved under paragraph (1) shall  
13          be divided between the uses described in subpara-  
14          graphs (A) and (B) of such paragraph in the same  
15          proportion as the amount reserved under section  
16          1121(a) of the Elementary and Secondary Edu-  
17          cation Act of 1965 (20 U.S.C. 6331(a)) is divided  
18          between the uses described in paragraphs (1) and  
19          (2) of such section 1121(a) in such fiscal year.

20          (3) DISTRESSED AREAS AND NATURAL DISAS-  
21          TERS.—From the amount appropriated to carry out  
22          this chapter for each fiscal year pursuant to section  
23          345(a), the Secretary shall reserve 5 percent of such  
24          amount for grants to—

1 (A) local educational agencies serving geo-  
2 graphic areas with significant economic distress,  
3 to be used consistent with the purpose de-  
4 scribed in section 311 and the allowable uses of  
5 funds described in section 313; and

6 (B) local educational agencies serving geo-  
7 graphic areas recovering from a natural dis-  
8 aster, to be used consistent with the purpose  
9 described in section 321 and the allowable uses  
10 of funds described in section 323.

11 (b) ALLOCATION TO STATES.—

12 (1) STATE-BY-STATE ALLOCATION.—Of the  
13 amount appropriated to carry out this chapter for  
14 each fiscal year pursuant to section 345(a), and not  
15 reserved under subsection (a), each State shall be al-  
16 located an amount in proportion to the amount re-  
17 ceived by all local educational agencies in the State  
18 under part A of title I of the Elementary and Sec-  
19 ondary Education Act of 1965 (20 U.S.C. 6311 et  
20 seq.) for the previous fiscal year relative to the total  
21 amount received by all local educational agencies in  
22 every State under such part for such fiscal year.

23 (2) STATE ADMINISTRATION.—A State may re-  
24 serve up to 1 percent of its allocation under para-

1 graph (1) to carry out its responsibilities under this  
2 chapter, which include—

3 (A) providing technical assistance to local  
4 educational agencies;

5 (B) developing an online, publicly search-  
6 able database that includes an inventory of pub-  
7 lic school facilities in the State, including for  
8 each such facility, its design, condition, mod-  
9 ernization, renovation and repair needs, utiliza-  
10 tion, energy use, and carbon footprint; and

11 (C) creating voluntary guidelines for high-  
12 performing school buildings, including guide-  
13 lines concerning the following:

14 (i) Site location, storm water manage-  
15 ment, outdoor surfaces, outdoor lighting,  
16 and transportation, including public transit  
17 and pedestrian and bicycle accessibility.

18 (ii) Outdoor water systems, land-  
19 scaping to minimize water use, including  
20 elimination of irrigation systems for land-  
21 scaping, and indoor water use reduction.

22 (iii) Energy efficiency (including min-  
23 imum and superior standards, such as for  
24 heating, ventilation, and air conditioning

1 systems), use of alternative energy sources,  
2 commissioning, and training.

3 (iv) Use of durable, sustainable mate-  
4 rials and waste reduction.

5 (v) Indoor environmental quality, such  
6 as day lighting in classrooms, lighting  
7 quality, indoor air quality (including with  
8 reference to reducing the incidence and ef-  
9 fects of asthma and other respiratory ill-  
10 nesses), acoustics, and thermal comfort.

11 (vi) Operations and management,  
12 such as use of energy-efficient equipment,  
13 indoor environmental management plan,  
14 maintenance plan, and pest management.

15 (3) GRANTS TO LOCAL EDUCATIONAL AGEN-  
16 CIES.—From the amount allocated to a State under  
17 paragraph (1), each eligible local educational agency  
18 in the State shall receive an amount in proportion  
19 to the amount received by such local educational  
20 agency under part A of title I of the Elementary and  
21 Secondary Education Act of 1965 (20 U.S.C. 6311  
22 et seq.) for the previous fiscal year relative to the  
23 total amount received by all local educational agen-  
24 cies in the State under such part for such fiscal  
25 year, except that no local educational agency that re-

1       ceived funds under such part for such fiscal year  
2       shall receive a grant of less than \$5,000 in any fiscal  
3       year under this chapter.

4               (4) SPECIAL RULE.—Section 1122(c)(3) of the  
5       Elementary and Secondary Education Act of 1965  
6       (20 U.S.C. 6332(c)(3)) shall not apply to paragraph  
7       (1) or (3).

8       (c) SPECIAL RULES.—

9               (1) DISTRIBUTIONS BY SECRETARY.—The Sec-  
10       retary shall make and distribute the reservations  
11       and allocations described in subsections (a) and (b)  
12       not later than 120 days after an appropriation of  
13       funds for this chapter is made.

14              (2) DISTRIBUTIONS BY STATES.—A State shall  
15       make and distribute the allocations described in sub-  
16       section (b)(3) within 60 days of receiving such funds  
17       from the Secretary.

18       **SEC. 313. ALLOWABLE USES OF FUNDS.**

19       A local educational agency receiving a grant under  
20       this chapter shall use the grant for modernization, renova-  
21       tion, or repair of public school facilities (including early  
22       learning facilities, as appropriate), including—

23              (1) repair, replacement, or installation of roofs,  
24       including extensive, intensive or semi-intensive green  
25       roofs, electrical wiring, water supply and plumbing

1 systems, sewage systems, storm water runoff sys-  
2 tems, lighting systems, building envelope, windows,  
3 ceilings, flooring, or doors, including security doors;

4 (2) repair, replacement, or installation of heat-  
5 ing, ventilation, or air conditioning systems, includ-  
6 ing insulation, and conducting indoor air quality as-  
7 sessments;

8 (3) compliance with fire, health, seismic, and  
9 safety codes, including professional installation of  
10 fire and life safety alarms, and modernizations, ren-  
11 ovations, and repairs that ensure that schools are  
12 prepared for emergencies, such as improving build-  
13 ing infrastructure to accommodate security measures  
14 and installing or upgrading technology to ensure  
15 that schools are able to respond to emergencies such  
16 as acts of terrorism, campus violence, and natural  
17 disasters;

18 (4) retrofitting necessary to increase the energy  
19 efficiency of public school facilities;

20 (5) modifications necessary to make facilities  
21 accessible in compliance with the Americans with  
22 Disabilities Act of 1990 (42 U.S.C. 12101 et seq.)  
23 and section 504 of the Rehabilitation Act of 1973  
24 (29 U.S.C. 794);

1           (6) abatement, removal, or interim controls of  
2           asbestos, polychlorinated biphenyls, mold, mildew,  
3           lead-based hazards, including lead-based paint haz-  
4           ards, or a proven carcinogen;

5           (7) measures designed to reduce or eliminate  
6           human exposure to classroom noise and environ-  
7           mental noise pollution;

8           (8) modernization, renovation, or repair nec-  
9           essary to reduce the consumption of coal, electricity,  
10          land, natural gas, oil, or water;

11          (9) installation or upgrading of educational  
12          technology infrastructure;

13          (10) modernization, renovation, or repair of  
14          science and engineering laboratories, libraries, and  
15          career and technical education facilities, and im-  
16          provements to building infrastructure to accommo-  
17          date bicycle and pedestrian access;

18          (11) installation or upgrading of renewable en-  
19          ergy generation and heating systems, including  
20          solar, photovoltaic, wind, biomass (including wood  
21          pellet and woody biomass), waste-to-energy, solar-  
22          thermal and geothermal systems, and energy audits;

23          (12) measures designed to reduce or eliminate  
24          human exposure to airborne particles such as dust,  
25          sand, and pollens;

1           (13) creating greenhouses, gardens (including  
2 trees), and other facilities for environmental, sci-  
3 entific, or other educational purposes, or to produce  
4 energy savings;

5           (14) upgrading or installing recreational struc-  
6 tures, including physical education facilities for stu-  
7 dents, made from post-consumer recovered materials  
8 in accordance with the comprehensive procurement  
9 guidelines prepared by the Administrator of the En-  
10 vironmental Protection Agency under section  
11 6002(e) of the Solid Waste Disposal Act (42 U.S.C.  
12 6962(e));

13           (15) other modernization, renovation, or repair  
14 of public school facilities to—

15                   (A) improve teachers' ability to teach and  
16 students' ability to learn;

17                   (B) ensure the health and safety of stu-  
18 dents and staff;

19                   (C) make them more energy efficient; or

20                   (D) reduce class size; and

21           (16) required environmental remediation related  
22 to modernization, renovation, or repair described in  
23 paragraphs (1) through (15).

1 **SEC. 314. PRIORITY PROJECTS.**

2 In selecting a project under section 313, a local edu-  
3 cational agency may give priority to projects involving the  
4 abatement, removal, or interim controls of asbestos, poly-  
5 chlorinated biphenyls, mold, mildew, lead-based hazards,  
6 including lead-based paint hazards, or a proven car-  
7 cinogen.

8 **CHAPTER 2—SUPPLEMENTAL GRANTS**  
9 **FOR LOUISIANA, MISSISSIPPI, AND**  
10 **ALABAMA**

11 **SEC. 321. PURPOSE.**

12 Grants under this chapter shall be for the purpose  
13 of modernizing, renovating, repairing, or constructing  
14 public school facilities, including, where applicable, early  
15 learning facilities, based on the need for such improve-  
16 ments or construction, to ensure safe, healthy, high-per-  
17 forming, and technologically up-to-date public school fa-  
18 cilities.

19 **SEC. 322. ALLOCATION TO LOCAL EDUCATIONAL AGEN-**  
20 **CIES.**

21 (a) IN GENERAL.—Of the amount appropriated to  
22 carry out this chapter for each fiscal year pursuant to sec-  
23 tion 345(b), the Secretary shall allocate to local edu-  
24 cational agencies in Louisiana, Mississippi, and Alabama  
25 an amount equal to the infrastructure damage inflicted on  
26 public school facilities in each such district by Hurricane

1 Katrina or Hurricane Rita in 2005 relative to the total  
2 of such infrastructure damage so inflicted in all such dis-  
3 tricts, combined.

4 (b) DISTRIBUTION BY SECRETARY.—The Secretary  
5 shall determine and distribute the allocations described in  
6 subsection (a) not later than 120 days after an appropria-  
7 tion of funds for this chapter is made.

8 **SEC. 323. ALLOWABLE USES OF FUNDS.**

9 A local educational agency receiving a grant under  
10 this chapter shall use the grant for one or more of the  
11 activities described in section 313, except that an agency  
12 receiving a grant under this chapter also may use the  
13 grant for the construction of new public school facilities.

14 **CHAPTER 3—GENERAL PROVISIONS**

15 **SEC. 331. IMPERMISSIBLE USES OF FUNDS.**

16 No funds received under this subtitle may be used  
17 for—

18 (1) payment of maintenance costs;

19 (2) stadiums or other facilities primarily used  
20 for athletic contests or exhibitions or other events  
21 for which admission is charged to the general public;

22 (3) improvement or construction of facilities the  
23 purpose of which is not the education of children, in-  
24 cluding central office administration or operations or  
25 logistical support facilities; or

1 (4) purchasing carbon offsets.

2 **SEC. 332. SUPPLEMENT, NOT SUPPLANT.**

3 A local educational agency receiving a grant under  
4 this subtitle shall use such Federal funds only to supple-  
5 ment and not supplant the amount of funds that would,  
6 in the absence of such Federal funds, be available for mod-  
7 ernization, renovation, repair, and construction of public  
8 school facilities.

9 **SEC. 333. PROHIBITION REGARDING STATE AID.**

10 A State shall not take into consideration payments  
11 under this subtitle in determining the eligibility of any  
12 local educational agency in that State for State aid, or  
13 the amount of State aid, with respect to free public edu-  
14 cation of children.

15 **SEC. 334. MAINTENANCE OF EFFORT.**

16 (a) IN GENERAL.—A local educational agency may  
17 receive a grant under this subtitle for any fiscal year only  
18 if either the combined fiscal effort per student or the ag-  
19 gregate expenditures of the agency and the State involved  
20 with respect to the provision of free public education by  
21 the agency for the preceding fiscal year was not less than  
22 90 percent of the combined fiscal effort or aggregate ex-  
23 penditures for the second preceding fiscal year.

24 (b) REDUCTION IN CASE OF FAILURE TO MEET  
25 MAINTENANCE OF EFFORT REQUIREMENT.—

1           (1) IN GENERAL.—The State educational agen-  
2           cy shall reduce the amount of a local educational  
3           agency’s grant in any fiscal year in the exact propor-  
4           tion by which a local educational agency fails to  
5           meet the requirement of subsection (a) by falling  
6           below 90 percent of both the combined fiscal effort  
7           per student and aggregate expenditures (using the  
8           measure most favorable to the local agency).

9           (2) SPECIAL RULE.—No such lesser amount  
10          shall be used for computing the effort required  
11          under subsection (a) for subsequent years.

12          (c) WAIVER.—The Secretary shall waive the require-  
13          ments of this section if the Secretary determines that a  
14          waiver would be equitable due to—

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

17                (2) a precipitous decline in the financial re-  
18                sources of the local educational agency.

19 **SEC. 335. SPECIAL RULE ON CONTRACTING.**

20          Each local educational agency receiving a grant under  
21          this subtitle shall ensure that, if the agency carries out  
22          modernization, renovation, repair, or construction through  
23          a contract, the process for any such contract ensures the  
24          maximum number of qualified bidders, including local,

1 small, minority, and women- and veteran-owned busi-  
2 nesses, through full and open competition.

3 **SEC. 336. USE OF AMERICAN IRON, STEEL, AND MANUFAC-**  
4 **TURED GOODS.**

5 (a) IN GENERAL.—None of the funds appropriated  
6 or otherwise made available by this subtitle may be used  
7 for a project for the modernization, renovation, repair, or  
8 construction of a public school facility unless all of the  
9 iron, steel, and manufactured goods used in the project  
10 are produced in the United States.

11 (b) EXCEPTIONS.—Subsection (a) shall not apply in  
12 any case or category of cases in which the Secretary finds  
13 that—

14 (1) applying subsection (a) would be incon-  
15 sistent with the public interest;

16 (2) iron, steel, and the relevant manufactured  
17 goods are not produced in the United States in suffi-  
18 cient and reasonably available quantities and of a  
19 satisfactory quality; or

20 (3) inclusion of iron, steel, and manufactured  
21 goods produced in the United States will increase  
22 the cost of the overall project by more than 25 per-  
23 cent.

24 (c) PUBLICATION OF JUSTIFICATION.—If the Sec-  
25 retary determines that it is necessary to waive the applica-

1 tion of subsection (a) based on a finding under subsection  
2 (b), the Secretary shall publish in the Federal Register  
3 a detailed written justification of the determination.

4 (d) CONSTRUCTION.—This section shall be applied in  
5 a manner consistent with United States obligations under  
6 international agreements.

7 **SEC. 337. LABOR STANDARDS.**

8 The grant programs under this subtitle are applicable  
9 programs (as that term is defined in section 400 of the  
10 General Education Provisions Act (20 U.S.C. 1221)) sub-  
11 ject to section 439 of such Act (20 U.S.C. 1232b).

12 **SEC. 338. CHARTER SCHOOLS.**

13 (a) IN GENERAL.—A local educational agency receiv-  
14 ing an allocation under this subtitle shall reserve an  
15 amount of that allocation for charter schools within its ju-  
16 risdiction for modernization, renovation, repair, and con-  
17 struction of charter school facilities.

18 (b) DETERMINATION OF RESERVED AMOUNT.—The  
19 amount to be reserved by a local educational agency under  
20 subsection (a) shall be determined based on the combined  
21 percentage of students counted under section 1113(a)(5)  
22 of the Elementary and Secondary Education Act of 1965  
23 (20 U.S.C. 6313(a)(5)) in the schools of the agency who—

24 (1) are enrolled in charter schools; and

1           (2) the local educational agency, in consultation  
2           with the authorized public chartering agency, ex-  
3           pects to be enrolled, during the year with respect to  
4           which the reservation is made, in charter schools  
5           that are scheduled to commence operation during  
6           such year.

7           (c) SCHOOL SHARE.—Individual charter schools shall  
8           receive a share of the amount reserved under subsection  
9           (a) based on the need of each school for modernization,  
10          renovation, repair, or construction, as determined by the  
11          local educational agency in consultation with charter  
12          school administrators.

13          (d) EXCESS FUNDS.—After the consultation de-  
14          scribed in subsection (c), if the local educational agency  
15          determines that the amount of funds reserved under sub-  
16          section (a) exceeds the modernization, renovation, repair,  
17          and construction needs of charter schools within the local  
18          educational agency’s jurisdiction, the agency may use the  
19          excess funds for other public school facility modernization,  
20          renovation, repair, or construction consistent with this  
21          subtitle and is not required to carry over such funds to  
22          the following fiscal year for use for charter schools.

23          **SEC. 339. GREEN SCHOOLS.**

24          (a) IN GENERAL.—In a given fiscal year, a local edu-  
25          cational agency shall use not less than the applicable per-

1 centage (described in subsection (b)) of funds received  
2 under this subtitle for public school modernization, ren-  
3 ovation, repair, or construction that are certified, verified,  
4 or consistent with any applicable provisions of—

5 (1) the LEED Green Building Rating System;

6 (2) Energy Star;

7 (3) the CHPS Criteria;

8 (4) Green Globes; or

9 (5) an equivalent program adopted by the  
10 State, or another jurisdiction with authority over the  
11 local educational agency, that includes a verifiable  
12 method to demonstrate compliance with such pro-  
13 gram.

14 (b) APPLICABLE PERCENTAGES.—The applicable  
15 percentage described in subsection (a) is—

16 (1) in fiscal year 2010, 50 percent; and

17 (2) in fiscal year 2011, 75 percent.

18 (c) RULE OF CONSTRUCTION.—Nothing in this sec-  
19 tion shall be construed to prohibit a local educational  
20 agency from using sustainable, domestic hardwood lumber  
21 as ascertained through the forest inventory and analysis  
22 program of the Forest Service of the Department of Agri-  
23 culture under the Forest and Rangeland Renewable Re-  
24 sources Research Act of 1978 (16 U.S.C. 1641 et seq.)

1 for public school modernization, renovation, repairs, or  
2 construction.

3 (d) **TECHNICAL ASSISTANCE.**—The Secretary, in  
4 consultation with the Secretary of Energy and the Admin-  
5 istrator of the Environmental Protection Agency, shall  
6 provide outreach and technical assistance to States and  
7 local educational agencies concerning the best practices in  
8 school modernization, renovation, repair, and construc-  
9 tion, including those related to student academic achieve-  
10 ment, student and staff health, energy efficiency, and envi-  
11 ronmental protection.

12 **SEC. 340. REPORTING.**

13 (a) **REPORTS BY LOCAL EDUCATIONAL AGENCIES.**—  
14 Local educational agencies receiving a grant under this  
15 subtitle shall annually compile a report describing the  
16 projects for which such funds were used, including—

17 (1) the number and identity of public schools in  
18 the agency, including the number of charter schools,  
19 and for each school, the total number of students,  
20 and the number of students from low-income fami-  
21 lies;

22 (2) the total amount of funds received by the  
23 local educational agency under this subtitle, and for  
24 each public school in the agency, including each  
25 charter school, the amount of such funds expended,

1 and the types of modernization, renovation, repair,  
2 or construction projects for which such funds were  
3 used;

4 (3) the number of students impacted by such  
5 projects, including the number of students counted  
6 under section 1113(a)(5) of the Elementary and  
7 Secondary Education Act of 1965 (20 U.S.C.  
8 6313(a)(5));

9 (4) the number of public schools in the agency  
10 with a metro-centric locale code of 41, 42, or 43 as  
11 determined by the National Center for Education  
12 Statistics and the percentage of funds received by  
13 the agency under chapter 1 or chapter 2 of this sub-  
14 title that were used for projects at such schools;

15 (5) the number of public schools in the agency  
16 that are eligible for schoolwide programs under sec-  
17 tion 1114 of the Elementary and Secondary Edu-  
18 cation Act of 1965 (20 U.S.C. 6314) and the per-  
19 centage of funds received by the agency under chap-  
20 ter 1 or chapter 2 of this subtitle that were used for  
21 projects at such schools;

22 (6) for each project—

23 (A) the cost;

24 (B) the standard described in section  
25 339(a) with which the use of the funds com-

1           plied or, if the use of funds did not comply with  
2           a standard described in section 339(a), the rea-  
3           son such funds were not able to be used in com-  
4           pliance with such standards and the agency's  
5           efforts to use such funds in an environmentally  
6           sound manner; and

7           (C) any demonstrable or expected benefits  
8           as a result of the project (such as energy sav-  
9           ings, improved indoor environmental quality,  
10          student and staff health, including the reduc-  
11          tion of the incidence and effects of asthma and  
12          other respiratory illnesses, and improved cli-  
13          mate for teaching and learning); and

14          (7) the total number and amount of contracts  
15          awarded, and the number and amount of contracts  
16          awarded to local, small, minority, women, and vet-  
17          eran-owned businesses.

18          (b) AVAILABILITY OF REPORTS.—A local educational  
19          agency shall—

20                (1) submit the report described in subsection  
21                (a) to the State educational agency, which shall com-  
22                pile such information and report it annually to the  
23                Secretary; and

24                (2) make the report described in subsection (a)  
25                publicly available, including on the agency's website.

1 (c) REPORTS BY SECRETARY.—Not later than De-  
2 cember 31 of each fiscal year, the Secretary shall submit  
3 to the Committee on Education and Labor of the House  
4 of Representatives and the Committee on Health, Edu-  
5 cation, Labor and Pensions of the Senate, and make avail-  
6 able on the Department of Education’s website, a report  
7 on grants made under this subtitle, including the informa-  
8 tion from the reports described in subsection (b)(1).

9 **SEC. 341. SPECIAL RULES.**

10 Notwithstanding any other provision of this subtitle,  
11 none of the funds authorized by this subtitle may be—

12 (1) used to employ workers in violation of sec-  
13 tion 274A of the Immigration and Nationality Act  
14 (8 U.S.C. 1324a); or

15 (2) distributed to a local educational agency  
16 that does not have a policy that requires a criminal  
17 background check on all employees of the agency.

18 **SEC. 342. PROMOTION OF EMPLOYMENT EXPERIENCES.**

19 The Secretary of Education, in consultation with the  
20 Secretary of Labor, shall work with recipients of funds  
21 under this subtitle to promote appropriate opportunities  
22 to gain employment experience working on modernization,  
23 renovation, repair, and construction projects funded under  
24 this subtitle for—

1 (1) participants in a YouthBuild program (as  
2 defined in section 173A of the Workforce Investment  
3 Act of 1998 (29 U.S.C. 2918a));

4 (2) individuals enrolled in the Job Corps pro-  
5 gram carried out under subtitle C of title I of the  
6 Workforce Investment Act of 1998 (29 U.S.C. 2881  
7 et seq.); and

8 (3) individuals enrolled in a junior or commu-  
9 nity college (as defined in section 312(f) of the  
10 Higher Education Act of 1965 (20 U.S.C. 1088(f))  
11 certificate or degree program relating to projects de-  
12 scribed in section 339(a).

13 **SEC. 343. ADVISORY COUNCIL ON GREEN, HIGH-PER-**  
14 **FORMING SCHOOLS.**

15 (a) ESTABLISHMENT OF ADVISORY COUNCIL.—The  
16 Secretary shall establish an advisory council to be known  
17 as the “Advisory Council on Green, High-Performing  
18 Schools” (in this section referred to as the “Advisory  
19 Council”) which shall be composed of—

20 (1) appropriate officials from the Department  
21 of Education;

22 (2) representatives of the academic, architec-  
23 tural, business, education, engineering, environ-  
24 mental, labor, and scientific communities; and

1           (3) such other representatives as the Secretary  
2           deems appropriate.

3           (b) DUTIES OF ADVISORY COUNCIL.—

4           (1) ADVISORY DUTIES.—The Advisory Council  
5           shall advise the Secretary on the impact of green,  
6           high-performing schools, on—

7                   (A) teaching and learning;

8                   (B) health;

9                   (C) energy costs;

10                   (D) environmental impact; and

11                   (E) other areas that the Secretary and the  
12           Advisory Council deem appropriate.

13           (2) OTHER DUTIES.—The Advisory Council  
14           shall assist the Secretary in—

15                   (A) making recommendations on Federal  
16           policies to increase the number of green, high-  
17           performing schools;

18                   (B) identifying Federal policies that are  
19           barriers to helping States and local educational  
20           agencies make green, high-performing schools;

21                   (C) providing technical assistance and out-  
22           reach to States and local educational agencies  
23           under section 339(d); and

24                   (D) providing the Secretary such other as-  
25           sistance as the Secretary deems appropriate.

1 (c) CONSULTATION.—In carrying out its duties under  
2 subsection (b), the Advisory Council shall consult with the  
3 Chair of the Council on Environmental Quality and the  
4 heads of appropriate Federal agencies, including the Sec-  
5 retary of Commerce, the Secretary of Energy, the Sec-  
6 retary of Health and Human Services, the Secretary of  
7 Labor, the Administrator of the Environmental Protection  
8 Agency, and the Administrator of the General Services  
9 Administration (through the Office of Federal High-Per-  
10 formance Green Buildings).

11 **SEC. 344. EDUCATION REGARDING PROJECTS.**

12 A local educational agency receiving funds under this  
13 subtitle may encourage schools at which projects are un-  
14 dertaken with such funds to educate students about the  
15 project, including, as appropriate, the functioning of the  
16 project and its environmental, energy, sustainability, and  
17 other benefits.

18 **SEC. 345. AVAILABILITY OF FUNDS.**

19 (a) CHAPTER 1.—There are authorized to be appro-  
20 priated, and there are appropriated, to carry out chapter  
21 1 of this subtitle (in addition to any other amounts appro-  
22 priated to carry out such chapter and out of any money  
23 in the Treasury not otherwise appropriated),  
24 \$2,465,000,000 for each of fiscal years 2010 and 2011.

1 (b) CHAPTER 2.—There are authorized to be appro-  
2 priated, and there are appropriated, to carry out chapter  
3 2 of this subtitle (in addition to any other amounts appro-  
4 priated to carry out such chapter and out of any money  
5 in the Treasury not otherwise appropriated), \$35,000,000  
6 for each of fiscal years 2010 and 2011.

7 (c) PROHIBITION ON EARMARKS.—None of the funds  
8 appropriated under this section may be used for a Con-  
9 gressional earmark as defined in clause 9(d) of rule XXI  
10 of the Rules of the House of Representatives.

## 11 **Subtitle B—Higher Education**

### 12 **SEC. 351. FEDERAL ASSISTANCE FOR COMMUNITY COL-** 13 **LEGE MODERNIZATION AND CONSTRUCTION.**

14 (a) IN GENERAL.—

15 (1) GRANT PROGRAM.—From the amounts  
16 made available under subsection (i), the Secretary  
17 shall award grants to States for the purposes of con-  
18 structing new community college facilities and mod-  
19 ernizing, renovating, and repairing existing commu-  
20 nity college facilities. Grants awarded under this sec-  
21 tion shall be used by a State for one or more of the  
22 following:

23 (A) To reduce financing costs of loans for  
24 new construction, modernization, renovation, or

1 repair projects at community colleges (such as  
2 paying interest or points on such loans).

3 (B) To provide matching funds for a com-  
4 munity college capital campaign to attract pri-  
5 vate donations of funds for new construction,  
6 modernization, renovation, or repair projects at  
7 the community college.

8 (C) To capitalize a revolving loan fund to  
9 finance new construction, modernization, ren-  
10 ovation, and repair projects at community col-  
11 leges.

12 (2) ALLOCATION.—

13 (A) DETERMINATION OF AVAILABLE  
14 AMOUNT.—The Secretary shall determine the  
15 amount available for allocation to each State by  
16 determining the amount equal to the total num-  
17 ber of students in the State who are enrolled in  
18 community colleges and who are pursuing a de-  
19 gree or certificate that is not a bachelor's, mas-  
20 ter's, professional, or other advanced degree,  
21 relative to the total number of such students in  
22 all States, combined.

23 (B) ALLOCATION.—The Secretary shall al-  
24 locate to each State selected by the Secretary to  
25 receive a grant under this section an amount

1 equal to the amount determined to be available  
2 for allocation to such State under subparagraph  
3 (A), less any portion of that amount that is  
4 subject to a limitation under paragraph (3).

5 (C) REALLOCATION.—Amounts not allo-  
6 cated under this section to a State because—

7 (i) the State did not submit an appli-  
8 cation under subsection (b);

9 (ii) the State submitted an application  
10 that the Secretary determined did not meet  
11 the requirements of such subsection; or

12 (iii) the State is subject to a limita-  
13 tion under paragraph (3) that prevents the  
14 State from using a portion of the alloca-  
15 tion,

16 shall be proportionately reallocated under this  
17 paragraph to the States that are not described  
18 in clause (i), (ii), or (iii) of this subparagraph.

19 (3) GRANT AMOUNT LIMITATIONS.—A grant  
20 awarded to a State under this section—

21 (A) to reduce financing costs of loans for  
22 new construction, modernization, renovation, or  
23 repair projects at community colleges under  
24 paragraph (1)(A) shall be for an amount that  
25 is not more than 25 percent of the total prin-

1            ciproal amount of the loans for which financing  
2            costs are being reduced; and

3            (B) to provide matching funds for a com-  
4            munity college capital campaign under para-  
5            graph (1)(B) shall be for an amount that is not  
6            more than 25 percent of the total amount of  
7            the private donations of funds raised through  
8            such campaign over the duration of such cam-  
9            paign, as such duration is determined by the  
10           State in the application submitted under sub-  
11           section (b).

12           (b) APPLICATION.—A State that desires to receive a  
13           grant under this section shall submit an application to the  
14           Secretary at such time, in such manner, and containing  
15           such information and assurances as the Secretary may re-  
16           quire. Such application shall include a certification by the  
17           State that the funds provided under this section for the  
18           construction of new community college facilities and the  
19           modernization, renovation, and repair of existing commu-  
20           nity college facilities will improve instruction at such col-  
21           leges and will improve the ability of such colleges to edu-  
22           cate and train students to meet the workforce needs of  
23           employers in the State.

24           (c) USE OF FUNDS BY COMMUNITY COLLEGES.—

1           (1) PERMISSIBLE USES OF FUNDS.—Funds  
2           made available to community colleges through a loan  
3           described in subsection (a)(1)(A), a capital campaign  
4           described in subsection (a)(1)(B), or a loan from a  
5           revolving loan fund described in subsection (a)(1)(C)  
6           shall be used only for the construction, moderniza-  
7           tion, renovation, or repair of community college fa-  
8           cilities that are primarily used for instruction, re-  
9           search, or student housing, which may include any  
10          of the following:

11                   (A) Repair, replacement, or installation of  
12                   roofs, including extensive, intensive, or semi-in-  
13                   tensive green roofs, electrical wiring, water sup-  
14                   ply and plumbing systems, sewage systems,  
15                   storm water runoff systems, lighting systems,  
16                   building envelope, windows, ceilings, flooring, or  
17                   doors, including security doors.

18                   (B) Repair, replacement, or installation of  
19                   heating, ventilation, or air conditioning systems,  
20                   including insulation, and conducting indoor air  
21                   quality assessments.

22                   (C) Compliance with fire, health, seismic,  
23                   and safety codes, including professional installa-  
24                   tion of fire and life safety alarms, and mod-  
25                   ernizations, renovations, and repairs that en-

1           sure that the community college’s facilities are  
2           prepared for emergencies, such as improving  
3           building infrastructure to accommodate security  
4           measures and installing or upgrading tech-  
5           nology to ensure that the community college is  
6           able to respond to emergencies such as acts of  
7           terrorism, campus violence, and natural disas-  
8           ters.

9           (D) Retrofitting necessary to increase the  
10          energy efficiency of the community college’s fa-  
11          cilities.

12          (E) Modifications necessary to make facili-  
13          ties accessible in compliance with the Americans  
14          with Disabilities Act of 1990 (42 U.S.C. 12101  
15          et seq.) and section 504 of the Rehabilitation  
16          Act of 1973 (29 U.S.C. 794).

17          (F) Abatement, removal, or interim con-  
18          trols of asbestos, polychlorinated biphenyls,  
19          mold, mildew, or lead-based hazards, including  
20          lead-based paint hazards from the community  
21          college’s facilities.

22          (G) Modernization, renovation, or repair  
23          necessary to reduce the consumption of coal,  
24          electricity, land, natural gas, oil, or water.

1 (H) Modernization, renovation, and repair  
2 relating to improving science and engineering  
3 laboratories, libraries, or instructional facilities.

4 (I) Installation or upgrading of educational  
5 technology infrastructure.

6 (J) Installation or upgrading of renewable  
7 energy generation and heating systems, includ-  
8 ing solar, photovoltaic, wind, biomass (including  
9 wood pellet and woody biomass), waste-to-en-  
10 ergy, solar-thermal and geothermal systems,  
11 and energy audits.

12 (K) Other modernization, renovation, or  
13 repair projects that are primarily for instruc-  
14 tion, research, or student housing.

15 (L) Required environmental remediation  
16 related to modernization, renovation, or repair  
17 described in subparagraphs (A) through (K).

18 (2) GREEN SCHOOL REQUIREMENT.—A commu-  
19 nity college receiving assistance through a loan de-  
20 scribed in subsection (a)(1)(A), a capital campaign  
21 described in subsection (a)(1)(B), or a loan from a  
22 revolving loan fund described in subsection (a)(1)(C)  
23 shall use not less than 50 percent of such assistance  
24 to carry out projects for construction, moderniza-

1 tion, renovation, or repair that are certified, verified,  
2 or consistent with the applicable provisions of—

3 (A) the LEED Green Building Rating Sys-  
4 tem;

5 (B) Energy Star;

6 (C) the CHPS Criteria, as applicable;

7 (D) Green Globes; or

8 (E) an equivalent program adopted by the  
9 State or the State higher education agency that  
10 includes a verifiable method to demonstrate  
11 compliance with such program.

12 (3) PROHIBITED USES OF FUNDS.—

13 (A) IN GENERAL.—No funds awarded  
14 under this section may be used for—

15 (i) payment of maintenance costs;

16 (ii) construction, modernization, ren-  
17 ovation, or repair of stadiums or other fa-  
18 cilities primarily used for athletic contests  
19 or exhibitions or other events for which ad-  
20 mission is charged to the general public; or

21 (iii) construction, modernization, ren-  
22 ovation, or repair of facilities—

23 (I) used for sectarian instruction,  
24 religious worship, or a school or de-  
25 partment of divinity; or

1 (II) in which a substantial por-  
2 tion of the functions of the facilities  
3 are subsumed in a religious mission.

4 (B) FOUR-YEAR INSTITUTIONS.—No funds  
5 awarded to a four-year public institution of  
6 higher education under this section may be  
7 used for any facility, service, or program of the  
8 institution that is not available to students who  
9 are pursuing a degree or certificate that is not  
10 a bachelor's, master's, professional, or other ad-  
11 vanced degree.

12 (d) APPLICATION OF GEPA.—The grant program  
13 authorized in this section is an applicable program (as  
14 that term is defined in section 400 of the General Edu-  
15 cation Provisions Act (20 U.S.C. 1221)) subject to section  
16 439 of such Act (20 U.S.C. 1232b). The Secretary shall,  
17 notwithstanding section 437 of such Act (20 U.S.C. 1232)  
18 and section 553 of title 5, United States Code, establish  
19 such program rules as may be necessary to implement  
20 such grant program by notice in the Federal Register.

21 (e) CONCURRENT FUNDING.—Funds made available  
22 under this section shall not be used to assist any commu-  
23 nity college that receives funding for the construction,  
24 modernization, renovation, and repair of facilities under  
25 any other program under this Act, the Higher Education

1 Act of 1965, or the American Recovery and Reinvestment  
2 Act of 2009.

3 (f) REPORTS BY THE STATES.—Each State that re-  
4 ceives a grant under this section shall, not later than Sep-  
5 tember 30, 2012, and annually thereafter for each fiscal  
6 year in which the State expends funds received under this  
7 section, submit to the Secretary a report that includes—

8 (1) a description the projects for which the  
9 grant funding was, or will be, used;

10 (2) a list of the community colleges that have  
11 received, or will receive, assistance from the grant  
12 through a loan described in subsection (a)(1)(A), a  
13 capital campaign described in subsection (a)(1)(B),  
14 or a loan from a revolving loan fund described in  
15 subsection (a)(1)(C); and

16 (3) a description of the amount and nature of  
17 the assistance provided to each such college.

18 (g) REPORT BY THE SECRETARY.—The Secretary  
19 shall submit to the authorizing committees (as defined in  
20 section 103 of the Higher Education Act of 1965) an an-  
21 nual report on the grants made under this section, includ-  
22 ing the information described in subsection (f).

23 (h) DEFINITIONS.—

24 (1) COMMUNITY COLLEGE.—As used in this  
25 section, the term “community college” means—

1 (A) a junior or community college, as such  
2 term is defined in section 312(f) of the Higher  
3 Education Act of 1965 (20 U.S.C. 1085(f)); or

4 (B) a four-year public institution of higher  
5 education (as defined in section 101 of the  
6 Higher Education Act of 1965) that awards a  
7 significant number of degrees and certificates  
8 that are not—

9 (i) bachelor’s degrees (or an equiva-  
10 lent); or

11 (ii) master’s, professional, or other  
12 advanced degrees.

13 (2) CHPS CRITERIA.—The term “CHPS Cri-  
14 teria” means the green building rating program de-  
15 veloped by the Collaborative for High Performance  
16 Schools.

17 (3) ENERGY STAR.—The term “Energy Star”  
18 means the Energy Star program of the United  
19 States Department of Energy and the United States  
20 Environmental Protection Agency.

21 (4) GREEN GLOBES.—The term “Green  
22 Globes” means the Green Building Initiative envi-  
23 ronmental design and rating system referred to as  
24 Green Globes.

1           (5) LEED GREEN BUILDING RATING SYSTEM.—  
2           The term “LEED Green Building Rating System”  
3           means the United States Green Building Council  
4           Leadership in Energy and Environmental Design  
5           green building rating standard referred to as the  
6           LEED Green Building Rating System.

7           (6) SECRETARY.—The term “Secretary” means  
8           the Secretary of Education.

9           (i) AVAILABILITY OF FUNDS.—There are authorized  
10          to be appropriated, and there are appropriated, to carry  
11          out this section (in addition to any other amounts appro-  
12          priated to carry out this section and out of any money  
13          in the Treasury not otherwise appropriated),  
14          \$2,500,000,000 for fiscal year 2011, which shall remain  
15          available until expended.

## 16           **TITLE IV—EARLY LEARNING** 17           **CHALLENGE FUND**

### 18          **SEC. 401. PURPOSE.**

19          The purpose of this title is to provide grants on a  
20          competitive basis to States for the following:

21           (1) To promote standards reform of State early  
22          learning programs serving children from birth to age  
23          5 in order to support the healthy development and  
24          improve the school readiness outcomes of young chil-  
25          dren.

1           (2) To establish a high standard of quality that  
2 integrates appropriate early learning and develop-  
3 ment standards across early learning settings.

4           (3) To fund and implement quality initiatives  
5 that improve the skills and effectiveness of early  
6 learning providers, and improve the quality of exist-  
7 ing early learning programs, in order to increase the  
8 number of disadvantaged children who participate in  
9 comprehensive and high-quality early learning pro-  
10 grams.

11           (4) To ensure that a greater number of dis-  
12 advantaged children enter kindergarten with the cog-  
13 nitive, social, emotional, and physical skills and abili-  
14 ties needed to be successful in school.

15           (5) To increase parent's ability to access com-  
16 prehensive and high quality early learning programs  
17 across settings for their children.

18 **SEC. 402. PROGRAMS AUTHORIZED.**

19           (a) **QUALITY PATHWAYS GRANTS.**—The Secretary  
20 shall use funds made available to carry out this title for  
21 a fiscal year to award grants on a competitive basis to  
22 States in accordance with section 403.

23           (b) **DEVELOPMENT GRANTS.**—The Secretary shall  
24 use funds made available to carry out this title for a fiscal  
25 year to award grants in accordance with section 404 on

1 a competitive basis to States that demonstrate a commit-  
2 ment to establishing a system of early learning that will  
3 include the components described in section 403(c)(3) but  
4 are not—

5 (1) eligible to be awarded a grant under sub-  
6 section (a); or

7 (2) are not awarded such a grant after applica-  
8 tion.

9 (c) RESERVATIONS OF FEDERAL FUNDS.—

10 (1) RESEARCH, EVALUATION, AND ADMINISTRA-  
11 TION.—From the amount made available to carry  
12 out this title for a fiscal year, the Secretary—

13 (A) shall reserve 2 percent jointly to ad-  
14 minister this title with the Secretary of Health  
15 and Human Services; and

16 (B) shall reserve 3 percent to carry out ac-  
17 tivities under section 405.

18 (2) TRIBAL SCHOOL READINESS PLANNING  
19 DEMONSTRATION.—After making the reservations  
20 under paragraph (1), the Secretary shall reserve  
21 0.25 percent for a competitive grant program for In-  
22 dian tribes to develop and implement school readi-  
23 ness plans that—

1 (A) are coordinated with local educational  
2 agencies serving children who are members of  
3 the tribe; and

4 (B) include American Indian and Alaska  
5 Native Head Start and Early Head Start pro-  
6 grams, tribal child care programs, Indian  
7 Health Service programs, and other tribal pro-  
8 grams serving children.

9 (3) QUALITY PATHWAYS GRANTS.—

10 (A) IN GENERAL.—From the amount made  
11 available to carry out this title for a fiscal year  
12 and not reserved under paragraph (1) or (2),  
13 the Secretary shall reserve a percent (which  
14 shall be not greater than 65 percent for fiscal  
15 years 2010 through 2012 and not greater than  
16 85 percent for fiscal year 2013 and each suc-  
17 ceeding fiscal year) determined under subpara-  
18 graph (B) to carry out subsection (a).

19 (B) DETERMINATION OF AMOUNT.—In de-  
20 termining the amount to reserve under subpara-  
21 graph (A), the Secretary shall take into account  
22 the following:

23 (i) The total number of States with  
24 approved applications under this title for  
25 the year.

1                   (ii) The number of low-income chil-  
2                   dren under age 5 in each State with an ap-  
3                   proved application under section 403 for  
4                   the year.

5                   (C) REALLOCATION.—For fiscal year 2013  
6                   and subsequent fiscal years, the Secretary may  
7                   reallocate funds allocated for development  
8                   grants under subsection (b) for the purpose of  
9                   providing additional grants under subsection  
10                  (a), if the Secretary determines that there are  
11                  insufficient applications for a grant under sub-  
12                  section (b).

13                  (d) STATE APPLICATIONS.—In applying for a grant  
14                  under this title, a State—

15                   (1) shall designate a State-level entity for ad-  
16                   ministration of the grant;

17                   (2) shall coordinate proposed activities with the  
18                   State Advisory Council on Early Childhood Edu-  
19                   cation and Care (established pursuant to section  
20                   642B(b)(1)(A) of the Head Start Act (42 U.S.C.  
21                   9837b(b)(1)(A))) and shall incorporate plans and  
22                   recommendations from such Council in the applica-  
23                   tion, where applicable; and

24                   (3) otherwise shall submit the application to the  
25                   Secretary at such time, in such manner, and con-

1       taining such information as the Secretary may rea-  
2       sonably require.

3       (e) PRIORITY IN AWARDING GRANTS.—In awarding  
4 grants under this title, the Secretary shall give priority  
5 to States—

6           (1) whose applications contain assurances that  
7       the State will use, in part, funds reserved under sec-  
8       tion 658G of the Child Care and Development Block  
9       Grant Act of 1990 (42 U.S.C. 9858e) for activities  
10      described in section 403(f);

11          (2) that dedicate a significant increase, in com-  
12      parison to recent fiscal years, in State expenditures  
13      on early learning programs and services; and

14          (3) that demonstrate efforts to build public-pri-  
15      vate partnerships designed to accomplish the pur-  
16      poses of this title.

17      (f) MAINTENANCE OF EFFORT.—

18          (1) IN GENERAL.—With respect to each period  
19      for which a State is awarded a grant under this  
20      title, the aggregate expenditures by the State and its  
21      political subdivisions on early learning programs and  
22      services shall be not less than the level of the ex-  
23      penditures for such programs and services by the  
24      State and its political subdivisions for fiscal year  
25      2009.

1           (2) STATE EXPENDITURES.—For purposes of  
2 paragraph (1), expenditures by the State on early  
3 learning programs and services shall include, at a  
4 minimum, the following:

5           (A) State matching and maintenance of ef-  
6 fort funds for the Child Care and Development  
7 Block Grant Act of 1990 (42 U.S.C. 9858 et  
8 seq.).

9           (B) State matching funds for the State  
10 Advisory Council on Early Childhood Education  
11 and Care (established pursuant to section  
12 642B(b)(1)(A) of the Head Start Act (42  
13 U.S.C. 9837b(b)(1)(A))).

14           (C) State expenditures on public pre-kin-  
15 dergarten, Head Start (including Early Head  
16 Start), and other State early learning programs  
17 and services dedicated to children (including  
18 State expenditures under part C of the Individ-  
19 uals with Disabilities Education Act (20 U.S.C.  
20 1431 et seq.)).

21           (g) PROHIBITIONS ON USE OF FUNDS.—Funds  
22 under this title may not be used for any of the following:

23           (1) Assessments that provide rewards or sanc-  
24 tions for individual children or teachers.

1           (2) A single assessment used as the primary or  
2 sole method for assessing program effectiveness.

3           (3) Evaluating children other than for—

4                 (A) improving instruction or classroom en-  
5 vironment;

6                 (B) targeting professional development;

7                 (C) determining the need for health, men-  
8 tal health, disability, or family support services;

9                 (D) informing the quality improvement  
10 process at the State level;

11                (E) program evaluation for the purposes of  
12 program improvement and parent information;

13 or

14                (F) research conducted as part of the na-  
15 tional evaluation required by section 405(2).

16 (h) FEDERAL ADMINISTRATION.—

17           (1) IN GENERAL.—With respect to this title,  
18 the Secretary shall bear responsibility for obligating  
19 and disbursing funds and ensuring compliance with  
20 applicable laws and administrative requirements,  
21 subject to paragraph (2).

22           (2) INTERAGENCY AGREEMENT.—The Secretary  
23 of Education and the Secretary of Health and  
24 Human Services shall jointly administer this title on

1 such terms as such secretaries shall set forth in an  
2 interagency agreement.

3 **SEC. 403. QUALITY PATHWAYS GRANTS.**

4 (a) GRANT PERIOD.—Grants under section 402(a)—

5 (1) may be awarded for a period not to exceed  
6 5 years; and

7 (2) may be renewed, subject to approval by the  
8 Secretary, and based on the State’s progress in—

9 (A) increasing the number of disadvan-  
10 tagged children who participate in high-quality  
11 early learning programs;

12 (B) implementing an early learning system  
13 that meets the components described in sub-  
14 section (c)(3); and

15 (C) incorporating the program quality  
16 findings and recommendations reported by the  
17 commission established under section 405(1)  
18 into the State system of early learning.

19 (b) MATCHING REQUIREMENT.—

20 (1) IN GENERAL.—Subject to subsection (g), to  
21 be eligible to receive a grant under section 402(a),  
22 a State shall contribute to the activities assisted  
23 under the grant non-Federal matching funds in an  
24 amount equal to not less than the applicable percent  
25 of the amount of the grant.

1           (2) APPLICABLE PERCENT.—For purposes of  
2 paragraph (1), the applicable percent means—

3           (A) 10 percent in the first fiscal year of  
4 the grant;

5           (B) 10 percent in the second fiscal year of  
6 the grant;

7           (C) 15 percent in the third fiscal year of  
8 the grant; and

9           (D) 20 percent in the fourth fiscal year of  
10 the grant and subsequent fiscal years.

11          (3) PRIVATE CONTRIBUTIONS.—Private con-  
12 tributions made as part of public-private partner-  
13 ships to increase the number of low-income children  
14 in high-quality early learning programs in a State  
15 may be used by the State to satisfy the requirement  
16 of paragraph (1).

17          (4) FINANCIAL HARDSHIP WAIVER.—The Sec-  
18 retary may waive or reduce the non-Federal share of  
19 a State that has submitted an application for a  
20 grant under section 402(a) if the State demonstrates  
21 a need for such waiver or reduction due to extreme  
22 financial hardship, as defined by the Secretary by  
23 regulation.

1 (c) STATE APPLICATIONS.—In order to receive a  
2 grant under section 402(a), a State’s application under  
3 section 402(d) shall include the following:

4 (1) A description of how the State will use the  
5 grant to implement quality initiatives to improve  
6 early learning programs serving disadvantaged chil-  
7 dren from birth to age 5 to lead to a greater per-  
8 centage of such children participating in higher  
9 quality early learning programs.

10 (2) A description of the goals and benchmarks  
11 the State will establish to lead to a greater number  
12 or percentage of disadvantaged children partici-  
13 pating in higher quality early learning programs to  
14 improve school readiness outcomes, including an es-  
15 tablished baseline of the number of disadvantaged  
16 children in high-quality early learning programs.

17 (3) A description of how the State will imple-  
18 ment a governance structure and a system of early  
19 learning programs and services that includes the fol-  
20 lowing components:

21 (A) State early learning and development  
22 standards that include social and emotional,  
23 cognitive, and physical development domains,  
24 and approaches to learning that are develop-  
25 mentally appropriate for all children and are

1 aligned with academic content standards for  
2 grades kindergarten through 3.

3 (B) A process to ensure that State early  
4 learning and development standards are inte-  
5 grated into the instructional and programmatic  
6 practices of early learning programs and serv-  
7 ices, including services provided to children  
8 under section 619 and part C of the Individuals  
9 with Disabilities Education Act (20 U.S.C.  
10 1419, 1431 et seq.).

11 (C) A program rating system that builds  
12 on licensing requirements and other State regu-  
13 latory standards and that—

14 (i) is designed to improve quality and  
15 effectiveness across different types of early  
16 learning settings;

17 (ii) integrates evidence-based program  
18 quality standards that reflect standard lev-  
19 els of quality and has progressively higher  
20 levels of program quality;

21 (iii) integrates the State's early learn-  
22 ing and development standards for the  
23 purpose of improving instructional and  
24 programmatic practices;

1 (iv) addresses staff qualifications and  
2 professional development;

3 (v) provides financial incentives and  
4 other supports to help programs meet and  
5 sustain higher levels of quality;

6 (vi) includes mechanisms for evalu-  
7 ating how programs are meeting those  
8 standards and progressively higher levels  
9 of quality; and

10 (vii) includes a mechanism for public  
11 awareness of program levels.

12 (D) A system of program review and moni-  
13 toring that is designed to rate providers using  
14 the system described in subparagraph (C) and  
15 to assess and improve programmatic practices,  
16 instructional practices, and classroom environ-  
17 ment.

18 (E) A process to support early learning  
19 programs integrating instructional and pro-  
20 grammatic practices that—

21 (i) include developmentally appro-  
22 priate, ongoing, classroom-based instruc-  
23 tional assessments for each domain of child  
24 development and learning to guide and im-

1           prove instructional practice, professional  
2           development of staff, and services; and

3           (ii) are aligned with the curricula used  
4           in the early learning program and with the  
5           State early learning and development  
6           standards or the Head Start Child Out-  
7           comes Framework (as described in the  
8           Head Start Act), as applicable.

9           (F) Minimum preservice early childhood  
10          development and education training require-  
11          ments for providers in early learning programs.

12          (G) A comprehensive plan for supporting  
13          the professional preparation and the ongoing  
14          professional development of an effective, well-  
15          compensated early learning workforce, which  
16          plan includes training and education that is  
17          sustained, intensive, and classroom-focused and  
18          leads toward a credential or degree and is tied  
19          to improved compensation.

20          (H) An outreach strategy to promote un-  
21          derstanding by parents and families of—

22                 (i) their child’s early development and  
23                 learning;

1 (ii) the State’s program rating sys-  
2 tem, as described in subparagraph (C);  
3 and

4 (iii) the rating of the program in  
5 which their child is enrolled.

6 (I) A coordinated system to facilitate  
7 screening, referral, and provision of services re-  
8 lated to health, mental health, disability, and  
9 family support for children participating in  
10 early learning programs.

11 (J) A process for evaluating school readi-  
12 ness in children that reflects all of the major  
13 domains of development, and that is used to  
14 guide practice and improve early learning pro-  
15 grams.

16 (K) A coordinated data infrastructure that  
17 facilitates—

18 (i) uniform data collection about the  
19 quality of early learning programs, essen-  
20 tial information about the children and  
21 families that participate in such programs,  
22 and the qualifications and compensation of  
23 the early learning workforce in such pro-  
24 grams; and

1 (ii) alignment and interoperability be-  
2 tween the data system for early learning  
3 programs for children and data systems for  
4 elementary and secondary education.

5 (4) A description of how the funds provided  
6 under the grant will be targeted to prioritize increas-  
7 ing the number and percentage of low-income chil-  
8 dren in high-quality early learning programs, includ-  
9 ing children—

10 (A) in each age group (infants, toddlers,  
11 and preschoolers);

12 (B) with developmental delays and disabil-  
13 ities;

14 (C) with limited English proficiency; and

15 (D) living in rural areas.

16 (5) An assurance that the grant will be used to  
17 improve the quality of early learning programs  
18 across a range of types of settings and providers of  
19 such programs.

20 (6) A description of the steps the State will  
21 take to encourage center-based child care programs,  
22 family child care programs, State-funded prekindergarten,  
23 Head Start programs, and other early learning  
24 programs, such as those funded under title I of  
25 the Elementary and Secondary Education Act of

1 1965 (20 U.S.C. 6301 et seq.) or section 619 of the  
2 Individuals with Disabilities Education Act (20  
3 U.S.C. 1419) to participate in the State program  
4 rating system described in paragraph (3)(C).

5 (7) An assurance that the grant will be used  
6 only to supplement, and not to supplant, Federal,  
7 State, and local funds otherwise available to support  
8 existing early learning programs and services.

9 (8) A description of any disparity by age group  
10 (infants, toddlers, and preschoolers) of available  
11 high-quality early learning programs in low-income  
12 communities and the steps the State will take to de-  
13 crease such disparity, if applicable.

14 (9) A description of how the State early learn-  
15 ing and development standards will be appropriate  
16 for children who are limited English proficient.

17 (10) A description of how the State will coordi-  
18 nate the purposes of this title with the activities  
19 funded under—

20 (A) section 658G of the Child Care and  
21 Development Block Grant Act of 1990 (42  
22 U.S.C. 9858e);

23 (B) section 619 and part C of the Individ-  
24 uals with Disabilities Education Act (20 U.S.C.  
25 1419, 1431 et seq.);

1 (C) title I of the Elementary and Sec-  
2 ondary Education Act of 1965 (20 U.S.C. 6301  
3 et seq.);

4 (D) State-funded pre-kindergarten pro-  
5 grams (where applicable);

6 (E) Head Start programs; and

7 (F) other early childhood programs and  
8 services.

9 (11) A description of how the State will use the  
10 grant to increase the number of disadvantaged chil-  
11 dren in high-quality early learning settings propor-  
12 tionally across infants, toddlers, and preschoolers.

13 (12) An assurance that the State will continue  
14 to participate in part C of the Individuals with Dis-  
15 abilities Education Act (20 U.S.C. 1431 et seq.) for  
16 the duration of the grant.

17 (d) CRITERIA USED IN AWARDING GRANTS.—In  
18 awarding grants under section 402(a), the Secretary shall  
19 evaluate the applications, and award grants under such  
20 section on a competitive basis, based on—

21 (1) compliance with section 402(d) and sub-  
22 section (c);

23 (2) the priority factors described in section  
24 402(e);

1           (3) evidence of significant progress in estab-  
2           lishing a system of early learning for children that  
3           includes the components described in subsection  
4           (c)(3); and

5           (4) the State's capacity to fully complete imple-  
6           mentation of such a system.

7           (e) CRITERION USED IN DETERMINING AMOUNT OF  
8           AWARD.—In determining the amount to award a State  
9           under section 402(a), the Secretary shall take into ac-  
10          count—

11          (1) the number of low-income children under  
12          age 5 in the State; and

13          (2) the State plan and capacity to implement  
14          the criteria described in paragraphs (3) and (4) of  
15          subsection (d).

16          (f) STATE USES OF FUNDS.—

17          (1) IN GENERAL.—A State receiving a grant  
18          under section 402(a) shall use the grant as follows:

19                  (A) Not less than 65 percent of the grant  
20                  amount shall be used to implement quality ini-  
21                  tiatives that increase the number of disadvan-  
22                  taged children in high-quality early learning  
23                  programs. Such funds shall be used for two or  
24                  more of the following activities:

1 (i) Initiatives that improve the creden-  
2 tials of early learning providers and are  
3 tied to compensation.

4 (ii) Initiatives that help early learning  
5 programs meet and sustain higher pro-  
6 gram quality standards, such as—

7 (I) improving teacher-child ra-  
8 tios;

9 (II) improving group size;

10 (III) improving the qualifications  
11 of early learning providers; and

12 (IV) supporting effective edu-  
13 cation and training for early learning  
14 providers.

15 (iii) Implementing classroom observa-  
16 tion assessments and data-driven decisions  
17 tied to activities that improve instructional  
18 practices, programmatic practices, or class-  
19 room environment and promote school  
20 readiness.

21 (iv) Providing financial incentives to  
22 early learning programs—

23 (I) for undertaking quality im-  
24 provements that promote healthy de-  
25 velopment and school readiness; and

1 (II) maintaining quality improve-  
2 ments that promote healthy develop-  
3 ment and school readiness.

4 (v) Integrating State early learning  
5 and development standards into instruc-  
6 tional and programmatic practices in early  
7 learning programs.

8 (vi) Providing high-quality, sustained,  
9 intensive, and classroom-focused profes-  
10 sional development that improves the  
11 knowledge and skills of early learning pro-  
12 viders.

13 (vii) Building the capacity of early  
14 learning programs and communities to pro-  
15 mote understanding of the State's early  
16 learning system and the rating of the pro-  
17 gram in which their child is enrolled and  
18 encourage the active involvement and en-  
19 gagement of parents and families in the  
20 learning and development of their children.

21 (viii) Building the capacity of early  
22 learning programs and communities to fa-  
23 cilitate screening, referral, and provision of  
24 services related to health, mental health,

1 disability, and family support for children  
2 participating in early learning programs.

3 (ix) Other innovative activities, pro-  
4 posed by the State and approved in ad-  
5 vance by the Secretary that are—

6 (I) based on successful practices;

7 (II) designed to improve the  
8 quality of early learning programs and  
9 services; and

10 (III) advance the system compo-  
11 nents described in subsection (e)(3).

12 (B) The remainder of the grant amount  
13 may be used for one or more of the following:

14 (i) Implementation or enhancement of  
15 the State's data system, including inter-  
16 operability across agencies serving chil-  
17 dren, and unique child and program identi-  
18 fiers.

19 (ii) Enhancement of the State's over-  
20 sight system for early learning programs,  
21 including the implementation of a quality  
22 rating system.

23 (iii) The development and implemen-  
24 tation of measures of school readiness of  
25 children that reflect all of the major do-

1           mains of child development and that in-  
2           form the quality improvement process.

3           (2) PRIORITY.—A State receiving a grant under  
4           section 402(a) shall use the grant so as to prioritize  
5           improving the quality of early learning programs  
6           serving low-income children.

7           (g) SPECIAL RULE.—

8           (1) IN GENERAL.—Beginning with the second  
9           fiscal year of a grant under section 402(a), a State  
10          with respect to which the Secretary certifies that the  
11          State has made sufficient progress in implementing  
12          the requirements of the grant may apply to the Sec-  
13          retary to reserve up to 25 percent of the amount of  
14          the grant to expand access for low-income children  
15          to the highest quality early learning programs that  
16          offer full-day services, except that the State must  
17          agree to contribute for such purpose non-Federal  
18          matching funds in an amount equal to not less than  
19          50 percent of the amount reserved under this sub-  
20          section. One-half of such non-Federal matching  
21          funds may be provided by a private entity.

22          (2) FINANCIAL HARDSHIP WAIVER.—The Sec-  
23          retary may waive or reduce the non-Federal share of  
24          a State under paragraph (1) if the State dem-  
25          onstrates a need for such waiver or reduction due to

1 extreme financial hardship, as defined by the Sec-  
2 retary by regulation.

3 (h) IMPROVEMENT PLAN.—If the Secretary deter-  
4 mines that a State receiving a grant under section 402(a)  
5 is encountering barriers to reaching goals described in  
6 subsection (c)(2), the State shall develop a plan for im-  
7 provement in consultation with, and subject to approval  
8 by, the Secretary.

9 **SEC. 404. DEVELOPMENT GRANTS.**

10 (a) GRANT PERIOD.—Grants under section 402(b)  
11 may be awarded for a period not to exceed 3 years, and  
12 may not be renewed.

13 (b) STATE USES OF FUNDS.—

14 (1) IN GENERAL.—A State receiving a grant  
15 under section 402(b) shall use the grant to under-  
16 take activities to develop the components of an early  
17 learning programs and services system described in  
18 section 403(c)(3) and that will allow a State to be-  
19 come eligible and competitive for a grant described  
20 in section 402(a).

21 (2) PRIORITY.—A State receiving a grant under  
22 section 402(b) shall use the grant so as to prioritize  
23 improving the quality of early learning programs  
24 serving low-income children.

25 (c) MATCHING REQUIREMENT.—

1           (1) IN GENERAL.—To be eligible to receive a  
2           grant under section 402(b), a State shall contribute  
3           to the activities assisted under the grant non-Fed-  
4           eral matching funds in an amount equal to not less  
5           than the applicable percent of the amount of the  
6           grant.

7           (2) APPLICABLE PERCENT.—For purposes of  
8           paragraph (1), the applicable percent means—

9                   (A) 20 percent in the first fiscal year of  
10           the grant;

11                   (B) 25 percent in the second fiscal year of  
12           the grant; and

13                   (C) 30 percent in the third fiscal year of  
14           the grant.

15           (3) PRIVATE CONTRIBUTIONS.—Private con-  
16           tributions made as part of public-private partner-  
17           ships to increase the number of low-income children  
18           in high-quality early learning programs in a State  
19           may be used by the State to satisfy the requirement  
20           of paragraph (1).

21           (4) FINANCIAL HARDSHIP WAIVER.—The Sec-  
22           retary may waive or reduce the non-Federal share of  
23           a State that has submitted an application for a  
24           grant under section 402(b) if the State demonstrates  
25           a need for such waiver or reduction due to extreme

1 financial hardship, as defined by the Secretary by  
2 regulation.

3 **SEC. 405. RESEARCH AND EVALUATION.**

4 From funds reserved under section 402(c)(1), the  
5 Secretary of Education and the Secretary of Health and  
6 Human Services, acting jointly, shall carry out the fol-  
7 lowing activities:

8 (1) Establishing a national commission whose  
9 duties shall include—

10 (A) reviewing the status of State and Fed-  
11 eral early learning program quality standards  
12 and early learning and development standards;

13 (B) recommending benchmarks for pro-  
14 gram quality standards and early learning and  
15 development standards; and

16 (C) reporting to the Secretaries of Edu-  
17 cation and Health and Human Services not  
18 later than 3 years after the date of the enact-  
19 ment of this Act on the commission's findings  
20 and recommendations.

21 (2) Conducting a national evaluation of the  
22 grants made under this title through the Institute of  
23 Education Science in collaboration with the appro-  
24 priate research divisions within the Department of  
25 Health and Human Services.

1           (3) Supporting a research collaborative among  
2           the Institute of Education Sciences, the National In-  
3           stitute of Child Health and Human Development,  
4           the Office of Planning, Research, and Evaluation  
5           within the Administration for Children and Families  
6           in the Department of Health and Human Services,  
7           and other appropriate Federal entities to support re-  
8           search on early learning that can inform improved  
9           State standards and licensing requirements and im-  
10          proved child outcomes, which collaborative shall—

11                   (A) biennially prepare and publish for pub-  
12                   lic comment a detailed research plan;

13                   (B) support early learning research activi-  
14                   ties that could include determining—

15                           (i) the characteristics of early learning  
16                           programs that produce positive develop-  
17                           mental outcomes for children;

18                           (ii) the effects of program quality  
19                           standards on child outcomes;

20                           (iii) the relationships between specific  
21                           interventions and types of child and family  
22                           outcomes;

23                           (iv) the effectiveness of early learning  
24                           provider training in raising program qual-  
25                           ity and improving child outcomes; and

1 (v) the effectiveness of professional  
2 development strategies in raising program  
3 quality and improving child outcomes; and  
4 (C) disseminate relevant research findings  
5 and best practices.

6 **SEC. 406. REPORTING REQUIREMENTS.**

7 (a) REPORTS TO CONGRESS.—For each year in which  
8 funding is provided under this title, the Secretary shall  
9 submit an annual report to the Congress on the activities  
10 carried out under this title, including, at a minimum, in-  
11 formation on the following:

12 (1) The activities undertaken by States to in-  
13 crease the availability of high-quality early learning  
14 programs.

15 (2) The number of children in high-quality  
16 early learning programs, and the change from the  
17 prior year, disaggregated by State, age, and race.

18 (3) The number of early learning providers en-  
19 rolled, with assistance from funds under this title, in  
20 a program to obtain a credential or degree in early  
21 childhood education and the settings in which such  
22 providers work.

23 (4) A summary of State progress in imple-  
24 menting a system of early learning with the compo-  
25 nents described in section 403(c)(3).

1           (5) A summary of the research activities being  
2           conducted under section 405 and the findings of  
3           such research.

4           (b) REPORTS TO SECRETARY.—Each State that re-  
5           ceives a grant under this title shall submit to the Secretary  
6           an annual report that includes, at a minimum, information  
7           on the activities carried out by the State under this title,  
8           including the following:

9           (1) The progress on fully implementing and in-  
10          tegrating into a system of early learning each of the  
11          components described in section 403(c)(3).

12          (2) The State's progress in meeting its goals  
13          for increasing the number of disadvantaged children  
14          participating in high-quality early learning pro-  
15          grams, disaggregated by child age.

16          (3) The number and percentage of disadvan-  
17          taged children participating in early learning pro-  
18          grams at each level of quality, disaggregated by  
19          race, family income, child age, disability, and limited  
20          English proficiency status.

21          (4) The number of providers participating in  
22          the State quality rating system, disaggregated by  
23          setting, rating, and the number of high-quality pro-  
24          viders available in low-income communities.

1           (5) Information on how the funds provided  
2 under this title were used to increase the availability  
3 of high-quality early learning programs for each age  
4 group.

5           (6) Information on professional development  
6 and training expenditures, including—

7                 (A) the number of early learning providers  
8 engaged in such activities; and

9                 (B) the number of early learning providers  
10 enrolled in programs to obtain a credential or  
11 degree in early childhood education,  
12 disaggregated by the type of credential and de-  
13 gree.

14           (7) The change in the number and percentage  
15 of early learning providers with appropriate creden-  
16 tial or degrees in early childhood education in com-  
17 parison to the prior fiscal year, disaggregated by  
18 early learning setting.

19           (8) In the case of a State receiving a grant  
20 under section 402(a), the percentage of children re-  
21 ceiving assistance under the Child Care and Devel-  
22 opment Block Grant Act of 1990 (42 U.S.C. 9858  
23 et seq.) who participate in the highest quality early  
24 learning programs, disaggregated by program set-  
25 ting and child age.

1 **SEC. 407. CONSTRUCTION.**

2 Nothing in this title—

3 (1) shall be construed to require a child to partici-  
4 pate in an early learning program; or

5 (2) shall be used to deny entry to kindergarten  
6 for any individual if the individual is legally eligible,  
7 as defined by State or local law.

8 **SEC. 408. DEFINITIONS.**

9 For purposes of this title:

10 (1) CHILD.—The term “child” refers to an in-  
11 dividual from birth through the day the individual  
12 enters kindergarten.

13 (2) DISADVANTAGED.—The term “disadvan-  
14 taged”, when used with respect to a child, means a  
15 child whose family income is described in section  
16 658P(4)(B) of the Child Care and Development  
17 Block Grant Act of 1990 (42 U.S.C. 9858n(4)(B)).

18 (3) INDIAN TRIBE.—The term “Indian tribe”  
19 means any tribe, band, nation, pueblo, or other orga-  
20 nized group or community of Indians, including any  
21 Native village described in section 3(c) of the Alaska  
22 Native Claims Settlement Act (43 U.S.C. 1602(e))  
23 or established pursuant to such Act (43 U.S.C. 1601  
24 et seq.), that is recognized as eligible for the special  
25 programs and services provided by the United States  
26 to Indians because of their status as Indians.

1           (4) LIMITED ENGLISH PROFICIENT.—The term  
2           “limited English proficient” has the meaning given  
3           such term in section 637 of the Head Start Act (42  
4           U.S.C. 9832).

5           (5) SECRETARY.—The term “Secretary” means  
6           the Secretary of Education.

7           (6) STATE.—The term “State” has the mean-  
8           ing given such term in section 9101 of the Elemen-  
9           tary and Secondary Education Act of 1965 (20  
10          U.S.C. 7801).

11 **SEC. 409. AVAILABILITY OF FUNDS.**

12          There are authorized to be appropriated, and there  
13          are appropriated, to carry out this title (in addition to any  
14          other amounts appropriated to carry out this title and out  
15          of any money in the Treasury not otherwise appropriated)  
16          \$1,000,000,000 for each of fiscal years 2010 through  
17          2019.

18 **TITLE V—COMMUNITY COLLEGE**  
19 **INITIATIVE**

20 **SEC. 501. AUTHORIZATION AND APPROPRIATION.**

21          (a) AUTHORIZATION AND APPROPRIATION.—There  
22          are authorized to be appropriated, and there are appro-  
23          priated, to carry out this title (in addition to any other  
24          amounts appropriated to carry out this title and out of  
25          any money in the Treasury not otherwise appropriated),

1 \$730,000,000 for each of the fiscal years 2010 through  
2 2013, and \$680,000,000 for each of the fiscal years 2014  
3 through 2019.

4 (b) ALLOCATIONS.—Of the amount appropriated  
5 under subsection (a)—

6 (1) \$630,000,000 shall be made available for  
7 each of the fiscal years 2010 through 2013 to carry  
8 out section 503;

9 (2) \$630,000,000 shall be made available for  
10 each of the fiscal years 2014 through 2019 to carry  
11 out section 504;

12 (3) \$50,000,000 shall be made available for  
13 each of the fiscal years 2010 through 2019 to carry  
14 out subsection (a) of section 505; and

15 (4) \$50,000,000 shall be made available for  
16 each of the fiscal years 2010 through 2013 to carry  
17 out subsections (b) and (c) of section 505.

18 **SEC. 502. DEFINITIONS.**

19 In this title:

20 (1) AREA CAREER AND TECHNICAL EDUCATION  
21 SCHOOL.—The term “area career and technical edu-  
22 cation school” has the meaning given such term in  
23 section 3 of the Carl D. Perkins Career and Tech-  
24 nical Education Act of 2006 (20 U.S.C. 2302).

1           (2) ELIGIBLE ENTITY.—The term “eligible enti-  
2           ty” means—

3                   (A) a junior or community college or com-  
4                   munity college district;

5                   (B) an area career and technical education  
6                   school;

7                   (C) a public four-year institution of higher  
8                   education that offers two-year degrees;

9                   (D) a public four-year institution of higher  
10                  education that is in partnership with an eligible  
11                  entity described in subparagraph (A), (B), or  
12                  (C);

13                  (E) a State that—

14                   (i) is in compliance with section 137  
15                   of the Higher Education Act of 1965 (20  
16                   U.S.C. 1015f);

17                   (ii) has an articulation agreement  
18                   pursuant to section 486A of such Act (20  
19                   U.S.C. 1093a); and

20                   (iii) is in partnership with an eligible  
21                   entity described in subparagraph (A), (B),  
22                   (C), or (D); or

23                  (F) a consortium of at least 2 entities de-  
24                  scribed in subparagraphs (A) through (E).

1           (3) INSTITUTION OF HIGHER EDUCATION.—The  
2 term “institution of higher education” has the  
3 meaning given such term in section 101 of the High-  
4 er Education Act of 1965 (20 U.S.C. 1001).

5           (4) JUNIOR OR COMMUNITY COLLEGE.—The  
6 term “junior or community college” has the meaning  
7 given such term in section 312(f) of the Higher  
8 Education Act of 1965 (20 U.S.C. 1058(f)).

9           (5) PHILANTHROPIC ORGANIZATION.—The term  
10 “philanthropic organization” has the meaning given  
11 such term in section 781 of the Higher Education  
12 Act of 1965 (20 U.S.C. 1141).

13           (6) SECRETARY.—The term “Secretary” means  
14 the Secretary of Education.

15           (7) STATE.—The term “State” has the mean-  
16 ing given such term in section 103 of the Higher  
17 Education Act of 1965 (20 U.S.C. 1003).

18           (8) STATE PUBLIC EMPLOYMENT SERVICE.—  
19 The term “State public employment service” refers  
20 to a State public employment service established  
21 under the Wagner-Peyser Act (29 U.S.C. 49 et  
22 seq.).

23           (9) STATE WORKFORCE INVESTMENT BOARD;  
24 LOCAL WORKFORCE INVESTMENT BOARD.—The  
25 terms “State workforce investment board” and

1 “local workforce investment board” refer to a State  
2 workforce investment board established under sec-  
3 tion 111 of the Workforce Investment Act (20  
4 U.S.C. 2821) and a local workforce investment  
5 board established under section 117 of such Act (20  
6 U.S.C. 2832), respectively.

7 (10) SUPPORTIVE SERVICES.—The term “sup-  
8 portive services” has the meaning given such term in  
9 section 101(46) of the Workforce Investment Act of  
10 1998 (20 U.S.C. 2801(46)).

11 **SEC. 503. GRANTS TO ELIGIBLE ENTITIES FOR COMMUNITY**  
12 **COLLEGE REFORM.**

13 (a) PROGRAM AUTHORIZATION.—

14 (1) GRANTS AUTHORIZED.—

15 (A) IN GENERAL.—Subject to paragraph  
16 (2), from the amount appropriated to carry out  
17 this section, the Secretary, in coordination with  
18 the Secretary of Labor, shall award grants to  
19 eligible entities, on a competitive basis, to es-  
20 tablish and support programs described in sub-  
21 paragraph (B) at eligible entities described in  
22 subparagraphs (A) through (D) of section  
23 502(2).

24 (B) PROGRAMS.—The programs to be es-  
25 tablished and supported with grants under sub-

1 paragraph (A) (and carried out through activi-  
2 ties described in subsection (f)) shall be pro-  
3 grams—

4 (i) that are—

5 (I) innovative programs; or

6 (II) programs of demonstrated  
7 effectiveness, based on the evaluations  
8 of similar programs funded by the De-  
9 partment of Education or the Depart-  
10 ment of Labor, or other research of  
11 similar programs; and

12 (ii) that lead to the completion of a  
13 postsecondary degree, certificate, or indus-  
14 try-recognized credential leading to a  
15 skilled occupation in a high-demand indus-  
16 try.

17 (2) LIMITATION.—For each fiscal year for  
18 which funds are appropriated to carry out this sec-  
19 tion, the aggregate amount of the grants awarded to  
20 eligible entities that are States, or consortia that in-  
21 clude a State, shall be not more than 50 percent of  
22 the total amount appropriated under section  
23 501(b)(1) for such fiscal year.

24 (3) INTERAGENCY AGREEMENT.—The Secretary  
25 and the Secretary of Labor shall jointly administer

1 this section on such terms as such Secretaries shall  
2 set forth in an interagency agreement. Such agree-  
3 ment shall ensure compliance with applicable law  
4 and administrative requirements.

5 (4) PROHIBITION.—The Secretary shall not  
6 award a grant to an eligible entity for the same ac-  
7 tivities that are being fully supported by other Fed-  
8 eral funds.

9 (b) GRANT DURATION AND AMOUNT.—

10 (1) DURATION.—A grant under this section  
11 shall be awarded to an eligible entity for a 4-year pe-  
12 riod, except that if the Secretary determines that the  
13 eligible entity has not made demonstrable progress  
14 in achieving the benchmarks developed pursuant to  
15 subsection (g) by the third year of such grant pe-  
16 riod, no further grant funds shall be made available  
17 to the entity after the date of such determination.

18 (2) AMOUNT.—The minimum amount of a  
19 grant award under this section shall be \$1,000,000.

20 (c) PRIORITY.—In awarding grants under this sec-  
21 tion, the Secretary shall give priority to eligible entities  
22 that enter into partnerships with—

23 (1) philanthropic or research organizations with  
24 expertise in meeting the goals of this section; or

25 (2) businesses that—

1 (A) design and implement programs de-  
2 scribed in subsection (a)(1)(B);

3 (B) pay a portion of the costs of such pro-  
4 grams; and

5 (C) agree to collaborate with one or more  
6 eligible entities to hire individuals who have  
7 completed a particular postsecondary degree,  
8 certificate, or credential program.

9 (d) FEDERAL AND NON-FEDERAL SHARE; SUPPLE-  
10 MENT, NOT SUPPLANT.—

11 (1) FEDERAL SHARE.—The amount of the Fed-  
12 eral share under this section for a fiscal year shall  
13 be not greater than  $\frac{1}{2}$  of the costs of the programs,  
14 services, and policies described in subsection (f) that  
15 are carried out under the grant.

16 (2) NON-FEDERAL SHARE.—

17 (A) IN GENERAL.—The amount of the  
18 non-Federal share under this section for a fiscal  
19 year shall be not less than  $\frac{1}{2}$  of the costs of the  
20 programs, services, and policies described in  
21 subsection (f) that are carried out under the  
22 grant. The non-Federal share may be in cash or  
23 in kind, and may be provided from State re-  
24 sources, local resources, contributions from pri-  
25 vate organizations, or a combination thereof.

1           (B) FINANCIAL HARDSHIP WAIVER.—The  
2           Secretary may waive or reduce the non-Federal  
3           share of an eligible entity that has submitted an  
4           application under this section if the entity dem-  
5           onstrates a need for such waiver or reduction  
6           due to extreme financial hardship, as defined by  
7           the Secretary by regulation.

8           (3) SUPPLEMENT, NOT SUPPLANT.—The Fed-  
9           eral and non-Federal shares required by this section  
10          shall be used to supplement, and not supplant, State  
11          and private resources that would otherwise be ex-  
12          pended to establish and support programs described  
13          in subsection (a)(1)(B) at eligible entities.

14          (e) APPLICATION.—An eligible entity seeking to re-  
15          ceive a grant under this section shall submit to the Sec-  
16          retary an application at such time, in such manner, and  
17          containing such information as the Secretary may require.  
18          Such application shall describe the programs under sub-  
19          section (a)(1)(B) that the eligible entity will carry out  
20          using the grant funds, (including the programs, services,  
21          and policies under subsection (f)), including—

22                  (1) the goals of such programs, services, and  
23                  policies;

24                  (2) how the eligible entity will allocate grant  
25                  funds for such programs, services, and policies;

1           (3) how such programs, services, and policies,  
2           and the resources of the eligible entity, will enable  
3           the eligible entity to meet the benchmarks developed  
4           pursuant to subsection (g), and how the eligible enti-  
5           ty will track and report the entity's progress in  
6           reaching such benchmarks;

7           (4) how the eligible entity will use such pro-  
8           grams, services, and policies to establish quantifiable  
9           targets for improving graduation rates and employ-  
10          ment-related outcomes;

11          (5) how the eligible entity will serve high-need  
12          populations through such programs, services, and  
13          policies;

14          (6) how the eligible entity will partner with the  
15          State public employment service and State or local  
16          workforce investment boards in carrying out such  
17          programs, services, and policies;

18          (7) how the eligible entity will share informa-  
19          tion with the Learning and Earning Center estab-  
20          lished under section 505;

21          (8) how the eligible entity will participate in the  
22          rigorous evaluation of such programs, services, and  
23          policies under subsection (i); and

1           (9) the potential for such programs, services,  
2           and policies to be replicated at other institutions of  
3           higher education.

4           (f) USES OF FUNDS.—An eligible entity receiving a  
5           grant under this section shall use the grant funds to carry  
6           out the programs described in subsection (a)(1)(B), which  
7           shall include at least 2 of the following activities:

8           (1) Developing and implementing policies and  
9           programs to expand opportunities for students at eli-  
10          gible entities described in subparagraphs (A)  
11          through (D) of section 502(2) to earn bachelor’s de-  
12          grees by—

13                 (A) facilitating the transfer of academic  
14                 credits between institutions of higher education,  
15                 including the transfer of academic credits for  
16                 courses in the same field of study; and

17                 (B) expanding articulation agreements and  
18                 guaranteed transfer agreements between such  
19                 institutions, including through common course  
20                 numbering and general core curriculum.

21           (2) Expanding, enhancing, or creating academic  
22           programs or training programs, which may be car-  
23           ried out in partnership with employers, that provide  
24           relevant job-skill training (including apprenticeships

1 and worksite learning and training opportunities) for  
2 high-wage occupations in high-demand industries.

3 (3) Providing student support services, includ-  
4 ing—

5 (A) intensive career and academic advising;

6 (B) labor market information and job  
7 counseling; and

8 (C) assistance in connecting students with  
9 community resources, transitional job support,  
10 or supportive services.

11 (4) Creating workforce programs that provide a  
12 sequence of education and occupational training that  
13 lead to industry-recognized credentials, including  
14 programs that—

15 (A) blend basic skills and occupational  
16 training that lead to industry-recognized cre-  
17 dentials;

18 (B) integrate developmental education cur-  
19 ricula and instruction with for-credit  
20 coursework toward degree or certificate path-  
21 ways; or

22 (C) advance individuals on a career path  
23 toward high-wage occupations in high-demand  
24 industries.

1           (5) Building or enhancing linkages, including  
2 the development of dual enrollment programs and  
3 early college high schools between—

4           (A) secondary education or adult education  
5 programs (including programs established  
6 under the Carl D. Perkins Career and Tech-  
7 nical Education Act of 2006 and title II of the  
8 Workforce Investment Act (20 U.S.C. 9201 et  
9 seq.)); and

10           (B) eligible entities described in subpara-  
11 graphs (A) through (D) of section 502(2).

12           (6) Implementing other innovative programs,  
13 services, and policies designed to—

14           (A) increase postsecondary degree, certifi-  
15 cate, and industry-recognized credential comple-  
16 tion rates, particularly with respect to groups  
17 underrepresented in higher education, at eligible  
18 entities described in subparagraphs (A) through  
19 (D) of section 502(2); and

20           (B) increase the provision of training for  
21 students to enter high-wage occupations in  
22 high-demand industries.

23 (g) BENCHMARKS.—

24           (1) IN GENERAL.—Each eligible entity receiving  
25 a grant under this section shall develop quantifiable

1 benchmarks on the following indicators (where appli-  
2 cable), to be approved by the Secretary:

3 (A) Closing gaps in enrollment and com-  
4 pletion rates for—

5 (i) groups underrepresented in higher  
6 education; and

7 (ii) groups of students enrolled at the  
8 eligible entity (or at an institution of high-  
9 er education under the jurisdiction of the  
10 eligible entity, in the case of an entity that  
11 is not an institution) who have the lowest  
12 enrollment and completion rates.

13 (B) Addressing local and regional work-  
14 force needs.

15 (C) Establishing articulation agreements  
16 between two-year and four-year public institu-  
17 tions of higher education within a State.

18 (D) Improving comprehensive employment  
19 and educational outcomes for postsecondary  
20 education and training programs, including—

21 (i) student persistence from one aca-  
22 demic year to the following academic year;

23 (ii) the number of credits students  
24 earn toward a certificate or an associate's  
25 degree;

1 (iii) number of students in develop-  
2 mental education courses who subsequently  
3 enroll in credit bearing coursework;

4 (iv) transfer of general education  
5 credits between institutions of higher edu-  
6 cation, as applicable;

7 (v) completion of industry-recognized  
8 credentials or associate's degrees to work  
9 in high-wage occupations in high-demand  
10 industries;

11 (vi) transfers to four-year institutions  
12 of higher education; and

13 (vii) job placement related to skills  
14 training or associate's degree completion.

15 (2) REPORT.—The eligible entity receiving such  
16 a grant shall annually measure and report to the  
17 Secretary progress in achieving the benchmarks de-  
18 veloped pursuant to paragraph (1).

19 (h) PROVISION OF TRANSFER OF CREDIT INFORMA-  
20 TION IN COMMUNITY COLLEGE COURSE SCHEDULES.—

21 To the maximum extent practicable, each junior or com-  
22 munity college receiving a grant under this section shall  
23 include in each electronic and printed publication of the  
24 college's course schedule, in a manner of the college's  
25 choosing, for each course listed in the college's course

1 schedule, whether such course is transferable for credit to-  
2 ward the completion of a 4-year baccalaureate degree at  
3 a public institution of higher education in the State in  
4 which the college is located.

5 (i) EVALUATION.—The Secretary shall allocate not  
6 more than two percent of the funds appropriated under  
7 section 501(b)(1) to the Institute of Education Sciences  
8 to conduct a rigorous evaluation, ending not later than  
9 January 30, 2014, that—

10 (1) assesses the effectiveness of the grant pro-  
11 grams carried out by each eligible entity receiving  
12 such a grant in—

13 (A) improving postsecondary education  
14 completion rates (disaggregated by age, race,  
15 ethnicity, gender, income, and disability);

16 (B) improving employment-related out-  
17 comes for students served by such programs;

18 (C) serving high-need populations; and

19 (D) building or enhancing working part-  
20 nerships with State or local workforce invest-  
21 ment boards; and

22 (2) includes any other information or assess-  
23 ments the Secretary may require.

24 (j) REPORT.—The Secretary shall submit to the  
25 Committee on Health, Education, Labor, and Pensions of

1 the Senate and the Committee on Education and Labor  
2 of the House of Representatives an annual report on  
3 grants awarded under this section, including—

4 (1) the amount awarded to each eligible entity  
5 under this section;

6 (2) a description of the activities conducted by  
7 each eligible entity receiving a grant under this sec-  
8 tion; and

9 (3) a summary of the results of the evaluations  
10 submitted to the Secretary under subsection (i) and  
11 the progress each eligible entity made toward achiev-  
12 ing the benchmarks developed under subsection (g).

13 **SEC. 504. GRANTS TO ELIGIBLE STATES FOR COMMUNITY**  
14 **COLLEGE PROGRAMS.**

15 (a) PROGRAM AUTHORIZATION.—From the amount  
16 appropriated to carry out this section, the Secretary, in  
17 coordination with the Secretary of Labor, shall award  
18 grants to eligible States, on a competitive basis, to imple-  
19 ment the systematic reform of junior and community col-  
20 leges located in the State by carrying out programs, serv-  
21 ices, and policies that demonstrated effectiveness under  
22 the evaluation described in section 503(i).

23 (b) ELIGIBLE STATE.—In this section, the term “eli-  
24 gible State” means a State that demonstrates to the Sec-

1   retary in the application submitted pursuant to subsection  
2   (e) that the State—

3           (1) has a plan under section 782 of the Higher  
4   Education Act of 1965 to increase the State’s rate  
5   of persistence in and completion of postsecondary  
6   education that takes into consideration and involves  
7   junior and community colleges located in such State;

8           (2) has a statewide longitudinal data system  
9   that includes data with respect to junior or commu-  
10   nity colleges;

11          (3) has an articulation agreement pursuant to  
12   section 486A of the Higher Education Act of 1965  
13   (20 U.S.C. 1093a);

14          (4) is in compliance with section 137 of such  
15   Act (20 U.S.C. 1015f); and

16          (5) meets any other requirements the Secretary  
17   may require.

18   (c) GRANT DURATION; RENEWAL.—A grant awarded  
19   under this section shall be awarded to an eligible State  
20   for a 6-year period, except that if the Secretary determines  
21   that the eligible State has not made demonstrable progress  
22   in achieving the benchmarks developed pursuant to sub-  
23   section (g) by the third year of the grant period, no fur-  
24   ther grant funds shall be made available to the entity after  
25   the date of such determination.

1 (d) FEDERAL AND NON-FEDERAL SHARE; SUPPLE-  
2 MENT, NOT SUPPLANT.—

3 (1) FEDERAL SHARE.—The amount of the Fed-  
4 eral share under this section for a fiscal year shall  
5 be not greater than  $\frac{1}{2}$  of the costs of the reform de-  
6 scribed in subsection (f) that is carried out with the  
7 grant.

8 (2) NON-FEDERAL SHARE.—

9 (A) IN GENERAL.—The amount of the  
10 Non-Federal share under this section for a fis-  
11 cal year shall be not less than  $\frac{1}{2}$  of the costs  
12 of the reform described in subsection (f) that is  
13 carried out with the grant. The non-Federal  
14 share may be in cash or in-kind, and may be  
15 provided from State resources, local resources,  
16 contributions from private organizations, or a  
17 combination thereof.

18 (B) FINANCIAL HARDSHIP WAIVER.—The  
19 Secretary may waive or reduce the non-Federal  
20 share of an eligible State that has submitted an  
21 application under this section if the State dem-  
22 onstrates a need for such waiver or reduction  
23 due to extreme financial hardship, as defined by  
24 the Secretary by regulation.

1           (3) SUPPLEMENT, NOT SUPPLANT.—The Fed-  
2       eral and non-Federal share required by this section  
3       shall be used to supplement, and not supplant,  
4       State, and private resources that would otherwise be  
5       expended to carry out the systematic reform of jun-  
6       ior or community colleges in a State.

7       (e) APPLICATION.—An eligible State desiring to re-  
8       ceive a grant under this section shall submit to the Sec-  
9       retary an application at such time, in such manner, and  
10      containing such information as the Secretary may require.  
11      Such application shall describe the programs, service, and  
12      policies to be used by the State to achieve the systematic  
13      reform described in subsection (f), including—

14           (1) the goals of such programs, services, and  
15      policies;

16           (2) how the State will allocate grant funds to  
17      carry out such programs, services, and policies;

18           (3) how such programs, services, and policies  
19      will enable the State to meet the benchmarks devel-  
20      oped pursuant to subsection (g), and how the State  
21      will track and report the State's progress in reach-  
22      ing such benchmarks;

23           (4) how the State will use such programs, serv-  
24      ices, and policies to establish quantifiable targets for

1 improving graduation rates and employment-related  
2 outcomes;

3 (5) how the State will serve high-need popu-  
4 lations through such programs, services, and poli-  
5 cies;

6 (6) how the State will partner with the State  
7 public employment service and State or local work-  
8 force investment boards in carrying out such pro-  
9 grams, services, and policies; and

10 (7) how the State will rigorously evaluate such  
11 programs, services, and policies, which may include  
12 participation in national evaluations.

13 (f) USES OF FUNDS.—An eligible State receiving a  
14 grant under this section shall use the grant funds to im-  
15 plement the systematic reform of junior and community  
16 colleges located in the State by carrying out programs,  
17 services, and policies that demonstrated effectiveness  
18 under the evaluation described in section 503(i).

19 (g) BENCHMARKS.—

20 (1) IN GENERAL.—Each eligible State receiving  
21 a grant under this section shall, in consultation with  
22 the Secretary, develop quantifiable benchmarks on  
23 the indicators identified in section 503(f)(1).

24 (2) PROGRESS.—An eligible State receiving  
25 such a grant shall annually measure and report to

1 the Secretary progress in achieving the benchmarks  
2 developed pursuant to paragraph (1).

3 (h) REPORT.—

4 (1) REPORTS TO THE SECRETARY.—Each eligi-  
5 ble State receiving a grant under this section shall  
6 annually submit to the Secretary and the Secretary  
7 of Labor a report on such grant, including—

8 (A) a description of the systematic reform  
9 carried out by the State using such grant; and

10 (B) the outcome of such reform, including  
11 the State's progress in achieving the bench-  
12 marks developed under subsection (g).

13 (2) REPORTS TO CONGRESS.—Not later than 6  
14 months after the end of the grant period, the Sec-  
15 retary shall submit to the Committee on Health,  
16 Education, Labor, and Pensions of the Senate and  
17 the Committee on Education and Labor of the  
18 House of Representatives a summary of the reports  
19 submitted under paragraph (1) with respect to such  
20 grant period.

21 **SEC. 505. NATIONAL ACTIVITIES.**

22 (a) OPEN ONLINE EDUCATION.—From the amount  
23 appropriated to carry out this section, the Secretary is au-  
24 thorized to make competitive grants to, or enter into con-  
25 tracts with, institutions of higher education, philanthropic

1 organizations, and other appropriate entities to develop,  
2 evaluate, and disseminate free high-quality online training,  
3 high school courses, and postsecondary education courses.

4 (b) LEARNING AND EARNING RESEARCH CENTER.—

5 (1) IN GENERAL.—From the amount appro-  
6 priated to carry out this section, the Secretary is au-  
7 thorized to award a grant to, or enter into a con-  
8 tract with, a nonprofit organization with dem-  
9 onstrated expertise in the research and evaluation of  
10 junior or community colleges to establish and oper-  
11 ate the Learning and Earning Research Center (in  
12 this section referred to as the “Center”).

13 (2) GRANT TERM.—The grant or contract  
14 awarded under this section shall be awarded for a  
15 period of not more than 4 years.

16 (3) BOARD.—The Center shall be comprised of  
17 an independent board of 9 individuals who—

18 (A) are appointed by the Secretary, based  
19 on recommendations from the nonprofit organi-  
20 zation receiving the grant or contract under  
21 this section; and

22 (B) who have demonstrated expertise in—

23 (i) data collection;

24 (ii) data analysis; and

1 (iii) econometrics, postsecondary edu-  
2 cation, and workforce development re-  
3 search.

4 (4) CENTER ACTIVITIES.—The Center shall—

5 (A) develop—

6 (i) peer-reviewed metrics to help con-  
7 sumers make sound education and training  
8 choices, and to help students, workers,  
9 schools, businesses, researchers, and pol-  
10 icymakers assess the effectiveness of junior  
11 or community colleges, and courses of  
12 study at such colleges, in meeting edu-  
13 cation and employment objectives and serv-  
14 ing groups that are underrepresented in  
15 postsecondary education;

16 (ii) standardized data elements, defi-  
17 nitions, and data-sharing protocols to  
18 make it possible for data systems related  
19 to postsecondary education to be linked  
20 and interoperable, and for best practices to  
21 be shared among States;

22 (iii) standards and processes for facili-  
23 tating sharing of data in a manner that  
24 safeguards student privacy; and

1 (iv) common metrics and data ele-  
2 ments to measure the education and em-  
3 ployment outcomes of students attending  
4 junior or community colleges;

5 (B) develop and make widely available ma-  
6 terials analyzing best practices and research on  
7 successful postsecondary education and training  
8 efforts;

9 (C) make the data and metrics developed  
10 pursuant to subparagraph (A) available to the  
11 public in a transparent, user-friendly format;  
12 and

13 (D) consult with representatives from  
14 States with respect to the activities of the Cen-  
15 ter.

16 (c) STATE SYSTEMS.—

17 (1) IN GENERAL.—From the amount appro-  
18 priated to carry out this section, the Secretary is au-  
19 thorized to award grants to States to establish coop-  
20 erative agreements among States to develop, imple-  
21 ment, and expand longitudinal data systems that  
22 collect, maintain, disaggregate (by income, race, eth-  
23 nicity, gender, disability, and age), and analyze stu-  
24 dent data from junior and community colleges, in-  
25 cluding data on the programs of study and edu-

1 cation and employment outcomes for particular stu-  
2 dents, tracked over time.

3 (2) SUPPLEMENT, NOT SUPPLANT.—Funds ap-  
4 propriated to carry out this subsection shall be used  
5 to supplement, and not supplant, other Federal and  
6 State resources that would otherwise be expended to  
7 carry out statewide longitudinal data systems, in-  
8 cluding funding appropriated for State Longitudinal  
9 Data Systems in the American Recovery and Rein-  
10 vestment Act of 2009 (26 U.S.C. 1).

11 (d) REPORT.—The Secretary shall submit to the  
12 Committee on Health, Education, Labor, and Pensions of  
13 the Senate and the Committee on Education and Labor  
14 of the House of Representatives an annual report on the  
15 amounts awarded to entities receiving grants or contracts  
16 under this section, and the activities carried out by such  
17 entities under such grants and contracts.

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