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113TH CONGRESS
2D SESSION

S. 2954

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

IN THE SENATE OF THE UNITED STATES

NOVEMBER 20, 2014

Mr. HARKIN introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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A BILL

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Higher Education Affordability Act''.

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SEC. 3. REFERENCES.

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

SEC. 4. GENERAL EFFECTIVE DATE.

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

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

TITLE I—GENERAL PROVISIONS

SEC. 101. GRADUATE MEDICAL SCHOOLS; POSTSECONDARY CAREER AND TECHNICAL EDUCATION INSTITUTIONS.

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

(1) in subsection (a)—

(A) in paragraph (1)(B), by striking ''vocational'' and inserting ''career and technical education''; and

(B) in paragraph (2)(A)—

(i) in the matter preceding clause (i), by striking ''part D of title IV unless—'' and inserting ''part D of title IV unless the school meets 1 of the following requirements:'';

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

''(i) GRADUATE MEDICAL SCHOOL.—

''(I) IN GENERAL.—In the case of a graduate medical school located outside the United States—

"(aa)(AA) not less than 60 percent of those enrolled in, and not less than 60 percent of the graduates of, such graduate medical school located outside the United States were not persons described in section 484(a)(5) in the year preceding the year for which a student is seeking a loan under part D of title IV; and

"(BB) not less than 75 percent of the individuals who were nationals of the United States who were students or graduates of the graduate medical school located outside the United States or Canada taking the examinations administered by the Educational Commission for Foreign Medical Graduates received a passing score in the year preceding the year for which a student is seeking a loan under part D of title IV; or

"(bb) the institution—

"(AA) has or had a clinical training program that was approved by a State as of January 1, 1992; and

"(BB) continues to operate a clinical training program in at least 1 State that is approved by that State.

"(II) EXPIRATION OF ALTERNATIVE QUALIFICATION.—The authority of a graduate medical school described in subclause (I)(bb) to qualify for participation in the loan programs under part D of title IV pursuant to this clause shall expire beginning on the first July 1 following the date of enactment of the Higher Education Affordability Act.";

(iii) in clause (ii)—

(I) by striking "in the case of a veterinary school" and inserting "VETERINARY SCHOOL.—In the case of a veterinary school"; and

(II) by striking ''; or'' and inserting a period; and

(iv) in clause (iii), by striking ''in the case of a nursing school'' and inserting ''NURSING SCHOOL.—In the case of a nursing school''; and

(2) in subsection (c)—

(A) in the subsection heading, by striking ''VOCATIONAL'' and inserting ''CAREER AND TECHNICAL EDUCATION'';

(B) in paragraph (1), by striking ''vocational'' and inserting ''career and technical education''; and

(C) in paragraph (2), by striking ''vocational'' and inserting ''career and technical education''.

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

school in which the student was enrolled upon the date of enactment of this Act, subject to the student continuing to meet all applicable requirements for satisfactory academic progress, until the earliest of—

(1) withdrawal by the student from the graduate medical school;

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

(3) the fourth June 30 after such loss of eligibility.

SEC. 102. 85–15 REVENUE SOURCE REQUIREMENT FOR PROPRIETARY INSTITUTIONS.

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

(1) in paragraph (1)—

(A) in subparagraph (D), by striking ''and'' after the semicolon;

(B) in subparagraph (E), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(F) meets the requirements of paragraph (2).'';

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following:

"(2) REVENUE SOURCES.—

"(A) IN GENERAL.—In order to qualify as a proprietary institution of higher education under this subsection, an institution shall derive not less than 15 percent of the institution's revenues from sources other than Federal funds, as calculated in accordance with subparagraphs (B) and (C).

"(B) FEDERAL FUNDS.—In this paragraph, the term 'Federal funds' means any Federal financial assistance provided, under this Act or any other Federal law, through a grant, contract, subsidy, loan, guarantee, insurance, or other means to a proprietary institution, including Federal financial assistance that is disbursed or delivered to an institution or on behalf of a student or to a student to be used to attend the institution, except that such term shall not include any monthly housing stipend provided under chapter 33 of title 38, United States Code.

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

"(i) use the cash basis of accounting;

"(ii) consider as revenue only those funds generated by the institution from—

"(I) tuition, fees, and other institutional charges for students enrolled in programs eligible for assistance under title IV;

"(II) activities conducted by the institution that are necessary for the education and training of the institution's students, if such activities are—

"(aa) conducted on campus or at a facility under the control of the institution;

"(bb) performed under the supervision of a member of the institution's faculty; and

"(cc) required to be performed by all students in a specific educational program at the institution; and

"(III) a contractual arrangement with a Federal agency for the purpose of providing job training to low-income individuals who are in need of such training;

"(iii) presume that any Federal funds that are disbursed or delivered to an institution on behalf of a student or directly to a student will be used to pay the student's tuition, fees, or other institutional charges, regardless of whether the institution credits such funds to the student's account or pays such funds directly to the student, except to the extent that the student's tuition, fees, or other institutional charges are satisfied by—

"(I) grant funds provided by an outside source that—

"(aa) has no affiliation with the institution; and

"(bb) shares no employees with the institution; and

"(II) institutional scholarships described in clause (v);

"(iv) include no loans made by an institution of higher education as revenue to the school, except for payments made by students on such loans;

"(v) include a scholarship provided by the institution—

"(I) only if the scholarship is in the form of monetary aid based upon the academic achievements or financial need of students, disbursed to qualified student recipients during each fiscal year from an established restricted account; and

"(II) only to the extent that funds in that account represent designated funds, or income earned on such funds, from an outside source that—

"(aa) has no affiliation with the institution; and

"(bb) shares no employees with the institution; and

"(vi) exclude from revenues—

"(I) the amount of funds the institution received under part C of title IV, unless the institution used those funds to pay a student's institutional charges;

"(II) the amount of funds the institution received under subpart 4 of part A of title IV;

"(III) the amount of funds provided by the institution as matching funds for any Federal program;

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

"(V) the amount charged for books, supplies, and equipment, unless the institution includes that amount as tuition, fees, or other institutional charges.

"(D) REPORT TO CONGRESS.—Not later than July 1, 2015, and by July 1 of each succeeding year, the Secretary shall submit to the authorizing committees a report that contains, for each proprietary institution of higher education that receives assistance under title IV and as provided in the audited financial statements submitted to the Secretary by each institution pursuant to the requirements of section 487(c)—

"(i) the amount and percentage of such institution's revenues received from Federal funds; and

"(ii) the amount and percentage of such institution's revenues received from other sources.".

SEC. 103. DEFINITIONS.

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

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

(2) by inserting after paragraph (3) the following:

"(4) DEFAULT MANIPULATION.—The term 'default manipulation' means engaging in a device or practice, such as branching, consolidation of campuses, consolidation or manipulation of the identification codes used by the Office of Postsecondary Education to designate campuses and institutions, change of ownership or control, serial forbearance, or any similar device or practice (as determined by the Secretary) when, but for the device or practice, one or more campuses of an institution of higher education would be at risk of cohort default rate sanctions under section 435 or student default risk sanctions under section 489A.";

(3) by inserting after paragraph (10), as redesignated by paragraph (1), the following:

"(11) FEDERAL EDUCATIONAL ASSISTANCE FUNDS.—The term 'Federal educational assistance funds' means funds provided directly to an institution or to a student attending such institution under any of the following provisions of law:

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

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

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

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

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

"(F) The Adult Education and Family Literacy Act (20 U.S.C. 9201 et seq.).

"(12) FOSTER CARE CHILDREN AND YOUTH.—The term 'foster care children and youth'—

"(A) means children and youth whose care and placement is the responsibility of the State

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

"(B) includes individuals whose care and placement was the responsibility of the State or Tribal agency that administers a State plan under part B or E of title IV of the Social Security Act (42 U.S.C. 621 et seq. and 670 et seq.) when they were age 13 or older but are no longer under the care and responsibility of the State or tribal agency.";

(4) by inserting after paragraph (17), as redesignated by paragraph (1), the following:

"(18) RECRUITING AND MARKETING ACTIVITY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'recruiting and marketing activity' means an activity that consists of the following:

"(i) Any advertising or promotion activity, including a paid announcement in

newspapers, magazines, radio, television, billboards, electronic media, naming rights, or any other public medium of communication, including paying for a display or promotion at a job fair, military installation, or postsecondary education recruiting event.

''(ii) Any effort to identify and attract prospective students, directly or through a contractor or other third party, which shall include any contact concerning a prospective student's potential enrollment or application for grant, loan, or work assistance under title IV or participation in preadmission or advising activities, including—

''(I) paying employees responsible for overseeing enrollment and for contacting potential students in person, by phone, by email, by internet communications, or by other means, regarding enrollment;

''(II) compensating a person to provide to an institution of higher education contact information regard-

ing prospective students, including information obtained through websites established for such purpose; and

"(III) providing funds to a third party to create or maintain a website for the purpose of obtaining contact information regarding prospective students.

"(iii) Any other activity as the Secretary may determine, including paying for promotion or sponsorship of education or military-related associations.

"(B) EXCEPTION.—An activity that is required as a condition of receipt of funds by an institution under title IV, or under another applicable Federal law, shall not be considered to be a recruiting and marketing activity under subparagraph (A).

"(19) PRIVATE EDUCATION LOAN.—The term 'private education loan' has the meaning given the term in section 140(a) of the Truth in Lending Act (15 U.S.C. 1650(a))."; and

(5) in paragraph (28), as redesignated by paragraph (1)—

(A) in the matter before subparagraph (A), by striking ''scientifically valid'' and inserting ''research-based''; and

(B) in subparagraph (B), by striking ''all students, including students with disabilities and students who are limited English proficient.'' and inserting ''all students.''.

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

Section 120(e)(5) (20 U.S.C. 1011i(e)(5)) is amended by striking ''2009'' and inserting ''2015''.

SEC. 105. MANDATORY FINANCIAL AID AWARD LETTER.

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

''SEC. 124. USE OF MANDATORY FINANCIAL AID AWARD LETTER.

''(a) IN GENERAL.—Notwithstanding any other provision of law, each institution of higher education that participates in any program under title IV shall use the financial aid award letter developed under section 483B in providing written or electronic financial aid offers to students enrolled in, or accepted for enrollment in, the institution.

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

retary finalizes the financial aid award letter developed under section 483B.''.

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

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

''SEC. 125. CODE OF CONDUCT IN AFFILIATED CONSUMER FINANCIAL PRODUCTS OR SERVICES.

''(a) DEFINITIONS.—In this section:

''(1) AFFILIATED.—

''(A) IN GENERAL.—The term 'affiliated', when used with respect to a consumer financial product or service and an institution of higher education, means an association between such institution and product or service resulting from—

''(i) the name, emblem, mascot, or logo of the institution being used with respect to such product or service; or

''(ii) some other word, picture, or symbol readily identified with the institution in the marketing of the consumer financial product or service in any way that

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

"(B) RULE OF CONSTRUCTION.—Nothing in subparagraph (A) shall be construed to deem an association between an institution of higher education and a consumer financial product or service to be affiliated if such association is solely based on an advertisement by a financial institution that is delivered to a wide and general audience consisting of more than enrolled students at the institution of higher education.

"(2) ASSOCIATED INDIVIDUAL.—The term 'associated individual', when used with respect to an institution of higher education, means an individual who is—

"(A) an officer of such institution of higher education;

"(B) an employee or agent of the institution of higher education who is involved in the contracting, approval, analysis, or decision-making process for an affiliated consumer financial product or service; or

"(C) an employee or agent of the institution of higher education involved in the mar-

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

"(3) CONSUMER FINANCIAL PRODUCT OR SERVICE.—The term 'consumer financial product or service' has the meaning given the term in section 1002 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5481).

"(4) FINANCIAL INSTITUTION.—The term 'financial institution' has the meaning given the term in section 140B of the Truth in Lending Act.

"(5) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means an institution of higher education as defined in section 102.

"(b) CODE OF CONDUCT.—Notwithstanding any other provision of law, no institution of higher education that is affiliated with a consumer financial product or service shall be eligible to receive funds or any other form of financial assistance under this Act, unless the institution—

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

"(A) prohibits a conflict of interest with the responsibility of an associated individual with respect to such affiliated consumer financial product or services;

"(B) requires each associated individual to act in the best interest of the students enrolled at the institution of higher education in carrying out their duties; and

"(C) at a minimum, is aligned with the requirements and prohibitions described under subsections (c) through (g);

"(2) publishes such code of conduct prominently on the institution's website; and

"(3) administers and enforces such code by, at a minimum, requiring that all of the institution's associated individuals be annually informed of the provisions of the code of conduct.

"(c) BAN ON REVENUE-SHARING ARRANGEMENTS.—

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

"(2) DEFINITION.—In this subsection, the term 'revenue-sharing arrangement'—

"(A) means an arrangement between an institution of higher education and a financial institution under which—

"(i) the financial institution provides or issues a consumer financial product or service to students attending the institution of higher education;

"(ii) the institution of higher education recommends, promotes, sponsors, or otherwise endorses the financial institution, or the consumer financial products or services offered by the financial institution; and

"(iii) the financial institution pays a fee or provides other material benefits, including revenue or profit sharing, to the institution of higher education in connection with the consumer financial products or services provided to students of the institution of higher education; and

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

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

"(d) GIFT BAN.—

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

"(2) DEFINITION OF GIFT.—

"(A) IN GENERAL.—In this subsection, the term 'gift' means any gratuity, favor, discount, entertainment, hospitality, loan, or other item having a monetary value of more than a de minimis amount. The term includes a gift of services, transportation, lodging, or meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.

"(B) EXCEPTIONS.—The term 'gift' shall not include any of the following:

"(i) Standard material, activities, or programs on issues related to a consumer financial product or service or financial literacy, such as a brochure, a workshop, or training. Such material, training, or pro-

gram shall not promote a product or service of any specific financial institution.

"(ii) Food, refreshments, training, or informational material furnished to an associated individual as an integral part of a training session that is designed to improve the service of a financial institution to the institution of higher education, if such training contributes to the professional development of the associated individual.

"(iii) Favorable terms, conditions, and borrower benefits on a consumer financial product or service provided to all employees of the institution of higher education if such terms, conditions, or benefits are comparable to those provided to all students of the institution.

"(iv) Philanthropic contributions to an institution of higher education from a financial institution that are unrelated to the affiliated consumer financial product or service or the financial institution in general or any contribution from the financial institution that is not made in exchange

for any advantage related to the financial institution.

"(C) RULE FOR GIFTS TO FAMILY MEMBERS.—For purposes of this subsection, a gift to a family member of an associated individual of an institution of higher education shall be considered a gift to the associated individual if—

"(i) the gift is given with the knowledge and acquiescence of the associated individual; and

"(ii) the associated individual has reason to believe the gift was given because of the official position of the associated individual.

"(e) CONTRACTING ARRANGEMENTS PROHIBITED.—

"(1) PROHIBITION.—No associated individual of an institution of higher education shall accept from a financial institution that has a consumer financial product or service with which the institution is affiliated a fee, payment, or other financial benefit (including the opportunity to purchase stock) as compensation for any type of consulting arrangement or other contract to provide services to the fi-

nancial institution or on behalf of the financial institution.

"(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed as prohibiting the conduct of an individual who is not an associated individual.

"(f) BAN ON STAFFING ASSISTANCE.—An institution of higher education shall not request or accept from a financial institution with which the institution has an affiliated consumer financial product or service any assistance with call center staffing, financial aid office staffing, or any other office or department of the institution of higher education.

"(g) ADVISORY BOARD COMPENSATION.—Any associated individual of an institution of higher education who serves on an advisory board, commission, or group established by a financial institution that has a consumer financial product or service with which the institution is affiliated shall be prohibited from receiving anything of value from the financial institution, except that the individual may be reimbursed for reasonable expenses incurred in serving on such advisory board, commission, or group.".

SEC. 107. RESTRICTION ON MARKETING WITH FEDERAL EDUCATIONAL ASSISTANCE FUNDS.

(a) TRANSFER.—Section 119 of the Higher Education Opportunity Act (20 U.S.C. 1011m) is amended—

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

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

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

(1) in the section heading, by inserting ''**AND RESTRICTIONS ON SOURCES OF FUNDS FOR RECRUITING AND MARKETING ACTIVITIES**'' after ''**FUNDS**'';

(2) in subsection (d), by striking ''subsections (a) through (c)'' and inserting ''subsections (a), (b), (c), and (e)'';

(3) by redesignating subsection (e) as subsection (f);

(4) by inserting after subsection (d) the following:

''(e) RESTRICTIONS ON SOURCES OF FUNDS FOR RECRUITING AND MARKETING ACTIVITIES.—

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

tution, may not use revenues derived from Federal educational assistance funds for recruiting or marketing activities.

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

"(3) REPORTING.—Each institution of higher education, or other postsecondary educational institution, that receives revenues derived from Federal educational assistance funds shall report annually to the Secretary and to Congress the institution's expenditures on advertising, marketing, and recruiting, and shall include in such report a verification from an independent auditor that the institution of higher education is in compliance with the requirement under paragraph (1).";

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

(6) by striking "Secretary of Education" each place the term appears and inserting "Secretary".

SEC. 108. MINIMUM STANDARDS FOR NET PRICE CALCULATORS.

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

(1) by redesignating paragraph (4) as paragraph (6);

(2) in paragraph (2), by inserting before the period ", and, not later than 1 year after the date of enactment of the Higher Education Affordability Act, shall meet the requirements of paragraph (4)(B)";

(3) in paragraph (3), by inserting after the first sentence the following: "Not later than 1 year after the date of enactment of the Higher Education Affordability Act, such calculator shall meet the requirements of paragraph (4).";

(4) by inserting after paragraph (3) the following:

"(4) MINIMUM REQUIREMENTS FOR NET PRICE CALCULATORS.—Not later than 1 year after the date of enactment of the Higher Education Affordability Act, a net price calculator for an institution of higher education shall, at a minimum, meet the following requirements:

"(A) The link for the calculator—

"(i) is clearly labeled as a 'net price calculator' and is prominently and clearly

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

"(ii) may also be included on the institution's compliance webpage, which contains information relating to compliance with Federal, State, and local laws.

"(B) The results screen for the calculator specifies the following information:

"(i) The net price (as calculated under subsection (h)(2)) for the individual student, which is the most visually prominent figure on the results screen.

"(ii) Cost of attendance for the institution, including—

"(I) tuition and fees;

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

"(III) the average annual cost of books and supplies for a first-time, full-time undergraduate student enrolled in the institution; and

"(IV) the estimated cost of other expenses (including personal expenses and transportation) for a first-time, full-time undergraduate student enrolled in the institution.

"(iii) Estimated amount of need-based grant aid and merit-based grant aid, from Federal, State, and institutional sources, that students receive at the institution, showing the subtotal for each category and the total for all sources of grant aid.

"(iv) Percentage of the first-time, full-time undergraduate students enrolled in the institution that received any type of grant aid described in clause (iii).

"(v) The disclaimer described in paragraph (6).

"(vi) In the case of a calculator that—

"(I) includes questions to estimate a student's (or prospective student's) eligibility for veterans' education benefits (as defined in section 480) or educational benefits for active duty service members, such benefits

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

"(II) does not include questions to estimate eligibility for the benefits described in subclause (I), the results screen indicates that certain students (or prospective students) may qualify for such benefits and includes a link to official Federal information about such benefits.

"(C) The institution populates the calculator with data from no earlier than 2 academic years prior to the most recent academic year.

"(5) PRIVACY REQUIREMENTS AND DISCLOSURES.—

"(A) PRIVACY REQUIREMENTS.—An institution of higher education—

"(i) shall carry out this subsection in a manner that complies with the requirements of section 444 of the General Education Provisions Act (commonly known as the 'Family Educational Rights and Privacy Act of 1974') (20 U.S.C. 1232g); and

"(ii) shall not—

"(I) allow any personal information, voluntarily provided by users for the net price calculator for the institution to be sold or made available to third parties;

"(II) store any responses made by users through the net price calculator;

"(III) require that a user provide any personally identifiable information in order to use the net price calculator.

"(B) PRIVACY DISCLOSURES.—A net price calculator shall—

"(i) clearly indicate which questions are required to be completed for an estimate of the net price from the calculator;

"(ii) in the case of a calculator that requests contact information from users, clearly mark such requests as 'optional';

"(iii) clearly state 'Any information that you provide on this site is confidential. The Net Price Calculator does not require personally identifiable information of

any kind and does not store your responses.'; and

"(iv) be established, maintained, and operated in a manner that is in compliance with the requirements of section 444 of the General Education Provisions Act (commonly known as the 'Family Educational Rights and Privacy Act of 1974') (20 U.S.C. 1232g)"; and

(5) by adding at the end the following:

"(7) UNIVERSAL NET PRICE CALCULATOR.—Not later than 2 years after the date of enactment of the Higher Education Affordability Act, the Secretary shall develop a universal net price calculator that—

"(A) enables users to answer one set of questions and receive net prices for any institution that is required to have a net price calculator under this subsection;

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

"(C) is developed in consultation with—

"(i) the heads of relevant Federal agencies;

"(ii) representatives of institutions of higher education, nonprofit consumer groups, and secondary and postsecondary students; and

"(iii) secondary school and postsecondary guidance counselors;

"(D) before being finalized and publicly released, is tested in accordance with the consumer testing process described in section 483C; and

"(E) complies with the privacy requirements described in paragraph (5).

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

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

"(B) how institutions are complying with the requirements of this subsection, including

an analysis of where institutions are placing the net price calculators on their websites and the design of the net price calculators by institutions; and

"(C) an analysis of how students are benefitting from the use of net price calculators.

"(9) WEBSITE LINK.—The Secretary shall ensure that a link to the website containing the net price calculator and the universal net price calculator (once the universal net price calculator has been developed) is available on each of the following websites:

"(A) The College Navigator website described under subsection (i).

"(B) The College Scorecard website described under section 133.

"(C) The website of the College Affordability and Transparency Center.

"(D) The website of the Office of Federal Student Aid.".

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

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

"(f) BENEFITS FOR MEMBERS OF THE ARMED FORCES.—

"(1) WEBSITE.—

"(A) IN GENERAL.—The Secretary, in coordination with the Secretary of Defense, the Secretary of Veterans Affairs, and the Secretary of Homeland Security, shall create a revised and updated searchable Internet website that—

"(i) contains information, in simple and understandable terms, about all Federal and State student financial assistance, readmission requirements under section 484C, and other student services, for which members of the Armed Forces (including members of the National Guard and Reserves), veterans, and the dependents of such members or veterans may be eligible; and

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

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

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

"(C) DISSEMINATION.—The Secretary, in coordination with the Secretary of Defense and the Secretary of Veterans Affairs, shall make the availability of the Internet website described in subparagraph (A) widely known to members of the Armed Forces (including members of the National Guard and Reserves), veterans, the dependents of such members or veterans, States, institutions of higher education, and the general public.

"(D) DEFINITION.—In this paragraph, the term 'Federal and State student financial assistance' means any grant, loan, work assistance, tuition assistance, scholarship, fellowship, or other form of financial aid for pursuing a postsecondary education that is—

"(i) administered, sponsored, or supported by the Department of Education, the Department of Defense, the Department of Veterans Affairs, or a State; and

"(ii) available to members of the Armed Forces (including members of the National Guard and Reserves), veterans,

or the dependents of such members or veterans.

"(2) ENROLLMENT FORM.—

"(A) IN GENERAL.—The Secretary, in consultation with the Director of the Bureau of Consumer Financial Protection, the Secretary of Defense, and the heads of any other relevant Federal agencies, shall create a simplified disclosure and enrollment form for borrowers who are performing eligible military service (as defined in section 481(d)).

"(B) CONTENTS.—The disclosure and enrollment form described in subparagraph (A) shall include—

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

"(ii) an opportunity for the borrower, by completing the enrollment form, to invoke certain protections, activate certain benefits, and enroll in certain programs

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

"(I) to invoke applicable protections that are available under the Servicemembers Civil Relief Act (50 U.S.C. App. 501 et seq.), as such protections relate to Federal student loans under title IV; and

"(II) to activate or enroll in any other applicable benefits that are available to such borrower under this Act because the borrower is performing eligible military service, such as eligibility for a deferment or eligibility for a period during which interest shall not accrue.

"(C) IMPLEMENTATION.—Not later than 365 days after the date of the enactment of the Higher Education Affordability Act, the Secretary shall make available to eligible institutions, eligible lenders, and personnel at the Department of Defense and other Federal agencies that provide services to borrowers who are members of the Armed Forces or the depend-

ents of such members, the disclosure and enrollment form described in subparagraph (A).

"(D) NOTICE REQUIREMENTS.—

"(i) SCRA INTEREST RATE LIMITATION.—The completion of the disclosure and enrollment form created pursuant to subparagraph (A) by the borrower of a loan made, insured, or guaranteed under part B or part D of title IV who is otherwise subject to the interest rate limitation in subsection (a) of section 207 of the Servicemembers Civil Relief Act (50 U.S.C. App. 527(a)) and submittal of such form to the Secretary shall be considered, for purposes of such section, provision to the creditor of written notice as described in subsection (b)(1) of such section.

"(ii) FFEL LENDERS.—The Secretary shall provide each such disclosure and enrollment form completed and submitted by a borrower of a loan made, insured, or guaranteed under part B of title IV who is otherwise subject to the interest rate limitation in subsection (a) of section 207 of the Servicemembers Civil Relief Act

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

SEC. 110. DATA IMPROVEMENTS FOR COLLEGE NAVIGATOR.

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

''(M) The student faculty ratio, the number of full-time faculty, the ratio of the number of course sections taught by part-time instructors to the number of course sections taught by full-time faculty, the mean and median years of employment for part-time instructors, and the number of graduate assistants with primarily instructional responsibilities, at the institution.''.

SEC. 111. COLLEGE SCORECARD.

Part C of title I (20 U.S.C. 1015 et seq.) is amended—

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

(2) by inserting after section 132 the following:

"SEC. 133. COLLEGE SCORECARD.

''(a) DEFINITIONS.—In this section:

''(1) COLLEGE SCORECARD.—The term 'College Scorecard' refers to the College Scorecard website developed and operated by the Department under subsection (b) and any successor website.

''(2) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means an institution of higher education, as defined in section 102, that awards a degree or certificate.

''(3) RECENT GRADUATE.—The term 'recent graduate', when used in reference to a graduate of an institution of higher education, shall mean a student who completed a course of study and earned a certificate or degree at the institution in any of the 6 most recent preceding years for which data are available.

''(b) IN GENERAL.—The Secretary shall develop and make publicly available a College Scorecard website to provide students and families with information regarding higher education affordability and value for each institution of higher education that receives funds under title IV.

''(c) STANDARD FORMAT.—

''(1) IN GENERAL.—The Secretary, in consultation with the heads of relevant Federal agencies, shall develop a standard format to be used by the

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

"(2) RECOMMENDATIONS FROM OTHER GROUPS.—The standard format developed under paragraph (1) shall be based on recommendations from representatives of secondary school students and postsecondary students, the families of secondary school and postsecondary students, institutions of higher education, secondary school and postsecondary education counselors, and nonprofit consumer groups.

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

"(d) KEY REQUIRED CONTENTS.—The standard format developed under subsection (c) shall include, in a consumer-friendly manner that is simple and understandable, the following information for each degree- and certificate-granting institution of higher education that receives funds under title IV for the most recent year for which data are available:

"(1) NET PRICE INFORMATION.—

"(A) The average net price paid by enrolled students to attend the institution, cal-

culated in a manner consistent with section 132(a)(3), for the subgroups of students at the institution in each of the following annual family income categories, and the percentage of students in each category:

"(i) $0 to $30,000.

"(ii) $30,001 to $48,000.

"(iii) $48,001 to $75,000.

"(iv) $75,001 to $110,000.

"(v) $110,001 and more.

"(B) A visual representation that provides context for the information conveyed under subparagraph (A), including how the net price information compares to other institutions.

"(C) The Commissioner of the National Center for Education Statistics may periodically adjust the annual family income categories described under subparagraph (A).

"(2) COMPLETION AND TRANSFER DATA.—

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

"(i) 100 percent of the normal time for completion of, or graduation from, the student's educational program; and

"(ii) 150 percent of the normal time for completion of, or graduation from, the student's educational program.

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

"(i) who persist and remain enrolled in the institution from academic term to academic term; and

"(ii) who persist and remain enrolled in the institution from year to year.

"(C) For each institution, the percentages of certificate- or degree-seeking undergraduate students who have transferred to a 4-year institution of higher education within—

"(i) 100 percent of the normal time for completion of, or graduation from, the student's initial educational program; and

"(ii) 150 percent of the normal time for completion of, or graduation from, the student's initial educational program.

"(D) For each institution, a visual representation that provides context for the information conveyed under subparagraphs (A) and (B) and, as applicable, subparagraph (C), including how the completion, transfer, and persistence rates compare to other institutions.

"(3) LOAN INFORMATION.—

"(A) The percentage of students at the institution who have completed their certificate or degree program and who borrowed 1 or more loans under part B, D, or E of title IV, or private education loans, while attending the institution.

"(B) The institution's speed-based loan repayment rate, as calculated under section 483D(c) and the comparison information described in section 483D(c)(4).

"(C) A visual representation that provides context for the information conveyed under this paragraph, including how the information described in subparagraphs (A) and (B) compares to other institutions.

"(4) DEBT INFORMATION.—

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

curred by students who have earned a certificate or degree from the institution and who borrowed student loans in the course of obtaining such certificate or degree in the most recent year for which data are available.

"(B) The percentage of students at the institution who have borrowed money to attend the institution.

"(C) A visual representation that provides context for the information conveyed under subparagraphs (A) and (B), including how the debt information compares to other institutions.

"(5) REPAYMENT INFORMATION.—

"(A) The expected monthly repayment amounts for the mean and median student loan debt described in paragraph (4), under a standard repayment plan described in section 455(d)(1)(A) based on a 10-year period.

"(B) A visual representation that provides context for the information conveyed under subparagraph (A), including how the repayment information compares to other similar institutions.

"(6) TYPE OF INSTITUTION.—A specification as to—

"(A) whether the institution of higher education is a public, private nonprofit, or private for-profit institution; and

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

"(7) ADDITIONAL INFORMATION.—Any other information the Secretary, in consultation with the heads of relevant Federal agencies, representatives of institutions of higher education, nonprofit consumer groups, and secondary and postsecondary students, and secondary school and postsecondary guidance counselors, determines necessary so that students and parents can make informed decisions regarding postsecondary education.

"(e) COLLEGE TUITION TRANSPARENCY INFORMATION.—The standard format developed for institutions of higher education under subsection (c) shall—

"(1) prominently and clearly identify if the institution has been identified under section 132(c)(1), and the reasons for each institution's identification; and

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

"(f) ADDITIONAL REQUIREMENTS.—The standard format developed by the Secretary under subsection (c) shall—

"(1) use, for the terms described in subsection (d), standard definitions and names that are developed by the Secretary in consultation with the heads of relevant Federal agencies, representatives of institutions of higher education, nonprofit consumer groups, secondary and postsecondary students, and secondary school and higher education guidance counselors; and

"(2) use standard formatting and design that the Secretary, in consultation with the heads of relevant Federal agencies, representatives of institutions of higher education, nonprofit consumer groups, secondary school students, postsecondary students, and secondary school and higher education guidance counselors determine are clear, understandable, and suitable for secondary school students.

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

"(h) FINAL STANDARD FORMAT AND AVAILABILITY OF COLLEGE SCORECARD.—Not later than 60 days after

the conclusion of the consumer testing required under subsection (h), the Secretary shall—

"(1) submit to the authorizing committees the final standard format for the College Scorecard and a report describing the results of consumer testing, including whether the Secretary added any additional items pursuant to subsection (d)(8); and

"(2) make the final College Scorecard, including all information required for the standard format under subsections (d) and (e) for all institutions of higher education that receive funds until title IV, publicly available through a College Scorecard website and through a link on the following other websites:

"(A) The College Navigator website described under section 132(i).

"(B) The website of the College Affordability and Transparency Center.

"(C) The website of the Office of Federal Student Aid.

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

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

"(2) distribute the most recent College Scorecard for the institution to prospective students and accepted students of the institution—

"(A) in the same format in which the institution communicates with prospective and accepted students about applying to and enrolling in the institution; and

"(B) in a manner that allows for the student or the family of the student to take such information into account before applying or enrolling, without regard to whether the information was requested; and

"(3) in the case of an institution with high student default risk that is required under section 487(a)(32) to provide a student accepted for enrollment with a waiting period of not less than 2 weeks to consider postsecondary options, disclose to the student the College Scorecard of the institution at or before the start of such waiting period.

"(j) PUBLIC AWARENESS CAMPAIGN.—

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

Affordability Act, the Secretary shall coordinate, with entities such as States, institutions of higher education, State educational agencies, local educational agencies, secondary schools, and other agencies, and organizations involved in access to higher education and student financial aid, and implement a public awareness campaign in order to increase national awareness of the College Scorecard.

"(2) CONTENT AND IMPLEMENTATION OF CAMPAIGN.—The public awareness campaign carried out under this subsection shall disseminate information regarding the functions and methods of accessing the College Scorecard, and shall be implemented, to the extent practicable, using a variety of media, including print, television, radio, and the Internet.

"(3) USE OF RESEARCH-BASED STRATEGIES.—The Secretary shall design and implement the public awareness campaign carried out under this subsection based on relevant independent research and information on dissemination strategies found suitable for students in secondary school and postsecondary education.".

SEC. 112. REPORTING REQUIREMENTS.

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

(1) in paragraph (1), by striking ''and'' after the semicolon;

(2) in paragraph (2), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(3) is developed pursuant to the institutional reporting requirements under section 493G.''.

SEC. 113. IN-STATE TUITION RATES FOR CERTAIN INDIVIDUALS.

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

''SEC. 136. IN-STATE TUITION RATES FOR CERTAIN INDIVIDUALS.

''(a) MEMBERS OF THE ARMED FORCES ON ACTIVE DUTY.—

''(1) REQUIREMENT.—In the case of a member of the Armed Forces who is on active duty for a period of more than 30 days and whose domicile or permanent duty station is in a State that receives assistance under this Act, such State shall not charge such member (or the spouse or dependent child of such member) tuition for attendance at a public institution of higher education in the State at a rate that is greater than the rate charged for residents of the State.

"(2) CONTINUATION.—If a member of the Armed Forces (or the spouse or dependent child of a member) pays tuition at a public institution of higher education in a State at a rate determined by paragraph (1), the provisions of paragraph (1) shall continue to apply to such member, spouse, or dependent while continuously enrolled at that institution, notwithstanding a subsequent change in the permanent duty station of the member to a location outside the State.

"(b) HOMELESS CHILDREN OR YOUTHS AND FOSTER CARE CHILDREN OR YOUTHS.—A State shall not charge a homeless child or youth or a foster care child or youth tuition for attendance at a public institution of higher education in the State at a rate that is greater than the rate charged for residents of the State, if the homeless child or youth or foster care child or youth—

"(1) graduated from secondary school or obtained the recognized equivalent of a secondary school diploma in such State;

"(2) resided in such State as a homeless child or youth or a foster care child or youth while attending secondary school in an adjacent State, as verified by—

"(A) a local educational agency homeless liaison, designated pursuant to section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11432(g)(1)(J)(ii));

"(B) the director (or a designee of the director) of an emergency or transitional shelter, street outreach program, homeless youth drop-in center, or other program serving homeless youth or families;

"(C) the director (or a designee of the director) of a program funded under chapter 1 or 2 of subpart 2 of part A of title IV; or

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

"(c) EFFECTIVE DATES.—

"(1) ARMED FORCES.—With respect to an individual described in subsection (a)(1), this section shall take effect at each public institution of higher education in a State that receives assistance under this Act for the first period of enrollment at such institution that begins after July 1, 2009.

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

"(d) DEFINITIONS.—

"(1) 'ARMED FORCES' AND 'ACTIVE DUTY FOR A PERIOD OF MORE THAN 30 DAYS'.—In this section, the terms 'Armed Forces' and 'active duty for a period of more than 30 days' have the meanings given those terms in section 101 of title 10, United States Code.

"(2) HOMELESS CHILDREN AND YOUTHS.—The term 'homeless children and youths' has the meaning given the term in section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a).".

SEC. 114. STATE HIGHER EDUCATION INFORMATION SYSTEM PILOT PROGRAM.

Section 137(g), as redesignated by section 111, is amended by striking "2009" and inserting "2015".

SEC. 115. RESPONSIBILITIES OF FSA OMBUDSMAN; ADDITION OF POINT OF CONTACT FOR MILITARY FAMILIES AND HOMELESS CHILDREN.

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

(1) in paragraph (3)—

(A) in subparagraph (A), by striking ''and'' after the semicolon;

(B) in subparagraph (B), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(C) receive, review, and resolve expeditiously complaints regarding a student's independence under subparagraph (B) or (H) of section 480(d)(1), in consultation with knowledgeable parties, including child welfare agencies, local educational agency liaisons for homeless children and youths designated under subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.) or State Coordinators for Education of Homeless Children and Youths established under such subtitle.'';

(2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting after paragraph (3) the following:

"(4) MILITARY AND VETERAN POINT OF CONTACT.—

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

"(B) FUNCTIONS.—The designated military and veteran point of contact described in subparagraph (A) shall—

"(i) monitor the complaints received from the Ombudsman under paragraph (3)(A) from, and provide timely assistance to, members of the Armed Forces (including members of the National Guard and Reserves), veterans, and their dependents;

"(ii) coordinate with other agencies, including the Department of Defense, the Department of Veterans Affairs, the Department of Homeland Security, and the Bureau of Consumer Financial Protection, to ensure that members of the Armed Forces, veterans, and the dependents of members of the Armed Forces and veterans, who are students, borrowers, or po-

tential borrowers, are aware of the availability and functions of the Ombudsman; and

"(iii) issue to the Committee on Health, Education, Labor, and Pensions of the Senate, the Committee on Education and the Workforce of the House of Representatives, the Committee on Veterans' Affairs of the Senate, the Committee on Veterans' Affairs of the House of Representatives, the Committee on Armed Services of the Senate, and the Committee on Armed Services of the House of Representatives an annual report on the challenges that such members of the Armed Forces, veterans, and dependents are facing as students, borrowers, and potential borrowers.".

SEC. 116. RESPONSIBILITIES OF COVERED INSTITUTIONS, INSTITUTION-AFFILIATED ORGANIZATIONS, AND LENDERS.

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

(1) in the matter preceding clause (i) of subsection (a)(1)(A), by striking "(h) of section 487" and inserting "(g) of section 487"; and

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

SEC. 117. ESTABLISHMENT OF COMPLAINT RESOLUTION AND TRACKING SYSTEM.

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

(1) by striking section 155; and

(2) by adding at the end the following:

"PART F—COMPLAINT TRACKING SYSTEM

"SEC. 161. COMPLAINT TRACKING SYSTEM.

"(a) DEFINITION OF COMPLAINANT.—In this section, the term 'complainant' means—

"(1) a student of a postsecondary educational institution;

"(2) a family member of a student of a postsecondary educational institution;

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

"(4) a staff member or employee of a postsecondary educational institution.

"(b) ESTABLISHMENT OF COMPLAINT TRACKING SYSTEM.—

"(1) ESTABLISHMENT OF COMPLAINT TRACKING SYSTEM.—

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

Affordability Act, the Secretary shall complete the establishment of a complaint tracking system that includes a single, toll-free telephone number and a website to facilitate the centralized collection of, monitoring of, and response to complaints or inquiries regarding the educational practices and services, and recruiting and marketing practices, of all postsecondary educational institutions.

"(B) PURPOSE.—The purpose of the complaint tracking system is to address allegations of fraud, misrepresentation, or negligence with respect to recruitment and marketing to students.

"(2) ESTABLISHMENT OF COMPLAINT TRACKING OFFICE.—The Secretary shall establish within the Department an office whose functions shall include establishing, administering, and disseminating widely information about the complaint tracking system established under paragraph (1). The Secretary shall—

"(A) to the extent necessary, combine and consolidate the other offices and functions of the Department in order to ensure that the office established under this paragraph is the sin-

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

"(B) to the extent practicable, ensure that the office established in this paragraph will work with the Student Loan Ombudsman appointed in accordance with section 141(f) to assist borrowers that have complaints regarding the educational practices and services, and recruiting and marketing practices, of postsecondary educational institutions.

"(c) HANDLING OF COMPLAINTS.—

"(1) TIMELY RESPONSE TO COMPLAINTS.—The Secretary shall establish, in consultation with the heads of appropriate agencies, reasonable procedures to provide a timely response to complainants, in writing where appropriate, to complaints against, or inquiries concerning, an institution of higher education that receives funds under this Act. Each response shall include a description of—

"(A) the steps that have been taken by the Secretary in response to the complaint or inquiry;

"(B) any responses received by the Secretary from the institution of higher education; and

"(C) any additional actions that the Secretary has taken, or plans to take, in response to the complaint or inquiry.

"(2) TIMELY RESPONSE TO SECRETARY BY INSTITUTION OF HIGHER EDUCATION.—The Secretary shall notify each institution of higher education that receives funds under this Act and that is the subject of a complaint or inquiry under this section regarding the complaint or inquiry. Not later than 60 days after receiving such notice, such institution shall provide a response to the Secretary concerning the complaint or inquiry, including—

"(A) the steps that have been taken by the institution to respond to the complaint or inquiry;

"(B) all responses received by the institution from the complainant; and

"(C) any additional actions that the institution has taken, or plans to take, in response to the complaint or inquiry.

"(3) FURTHER INVESTIGATION.—The Secretary may, in the event that the complaint is not adequately resolved or addressed by the responses of the institution of higher education receiving funds under this Act under paragraph (2), ask additional ques-

tions of such institution or seek additional information from or action by the institution.

"(4) PROVISION OF INFORMATION.—

"(A) IN GENERAL.—An institution of higher education that receives funds under this Act shall, in a timely manner, comply with a request by the Secretary for information in the control or possession of such institution concerning a complaint or inquiry received by the Secretary under subsection (a), including supporting written documentation, subject to subparagraph (B).

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

"(i) any nonpublic or confidential information, including any confidential commercial information;

"(ii) any information collected by the institution for the purpose of preventing fraud or detecting or making any report regarding other unlawful or potentially unlawful conduct; or

"(iii) any information required to be kept confidential by any other provision of law.

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

"(d) TRANSPARENCY.—

"(1) SHARING INFORMATION WITH FEDERAL AND STATE AGENCIES.—As appropriate and in accordance with section 444 of the General Education Provisions Act (20 U.S.C. 1232g) (commonly referred to as the "Family Educational Rights and Privacy Act of 1974") and other laws, the Secretary shall coordinate with the heads of relevant Federal and State agencies to—

"(A) collect complaints related to the complaint tracking system described in subsection (b) from such agencies; and

"(B) route such complaints to relevant Federal and State agencies when appropriate.

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

carried out under paragraph (1), shall be done in accordance with the complaint tracking systems established under Executive Order 13607 (77 Fed. Reg. 25861; relating to establishing principles of excellence for educational institutions serving servicemembers, veterans, spouses, and other family members).

"(3) PUBLIC INFORMATION.—

"(A) IN GENERAL.—The Secretary shall regularly publish on the website of the Department information on the complaints and inquiries received for each postsecondary educational institution under this section, including—

"(i) the number of complaints and inquiries received;

"(ii) the types of complaints and inquiries received; and

"(iii) where applicable, information about the resolution of the complaints and inquiries.

"(B) DATA PRIVACY.—In carrying out subparagraph (A), the Secretary shall—

"(i) comply with applicable data privacy laws and regulations; and

"(ii) ensure that personally identifiable information is not shared.

"(C) APPEALS PROCESS.—The Secretary shall establish an appeals process to allow postsecondary educational institutions to challenge or appeal a complaint after such complaint has been made public. A postsecondary educational institution shall provide adequate documentation to the Secretary to demonstrate that such a complaint is unfounded before the Secretary may decide to remove the complaint from the website of the Department.

"(4) REPORTS.—Each year, the Secretary shall prepare and submit a report to the authorizing committees describing—

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

"(B) the extent to which complainants are receiving relief pursuant to this section;

"(C) whether particular types of complaints are more common in a given sector of postsecondary educational institutions;

"(D) any legislative recommendations that the Secretary determines are necessary to better assist students and families; and

"(E) the schools with the highest volume of complaints, as determined by the Secretary.".

SEC. 118. PROPRIETARY EDUCATION OVERSIGHT COORDINATION COMMITTEE.

Title I (20 U.S.C. 1001 et seq.), as amended by section 117, is further amended by adding at the end the following:

"PART G—PROPRIETARY EDUCATION OVERSIGHT COORDINATION IMPROVEMENT

"SEC. 166. DEFINITIONS.

"In this part:

"(1) EXECUTIVE OFFICER.—The term 'executive officer', with respect to a proprietary institution of higher education that is a publicly traded corporation, means—

"(A) the president of such corporation;

"(B) a vice president of such corporation who is in charge of a principal business unit, division, or function of such corporation, such as sales, administration, or finance; or

"(C) any other officer or person who performs a policy making function for such corporation.

"(2) FEDERAL FUNDS.—The term 'Federal funds' means Federal funds described in section 102(b)(2)(B).

"(3) PROPRIETARY INSTITUTION OF HIGHER EDUCATION.—The term 'proprietary institution of higher education' has the meaning given the term in section 102(b).

"(4) STATE APPROVAL AGENCY.—The term 'State approval agency' means any State agency that determines whether an institution of higher education is legally authorized within such State to provide a program of education beyond secondary education.

"(5) VETERANS SERVICE ORGANIZATION.—The term 'veterans service organization' means an organization recognized by the Secretary of Veterans Affairs for the representation of veterans under section 5902 of title 38, United States Code.

"SEC. 167. ESTABLISHMENT OF COMMITTEE.

"(a) ESTABLISHMENT.—There is established a committee to be known as the 'Proprietary Education Oversight Coordination Committee' (referred to in this title as the 'Committee') and to be composed of the head (or the designee of such head) of each of the following Federal entities:

1 "(1) The Department of Education.
2 "(2) The Bureau of Consumer Financial Pro-
3 tection.
4 "(3) The Department of Justice.
5 "(4) The Securities and Exchange Commission.
6 "(5) The Department of Defense.
7 "(6) The Department of Veterans Affairs.
8 "(7) The Federal Trade Commission.
9 "(8) The Department of Labor.
10 "(9) The Internal Revenue Service.
11 "(10) At the discretion of the President, any
12 other relevant Federal agency or department.
13 "(b) PURPOSES.—The Committee shall have the fol-
14 lowing purposes:
15 "(1) Coordinate Federal oversight of propri-
16 etary institutions of higher education to—
17 "(A) improve enforcement of applicable
18 Federal laws and regulations;
19 "(B) increase accountability of proprietary
20 institutions of higher education to students and
21 taxpayers; and
22 "(C) ensure the promotion of quality edu-
23 cation programs.
24 "(2) Coordinate Federal activities to protect
25 students from unfair, deceptive, abusive, unethical,

fraudulent, or predatory practices, policies, or procedures of proprietary institutions of higher education.

"(3) Encourage information sharing among agencies related to Federal investigations, audits, or inquiries of proprietary institutions of higher education.

"(4) Increase coordination and cooperation between Federal and State agencies, including State Attorneys General and State approval agencies, with respect to improving oversight and accountability of proprietary institutions of higher education.

"(5) Develop best practices and consistency among Federal and State agencies in the dissemination of consumer information regarding proprietary institutions of higher education to ensure that students, parents, and other stakeholders have easy access to such information.

"(c) MEMBERSHIP.—

"(1) DESIGNEES.—For any designee described in subsection (a), the head of the member entity shall appoint a high-level official who exercises significant decision making authority for the oversight or investigatory activities and responsibilities related to proprietary institutions of higher education of the respective Federal entity of such head.

"(2) CHAIRPERSON.—The Secretary of Education or the designee of such Secretary shall serve as the Chairperson of the Committee.

"(3) COMMITTEE SUPPORT.—The head of each entity described in subsection (a) shall ensure appropriate staff and officials of such entity are available to support the Committee-related work of such entity.

"SEC. 168. MEETINGS.

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

"(b) MEETINGS WITH STATE AGENCIES AND STAKEHOLDERS.—The Committee shall meet not less than once each fiscal year, and shall otherwise interact regularly, with State Attorneys General, State approval agencies, veterans service organizations, and consumer advocates to carry out the purposes described in section 167(b).

"SEC. 169. REPORT.

"(a) IN GENERAL.—The Committee shall submit a report each year to the authorizing committees, and any other committee of Congress that the Committee determines appropriate.

"(b) PUBLIC ACCESS.—The report described in subsection (a) shall be made available to the public in a manner that is easily accessible to parents, students, and other stakeholders in accordance with the best practices developed under section 167(b)(5).

"(c) CONTENTS.—

"(1) IN GENERAL.—The report shall include—

"(A) an accounting of any action (as defined in paragraph (3)) taken by the Federal Government, any member entity of the Committee, or a State—

"(i) to enforce Federal or State laws and regulations applicable to proprietary institutions of higher education;

"(ii) to hold proprietary institutions of higher education accountable to students and taxpayers; and

"(iii) to promote quality education programs;

"(B) a summary of complaints against each proprietary institution of higher education received by any member entity of the Committee;

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

tutions of higher education that the Committee determines appropriate; and

"(D) recommendations of the Committee for such legislative and administrative actions as the Committee determines are necessary to—

"(i) improve enforcement of applicable Federal laws;

"(ii) increase accountability of proprietary institutions of higher education to students and taxpayers; and

"(iii) ensure the promotion of quality education programs.

"(2) DATA.—

"(A) INDUSTRY-WIDE DATA.—The report shall include data on all proprietary institutions of higher education that consists of information regarding—

"(i) the total amount of Federal funds that proprietary institutions of higher education received for the previous academic year, and the percentage of the total amount of Federal funds provided to institutions of higher education (as defined in section 102) for such previous academic

year that reflects such total amount of Federal funds provided to proprietary institutions of higher education for such previous academic year;

"(ii) the total amount of Federal funds that proprietary institutions of higher education disbursed or delivered, on behalf of a student, or to a student to be used to attend an institution of higher education, for the previous academic year, disaggregated by—

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

"(II) educational assistance in the form of a grant provided under title IV;

"(III) educational assistance provided under chapter 33 of title 38, United States Code;

"(IV) tuition assistance provided under section 2007 of title 10, United States Code;

"(V) assistance provided under section 1784a of title 10, United States Code; and

"(VI) Federal funds not described in subclauses (I) through (V);

"(iii) the percentage of the total amount of Federal funds provided to institutions of higher education (as defined in section 102) for such previous academic year for each of the programs described in subclauses (I) through (V) of clause (ii) that reflects such total amount of Federal funds provided to proprietary institutions of higher education for such previous academic year for each of such programs;

"(iv) the average retention and graduation rates for students pursuing a degree at proprietary institutions of higher education;

"(v) the average cohort default rate (as defined in section 435(m)) for proprietary institutions of higher education, and an annual list of cohort default rates (as defined in such section) for all proprietary institutions of higher education;

"(vi) for careers requiring the passage of a licensing examination—

"(I) the passage rate of individuals who attended a proprietary institution of higher education taking such examination to pursue such a career; and

"(II) the passage rate of all individuals taking such exam to pursue such a career; and

"(vii) the use of private education loans at proprietary institutions of higher education that includes—

"(I) an estimate of the total number of such loans; and

"(II) information on the average debt, default rate, and interest rate of such loans.

"(B) DATA ON PUBLICLY TRADED CORPORATIONS.—

"(i) IN GENERAL.—The report shall include data on proprietary institutions of higher education that are publicly traded corporations, consisting of information on—

"(I) any pre-tax profit of such proprietary institutions of higher education—

"(aa) reported as a total amount and an average percent of revenue for all such proprietary institutions of higher education; and

"(bb) reported for each such proprietary institution of higher education;

"(II) revenue for such proprietary institutions of higher education spent on recruiting and marketing activities, student instruction, and student support services, reported—

"(aa) as a total amount and an average percent of revenue for all such proprietary institutions of higher education; and

"(bb) for each such proprietary institution of higher education;

"(III) total compensation packages of the executive officers of each

such proprietary institution of higher education;

"(IV) a list of institutional loan programs offered by each such proprietary institution of higher education that includes information on the default and interest rates of such programs; and

"(V) the data described in clauses (ii) and (iii).

"(ii) DISAGGREGATED BY OWNERSHIP.—The report shall include data on proprietary institutions of higher education that are publicly traded corporations, disaggregated by corporate or parent entity, brand name, and campus, consisting of—

"(I) the total cost of attendance for each program at each such proprietary institution of higher education, and information comparing such total cost for each such program to—

"(aa) the total cost of attendance for each program at

each public institution of higher education; and

"(bb) the average total cost of attendance for each program at all institutions of higher education, including such institutions that are public and such institutions that are private;

"(II) total enrollment, disaggregated by—

"(aa) individuals enrolled in programs taken online; and

"(bb) individuals enrolled in programs that are not taken online;

"(III) the average retention and graduation rates for students pursuing a degree at such proprietary institutions of higher education;

"(IV) the percentage of students enrolled in such proprietary institutions of higher education who complete a program of such an institution within—

"(aa) the standard period of completion for such program; and

"(bb) a period that is 150 percent of such standard period of completion;

"(V) the total cost of attendance for each program at such proprietary institutions of higher education;

"(VI) the average cohort default rate, as defined in section 435(m), for such proprietary institutions of higher education, and an annual list of cohort default rates (as defined in such section) for all proprietary institutions of higher education;

"(VII) the median educational debt incurred by students who complete a program at such a proprietary institution of higher education;

"(VIII) the median educational debt incurred by students who start but do not complete a program at such a proprietary institution of higher education;

"(IX) the job placement rate for students who complete a program at such a proprietary institution of higher education and the type of employment obtained by such students;

"(X) for careers requiring the passage of a licensing examination, the rate of individuals who attended such a proprietary institution of higher education and passed such an examination; and

"(XI) the number of complaints from students enrolled in such proprietary institutions of higher education who have submitted a complaint to any member entity of the Committee.

"(iii) DEPARTMENT OF DEFENSE AND VETERANS AFFAIRS ASSISTANCE.—

"(I) IN GENERAL.—To the extent practicable, the report shall provide information on the data described in clause (ii) for individuals using, to pay for the costs of attending such a proprietary institution of higher education, Federal funds provided under

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

"(II) REVENUE.—The report shall provide information on the revenue of proprietary institutions of higher education that are publicly traded corporations that is derived from the Federal funds described in subclause (I).

"(C) COMPARISON DATA.—To the extent practicable, the report shall provide information comparing the data described in subparagraph (B) for proprietary institutions of higher education that are publicly traded corporations with such data for public institutions of higher education disaggregated by State.

"(3) ACCOUNTING OF ANY ACTION.—For the purposes of paragraph (1)(A), the term 'any action' shall include—

"(A) a complaint filed by a Federal or State agency in a local, State, Federal, or tribal court;

"(B) an administrative proceeding by a Federal or State agency involving noncompliance of any applicable law or regulation; or

"(C) any other review, audit, or administrative process by any Federal or State agency that results in a penalty, suspension, or termination from any Federal or State program.

"SEC. 170. WARNING LIST FOR PARENTS AND STUDENTS.

"(a) IN GENERAL.—Each academic year, the Committee shall publish a list to be known as the 'Warning List for Parents and Students' to be comprised of proprietary institutions of higher education—

"(1) that have engaged in illegal activity during the previous academic year as determined by a Federal or State court;

"(2) that have entered into a settlement resulting in a monetary payment;

"(3) that have had any higher education program withdrawn or suspended; or

"(4) for which the Committee has sufficient evidence of widespread or systemic unfair, deceptive, abusive, unethical, fraudulent, or predatory practices, policies, or procedures that pose a threat to the academic success, financial security, or general best interest of students.

"(b) DETERMINATIONS.—In making a determination pursuant to subsection (a)(4), the Committee may consider evidence that includes the following:

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

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

"(3) Any administrative proceeding by a Federal or State agency involving noncompliance of any applicable law or regulation.

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

"(5) Data or information submitted by a proprietary institution of higher education to any accrediting agency or association recognized by the Secretary of Education pursuant to section 496 or the findings or adverse actions of any such accrediting agency or association.

"(6) Information submitted by a proprietary institution of higher education to any member entity of the Committee.

"(7) Any other evidence that the Committee determines relevant in making a determination pursuant to subsection (a)(4).

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

in subsection (a) prominently and in a manner that is easily accessible to parents, students, and other stakeholders in accordance with any best practices developed under section 167(b)(5).''.

TITLE II—IMPROVING EDUCATOR PREPARATION

SEC. 201. IMPROVING EDUCATOR PREPARATION.

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

"TITLE II—IMPROVING EDUCATOR PREPARATION

"SEC. 200. DEFINITIONS.

''In this title:

''(1) APPLIED LEARNING.—The term 'applied learning' means a strategy that—

''(A) engages students in opportunities to apply rigorous academic content aligned with postsecondary-level expectations to real world experience, through such means as work experience, work-based learning, problem-based learning, project-based learning or service-learning; and

''(B) develops students' cognitive competencies and pertinent employability skills.

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

"(A) Experiential clinical training in an elementary school or secondary school that, to the extent practicable, is aligned with the grade level and subject area where the teacher or school leader will be placed upon program completion, and that includes—

"(i) opportunities for teacher or school leader candidates to develop and demonstrate teaching skills or leadership skills as supervised classroom teachers or school leaders to better prepare such teachers or school leaders to meet the needs of serving in high-need local educational agencies, high-need schools, or schools in rural areas, or being a teacher in a high-need subject or field;

"(ii) opportunities to work with diverse learners;

"(iii) ongoing assessment and regular opportunities for feedback for teacher candidates or school leader candidates from faculty and current teachers or school leaders;

"(iv) aligning school-based clinical experiences with coursework in educational theory and content through supervised clinical practice and regular feedback on the development of teaching skills or leadership skills and performance that include integrating social and emotional development, building a positive classroom or school culture and climate, and developing effective classroom management or school leadership techniques;

"(v) for teachers, developing the ability to—

"(I) link teaching practice to student learning;

"(II) create effective teaching units and lesson plans that provide all students with the ability to apply con-

tent knowledge, think critically, solve complex problems, communicate effectively, and work collaboratively with their peers;

"(III) develop and implement formative and interim assessments to diagnose student learning and modify instruction as a result of the data derived from such assessments;

"(IV) implement evidence-based differentiated instruction strategies; and

"(V) teach diverse learners, including students with special needs and English learners;

"(vi) for school leaders, developing the ability to—

"(I) lead effective teams of teachers;

"(II) identify and model effective classroom practices;

"(III) learn how to recruit and support effective teachers; and

"(IV) engage community members and parents.

"(B) Align the coursework offered at the educator preparation entity with the needs of the local educational agencies, including the academic needs of students, served by the educator preparation entity and the clinical experiences offered under subparagraph (A).

"(C) Provide high-quality mentoring.

"(D) Be offered over the course of an educator preparation program.

"(E) Be designed through collaboration between faculty or staff at the educator preparation entity and employees, including teachers and school leaders, of the local educational agencies served by the educator preparation entity.

"(F) Provide support and training for faculty or staff at educator preparation entities and for individuals who serve as mentors for new and prospective teachers or school leaders.

"(3) CORE ACADEMIC SUBJECTS.—The term 'core academic subjects' has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965.

"(4) EARLY CHILDHOOD EDUCATOR.—The term 'early childhood educator' means an individual

with primary responsibility for the education of children in an early childhood education program.

"(5) EDUCATIONAL SERVICE AGENCY.—The term 'educational service agency' has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965.

"(6) EDUCATOR PREPARATION ENTITY.—The term 'educator preparation entity' means a teacher preparation entity or a school leader preparation entity.

"(7) EDUCATOR PREPARATION PROGRAM.—The term 'educator preparation program' means a teacher preparation program or a school leader preparation program offered by an educator preparation entity, including an early childhood education teacher or school leader program.

"(8) EDUCATOR RESIDENCY PROGRAM.—The term 'educator residency program' means a teacher residency program or a school leader residency program within a teacher preparation program or school leader preparation program.

"(9) EFFECTIVE LITERACY INSTRUCTION.—The term 'effective literacy instruction' means literacy instruction that—

"(A) includes age-appropriate, explicit, systematic, and intentional instruction in phonological awareness, phonic decoding, vocabulary, language structure, reading fluency, and reading comprehension;

"(B) includes age-appropriate, explicit instruction in writing, including opportunities for children to write with clear purposes, with critical reasoning appropriate to the topic and purpose, and with specific instruction and feedback from instructional staff;

"(C) uses differentiated instructional approaches, including individual and small group instruction and discussion;

"(D) uses age-appropriate, valid, and reliable screening assessments, diagnostic assessments, formative assessment processes, and summative assessments to identify a child's learning needs, to inform instruction, and to monitor the child's progress and the effects of instruction;

"(E) uses strategies to enhance children's motivation to read and write and children's engagement in self-directed learning;

"(F) incorporates the principles of universal design for learning;

"(G) depends on teachers' collaboration in planning, instruction, and assessing a child's progress and on continuous professional learning; and

"(H) links literacy instruction to the challenging academic content standards under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965, including the ability to navigate, understand, and write about, complex print and digital subject matter.

"(10) ELIGIBLE PARTNERSHIP.—Except as otherwise provided in section 216, the term 'eligible partnership' means an entity that—

"(A) shall include—

"(i) a high-need local educational agency;

"(ii)(I) a high-need school or a consortium of high-need schools served by the high-need local educational agency; or

"(II) as applicable, a high-need early childhood education program;

"(iii) a partner institution; and

"(iv) a school, department, or educator preparation program within such partner institution; and

"(B) may include any of the following:

"(i) The Governor of the State.

"(ii) The State educational agency.

"(iii) The State board of education.

"(iv) The State agency for higher education.

"(v) A school or department of arts and sciences within such partner institution.

"(vi) A business.

"(vii) A public or private nonprofit educational organization.

"(viii) An educational service agency.

"(ix) A teacher organization.

"(x) A high-performing local educational agency, or a consortium of such local educational agencies, that can serve as a resource to the partnership.

"(xi) A charter school (as defined in section 5210 of the Elementary and Secondary Education Act of 1965).

"(xii) A school or department within the partner institution that focuses on psychology and human development.

"(xiii) A school or department within the partner institution with comparable expertise in the disciplines of teaching, learning, and child and adolescent development.

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

"(11) ENGLISH LEARNER.—The term 'English learner' means an individual—

"(A) who is aged 3 through 21;

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

"(C)(i) who was not born in the United States;

"(ii) whose native language is a language other than English;

"(iii)(I) who is a Native American or Alaska Native, or a native resident of the outlying areas; and

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

a significant impact on the individual's level of English language proficiency; or

"(iv) who is migratory, whose native language is a language other than English, and who comes from an environment where a language other than English is dominant; and

"(D) whose difficulties in speaking, reading, writing, or understanding the English language may be sufficient to deny the individual—

"(i) the ability to meet or exceed the State challenging student academic achievement standards under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965 in a subject for the individual's grade level, as determined based on the State academic assessments described in section 1111(b)(3) of such Act;

"(ii) the ability to successfully achieve in classrooms where the language of instruction is English; or

"(iii) the opportunity to participate fully in society.

"(12) HIGH-NEED EARLY CHILDHOOD EDUCATION PROGRAM.—The term 'high-need early childhood education program' means an early childhood education program serving children from low-income families that is located within the geographic area served by a high-need local educational agency, particularly focused on a prekindergarten through third grade continuum.

"(13) HIGH-NEED LOCAL EDUCATIONAL AGENCY.—The term 'high-need local educational agency' means a local educational agency—

"(A)(i) for which not less than 20 percent of the children served by the agency are children from low-income families;

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

"(iii) that meets the eligibility requirements for funding under the Small, Rural School Achievement Program under section 6211(b) of the Elementary and Secondary Education Act of 1965; or

"(iv) that meets the eligibility requirements for funding under the Rural and Low-Income School Program under section 6221(b) of

the Elementary and Secondary Education Act of 1965; and

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

"(ii) for which there is—

"(I) a shortage of teachers in high-need subjects or fields; or

"(II) a high teacher turnover rate.

"(14) HIGH-NEED SCHOOL.—The term 'high-need school' means—

"(A) an elementary school or middle school in which not less than 50 percent of the enrolled students are children from low-income families; or

"(B) a high school in which not less than 40 percent of the enrolled students are children from low-income families, which may be calculated using comparable data from feeder schools.

"(15) HIGH-QUALITY PROFESSIONAL DEVELOPMENT.—The term 'high-quality professional develop-

ment' means activities based on scientifically valid research that are coordinated and aligned to increase the effectiveness of teachers or school leaders and are regularly assessed to determine the activities' effectiveness, and that—

"(A) are designed and implemented to improve student achievement and classroom practice;

"(B) are aligned with—

"(i) State challenging academic content standards and State challenging student academic achievement standards adopted under section 1111(b) of the Elementary and Secondary Education Act of 1965;

"(ii) related academic and school improvement goals of the school, local educational agency, and, as appropriate, statewide and local curricula;

"(iii) for teachers, rigorous teaching standards; and

"(iv) for school leaders, rigorous standards for leadership skills;

"(C) increase teachers' or school leaders'—

"(i) knowledge and understanding about how students learn;

"(ii) academic content knowledge;

"(iii) knowledge and understanding about the link between social and emotional development and student outcomes;

"(iv) ability to analyze student work and achievement data from multiple sources, including teacher developed assessments and how to adjust instructional strategies, assessments, and materials based on such analysis;

"(v) ability to instruct students with disabilities and English learners so that such students with disabilities and English learners are able to meet the State challenging academic content standards and State challenging student academic achievement standards;

"(vi) ability to effectively manage a classroom, including the ability to—

"(I) implement multi-tiered systems of support;

"(II) create a positive learning environment that conveys high expectations for all students; and

"(III) equitably implement school discipline policies;

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

"(viii) ability to implement opportunities for applied learning;

"(ix) knowledge and understanding of culturally relevant practices; and

"(x) teaching skills and school leadership skills;

"(D) are informed by, and aligned with, such teachers' and school leaders' evaluations;

"(E) are collaborative, data-driven, and classroom- or school-focused;

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

"(G) are sustained, intensive, and job-embedded, and not limited in scope to a 1-day or short-term workshop or conference;

"(H) are, as appropriate, designed to—

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

"(ii) where applicable, address the transition from prekindergarten to elementary school, including issues related to school readiness across all major domains of early learning, as well as transitions from elementary school to middle school and middle school to high school; and

"(I) for school leaders, provide comprehensive opportunities to practice effective strategies and help school leaders develop the abilities to lead effective teams of teachers and maintain active engagement with families and community organizations.

"(16) HIGHLY COMPETENT.—The term 'highly competent', when used with respect to an early childhood educator, means an educator—

"(A) with specialized education and training in development and education of young children from birth until entry into kindergarten, including children with disabilities and English learners;

"(B) with—

"(i) a baccalaureate degree in an academic major in the arts and sciences; or

"(ii) an associate's degree in a related educational area; and

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

"(17) INDUCTION PROGRAM.—The term 'induction program' means a formalized program for new teachers or school leaders during not less than the first 2 years of teaching or leading a school that is designed to provide support for, improve the professional performance of, and advance the retention of beginning teachers or school leaders. Such program shall promote effective teaching or leadership skills and shall include the following components:

"(A) High-quality mentoring.

"(B) Periodic, structured time for collaboration and observation opportunities with teachers or school leaders, as well as interdisciplinary collaboration among highly effective teachers, school leaders, faculty, researchers, other educators, and other staff who prepare new teachers or school leaders.

"(C) The application of empirically based practice and scientifically valid research on instructional and behavioral interventions.

"(D) Opportunities for new teachers or school leaders to draw directly on the expertise of mentors, faculty, local educational agency personnel, and researchers to support the integration of empirically based practice and scientifically valid research with practice.

"(E) The development of content expertise.

"(F) Faculty who—

"(i) model the integration of research and practice in the classroom and innovative practices that support the acquisition and transferability of college- and career-ready skills, including critical thinking, complex problem solving, effective communication and collaboration, such as through project-based and applied learning;

"(ii) assist new teachers and school leaders with the effective use and integration of technology in instruction;

"(iii) for teachers, assist in the creation and use of teacher-developed assess-

ments for the purpose of informing and targeting instructional practice;

"(iv) demonstrate the content knowledge and skills necessary to be effective in advancing student achievement; and

"(v) are able to substantially participate in the early childhood program or elementary school or secondary school classroom setting, as applicable, which may include receiving release time or workload credit for such participation.

"(G) Assistance with the understanding of data, particularly student assessment achievement data, including data from interim, formative, and summative assessments and the application of such data in classroom instruction or school leadership.

"(H) Regular, structured observation and evaluation of new teachers or school leaders, including post-observation feedback and dialogue, by multiple-trained evaluators, using valid and reliable measures of teaching and leadership skills.

"(18) LOW-INCOME FAMILY.—The term 'low-income family' means a family who—

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

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

"(C) lives in a high-poverty area or has a student who attends an elementary school or high school with an attendance area in a high-poverty area.

"(19) MENTOR.—The term 'mentor' means an experienced educator who shall—

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

"(B) provide ongoing assessment of and regular feedback to mentees;

"(C) possess—

"(i) a demonstrated record of strong teaching skills or leadership skills and improving student achievement;

"(ii) strong verbal and written communication skills; and

"(iii) knowledge, skills, and attitudes to—

"(I) establish and maintain a professional learning community that uses data, feedback, and coaching to improve mentee performance; and

"(II) create and maintain a learning culture for mentees that provides a climate conducive to the professional development of the mentees; and

"(D) have a demonstrated record of improving student achievement.

"(20) MENTORING.—The term 'mentoring' means the advising of prospective or new educators through a program that includes the following:

"(A) Clear criteria for the selection of mentors that takes into account the mentor's effectiveness.

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

"(i) for teachers, instructional strategies for literacy instruction; and

"(ii) for teachers or school leaders, instruction in classroom management or school management techniques, including approaches that improve the schoolwide climate for learning, such as social and emotional development strategies and multi-tiered systems of support.

"(C) Provides regularly scheduled time for collaboration, examination of student work and achievement data, joint professional development opportunities, and ongoing opportunities for mentors and mentees to observe each other's teaching or leading, and identify and address areas for improvement.

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

"(E) Provides paid release time for mentors, as applicable.

"(21) PARTNER INSTITUTION.—The term 'partner institution' means a nonprofit institution of

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

"(A) whose graduates exhibit strong performance on State-determined qualifying assessments for new teachers through—

"(i) demonstrating that 80 percent or more of the graduates of the program who intend to enter the field of teaching have passed all of the applicable State qualification assessments for new teachers, which shall include an assessment of each prospective teacher's subject matter knowledge in the content area in which the teacher intends to teach; or

"(ii) being ranked among the highest-performing teacher preparation programs in the State as determined by the State using criteria consistent with the requirements for the State report card under section 210; and

"(B) that requires each teacher or school leader candidate in the program—

"(i) to meet high academic standards or demonstrate a record of success, as determined by the institution (including prior to entering and being accepted into a program), and participate in intensive clinical training;

"(ii) to become highly effective; and

"(iii) preparing to become an early childhood educator, to meet degree requirements, as established by the State, and become highly competent.

"(22) PRINCIPLES OF SCIENTIFIC RESEARCH.—The term 'principles of scientific research' means principles of research that—

"(A) apply rigorous, systematic, and objective methodology to obtain reliable and valid knowledge relevant to education activities and programs;

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

"(C) include, appropriate to the research being conducted—

"(i) use of systematic, empirical methods that draw on observation or experiment;

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

"(iii) reliance on measurements or observational methods that provide reliable and generalizable findings;

"(iv) strong claims of causal relationships, only with research designs that eliminate plausible competing explanations for observed results, such as random-assignment experiments;

"(v) presentation of studies and methods in sufficient detail and clarity to allow for replication or, at a minimum, to offer the opportunity to build systematically on the findings of the research;

"(vi) acceptance by a peer-reviewed journal or critique by a panel of independent experts through a comparably rigorous, objective, and scientific review; and

"(vii) consistency of findings across multiple studies or sites to support the generality of results and conclusions.

"(23) RECENT PROGRAM GRADUATE.—The term 'recent program graduate' means—

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

"(B) an alternative route participant who, within the 3 years preceding the date of the determination, received a level of certification or licensure that allows the participant to serve as the teacher or school leader of record in the State in which the participant is employed.

"(24) SATISFACTION SURVEY.—The term 'satisfaction survey' means a survey instrument designed to collect qualitative and quantitative data on perceptions of whether new teachers or school leaders possess the skills needed to succeed in the classroom, including effective teaching or school leadership skills.

"(25) SCIENTIFICALLY VALID RESEARCH.—The term 'scientifically valid research' includes applied research, basic research, and field-initiated research in which the rationale, design, and interpretation are soundly developed in accordance with principles of scientific research.

"(26) SCHOOL LEADER.—The term 'school leader' means a principal, assistant principal, or individual who—

"(A) is an employee or officer of a school who is responsible for—

"(i) the daily instructional leadership and managerial operations of the school; and

"(ii) creating the optimum conditions for student learning; or

"(B) is an early childhood program leader or director.

"(27) SCHOOL LEADER PREPARATION ENTITY.—The term 'school leader preparation entity' means an institution of higher education or a nonprofit organization, including those institutions or organizations that provide alternative routes to certification, that is approved by the State to prepare school leaders to be effective.

"(28) SCHOOL LEADER PREPARATION PROGRAM.—The term 'school leader preparation program' means a program offered by a school leader preparation entity, whether traditional or alternative route, that is approved by the State to prepare

school leaders to be effective and that leads to a specific State certification to be a school leader.

"(29) SCHOOL LEADER RESIDENCY PROGRAM.—The term 'school leader residency program' means a school-based school leader preparation program in which a prospective school leader—

"(A) for 1 academic year, acts as a school leader or assistant school leader alongside a mentor school leader;

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

"(C) acquires and demonstrates effective school leadership skills;

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

"(E) in the case of a postbaccalaureate or master's residency program, acquires a master's degree not later than 24 months after beginning the program.

"(30) SCHOOL LEADERSHIP SKILLS.—The term 'school leadership skills' means skills that enable a school leader to—

"(A) recruit, train, supervise, support, retain, and evaluate teachers and other staff;

"(B) develop teams of effective school staff, and distributing among members of such teams responsibilities for leading and improving their schools;

"(C) establish a positive school culture and learning community where school leaders and teachers—

"(i) share a commitment to improving student outcomes and performances for all students, including students with disabilities and English learners; and

"(ii) set a continuous cycle of collective inquiry and improvement in which teachers and school leaders work together on a regular basis to analyze and improve the alignment and effectiveness of curriculum, instruction, learning, and assessment;

"(D) understand how students learn and develop, and use this knowledge to set high expectations for student achievement and support student success;

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

"(F) manage resources and school time to support high-quality instruction and improvements in student achievement; and

"(G) actively engage and work effectively with students' parents and other members of the community.

"(31) STUDENT GROWTH.—The term 'student growth' means a change in student achievement for an individual student between 2 or more points in time. For the purpose of determining student growth, measures of student achievement include—

"(A) for grades and subjects in which assessments are required under section 1111(b)(3) of the Elementary and Secondary Education Act of 1965, the student's score on such assessments, and, as appropriate, other multiple measures of student learning, such as those designated under paragraph (B); and

"(B) for grades and subjects for which such assessments are not required, alternative

statewide measures of student learning and performance, such as student results on pre-tests and end-of-course tests, and objective performance-based assessments, and student performance on English language proficiency assessments.

"(32) TEACHER IN A HIGH-NEED SUBJECT OR FIELD.—The term 'teacher in a high-need subject or field' means a teacher of—

"(A) students with disabilities;

"(B) English learners; or

"(C) science, technology, engineering, or mathematics.

"(33) TEACHER PERFORMANCE ASSESSMENT.—The term 'teacher performance assessment' means an assessment used to measure teacher performance that is approved by the State and is—

"(A) based on professional teaching standards;

"(B) used to measure the effectiveness of a teacher's—

"(i) curriculum planning;

"(ii) instruction of students, including appropriate plans and modifications for

students who are English learners and students who are children with disabilities;

"(iii) assessment of students, including analysis of evidence of student learning; and

"(iv) ability to advance student learning;

"(C) validated based on professional assessment standards;

"(D) reliably scored by trained evaluators, with appropriate oversight of the process to ensure consistency; and

"(E) used to support continuous improvement of educator practice.

"(34) TEACHER PREPARATION ENTITY.—The term 'teacher preparation entity' means an institution of higher education or a nonprofit organization, including those that provide alternative routes to certification, that is approved by the State to prepare teachers to be effective.

"(35) TEACHER PREPARATION PROGRAM.—The term 'teacher preparation program' means a program, whether traditional or alternative route, that is approved by the State to prepare teachers to be

effective and that leads to a specific State certification to be a teacher.

"(36) TEACHER RESIDENCY PROGRAM.—The term 'teacher residency program' means a school-based teacher preparation program in which a prospective teacher—

"(A) for 1 academic year, teaches alongside a mentor teacher, who is the teacher of record;

"(B) receives concurrent instruction during the year described in subparagraph (A) from an educator preparation entity, which courses may be taught by local educational agency personnel or residency program faculty, in the teaching of the content area in which the teacher will become certified or licensed;

"(C) acquires teaching skills;

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

"(E) in the case of a postbaccalaureate or master's residency program, acquires a master's degree not later than 24 months after beginning the program.

"(37) TEACHING SKILLS.—The term 'teaching skills' means skills that enable a teacher to—

"(A) increase student learning, achievement, and the ability to apply knowledge;

"(B) effectively convey and explain academic subject matter;

"(C) effectively teach higher-order analytical, critical thinking, evaluation, problem-solving, and communication skills;

"(D) employ strategies grounded in the disciplines of teaching and learning that—

"(i) are based on empirically-based practice and scientifically valid research, where applicable, related to teaching and learning;

"(ii) are specific to academic subject matter;

"(iii) are culturally responsive;

"(iv) integrate social and emotional development and academic achievement; and

"(v) focus on the identification of students' specific learning needs and develop the skills needed to promote successful learning, particularly among students with

disabilities, English learners, students who are gifted and talented, and students with low literacy levels, and the tailoring of academic instruction to such needs;

"(E) conduct and utilize the results of an ongoing assessment of student learning, which may include the use of formative assessments, interim assessments, performance-based assessments, project-based assessments, or portfolio assessments, that measures the full range of academic standards and higher-order thinking skills (including application, analysis, synthesis, and evaluation);

"(F) effectively manage a classroom, including the ability to implement multi-tiered systems of support, create a positive learning environment that conveys high expectations for all students, and equitably implement school discipline policies;

"(G) communicate and work with parents, and involve parents in their children's education;

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

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

''(I) teach, in the case of a career and technical education teacher, technical skills to industry standards in a classroom setting and possess strategies for incorporating content from non-career and technical education courses and standards for college and career into career and technical education courses.

"PART A—EDUCATOR QUALITY PARTNERSHIP GRANTS

"SEC. 201. PURPOSES.

''The purposes of this part are to—

''(1) improve student achievement in high-need schools;

''(2) improve the quality of prospective and new teachers or school leaders by improving the preparation of prospective teachers or school leaders and enhancing professional development activities for new teachers or school leaders;

''(3) hold educator preparation entities at institutions of higher education accountable for preparing highly effective teachers or school leaders;

''(4) recruit well qualified individuals, including members of groups underrepresented in teaching

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

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

"SEC. 202. GRANTS TO IMPROVE EDUCATOR PREPARATION AND SUPPORT EDUCATOR RESIDENCIES.

"(a) PROGRAM AUTHORIZED.—From amounts made available under subsection (g), the Secretary is authorized to award grants, on a competitive basis, to eligible partnerships, to carry out the activities described in this section.

"(b) APPLICATION.—An eligible partnership that desires to receive a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require, including at a minimum—

"(1) a needs assessment of the partners in the eligible partnership with respect to the preparation, ongoing training, professional development, and retention of general education and special education teachers, teachers of English as a second language, school leaders, and, as applicable, early childhood

educators and career and technical education teachers, including—

"(A) an assessment of the hiring needs of the high-need schools served by the high-need local educational agency in the eligible partnership; and

"(B) a projection of vacancies for teachers in a high-need subject or field, and the number of teachers needed in each such high-need subject or field or school leaders in high-need schools;

"(2) an assurance that the eligible partnership will target grant funds provided under this section to recruit, prepare, and support highly effective educators to serve in high-need local educational agencies and high-need schools, consistent with the needs assessment conducted under paragraph (1);

"(3) an assurance that the eligible partnership will include meaningful collaboration, as described in subsection (c)(2)(A), between an educator preparation program and a high-need local educational agency, in order to ensure educator preparation programs are preparing educators with the teaching skills or leadership skills necessary to meet the needs of the high-need local educational agency;

"(4) an assurance that the educator preparation program will administer satisfaction surveys to employers and recent program graduates on an annual basis, in order to ascertain employer satisfaction with recent program graduates' performance;

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

"(A) increase student achievement in high-need schools by improving the quality of preparation for new and prospective educators, and by enhancing professional development activities for new educators; and

"(B) meet the needs of high-need local educational agencies and high-need schools by establishing meaningful partnerships with educator residency programs;

"(6) a description of how the eligible partnership will sustain the activities proposed in the application after the grant period ends;

"(7) a description of how the eligible partnership will prepare all educators to—

"(A) understand and use scientifically valid research, as well as data on their students' educational progress to modify and im-

prove the implementation or supervision of classroom instruction;

"(B) meet the needs of students with disabilities, including training related to participation as a member of individualized education program teams, as defined in section 614(d)(1)(B) of the Individuals with Disabilities Education Act to ensure individualized education plans created promote student success; and

"(C) meet the needs of English learners;

"(8) a description of—

"(A) how the eligible partnership will coordinate strategies and activities assisted under the grant with other educator preparation programs or professional development programs, including programs funded under the Elementary and Secondary Education Act of 1965 and the Individuals with Disabilities Education Act, and through the National Science Foundation; and

"(B) how the activities of the eligible partnership will be consistent with State, local, and other education reform activities that promote

teacher and school leader effectiveness and student academic achievement;

"(9) a description of how the eligible partnership will align the educator residency program carried out with grant funds with the—

"(A) State early learning standards for early childhood education programs, as appropriate, and with the relevant domains of early childhood development, such as social and emotional development;

"(B) challenging academic content standards and challenging student academic achievement standards under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965, established by the State in which the partnership is located; and

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

"(10) a description of how faculty at the partner institution will work, during the term of the grant, with highly effective educators in high-need schools served by the high-need local educational agency in the eligible partnership to—

"(A) provide high-quality professional development activities, including in-service profes-

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

"(B) for teachers, train classroom teachers to implement literacy programs that incorporate the essential components of literacy instruction; and

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

"(11) a description of the partnership's evaluation plan under section 204(a), including how the partnership will collect, analyze, use, and report data annually on the retention and performance of recent program graduates as well as how the eligible partnership will conduct and publicly report the evaluation required under section 204(a); and

"(12) a description of how the eligible partnership will design and implement an induction program to support all new educators who are prepared by the educator preparation program in the partnership and who serve in the high-need local educational agency in the partnership, and, to the extent practicable, all new educators who serve in such

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

"(c) EDUCATOR RESIDENCY PROGRAMS.—

"(1) IN GENERAL.—An eligible partnership that receives a grant under this section shall use the grant funds to design and implement an effective educator residency program that is grounded in scientifically valid research to prepare educators for success in the high-need schools served by the high-need local educational agency.

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

"(A) MEANINGFUL COLLABORATION.—Establish meaningful collaboration between the partner institution and the high-need local educational agency to ensure the partner institution is preparing teachers with the teaching skills or school leaders with the leadership skills necessary to meet the specific needs of the high-need local educational agency by requiring the partner institution to—

"(i) engage in regular consultation with the high-need local educational agency throughout the development and implementation of programs and activities carried out under this section and provide evidence that such programs and activities are aligned with the needs of the high-need schools served by such high-need local educational agency;

"(ii) incorporate ongoing feedback and regular communication from the high-need local educational agency and the high-need schools served by such high-need local educational agency, in—

"(I) the development of recruitment and admissions goals and priorities;

"(II) the design of the educator residency program's curriculum, coursework content, clinical training, induction programs, and other professional development activities, including opportunities to collaborate with specialized instructional support personnel;

"(III) continuing efforts to modify and improve the activities and programs carried out by the partner institution; and

"(IV) meeting the needs of the high-need schools in which recent program graduates are employed and by monitoring the performance of such graduates; and

"(iii) administer satisfaction surveys and utilize the feedback from such surveys to drive program improvement.

"(B) INDUCTION PROGRAMS FOR NEW EDUCATORS.—Implement an induction program, as described in section 200(16) for new educators or, in the case of an early childhood education program, providing mentoring or coaching for new early childhood educators. Such induction program shall be integrated with other ongoing efforts to support new educators by the high-need local educational agency.

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

cation of teachers or school leaders) to ensure that the eligible partnership is able to recruit well qualified individuals with a record of academic, volunteer, or leadership distinction to become effective educators, which shall include—

"(i) the development of recruitment and admissions goals and priorities aligned with the hiring objectives identified under subsection (a)(1); and

"(ii) an emphasis on recruiting—

"(I) individuals from under represented populations;

"(II) individuals to—

"(aa) become teachers in high-need subject or fields and to teach in schools in rural areas; or

"(bb) become school leaders in schools in rural areas or high-need local educational agencies;

"(III) mid-career professionals from other occupations, former military personnel, and recent college graduates; and

"(IV) for school leaders, individuals with teaching experience and demonstrated leadership competencies.

"(D) SUPPORT AND TRAINING FOR PARTICIPANTS IN EARLY CHILDHOOD EDUCATION PROGRAMS.—In the case of an eligible partnership focusing on early childhood educator preparation, implement initiatives that increase compensation for early childhood educators who attain associate or baccalaureate degrees in early childhood education.

"(E) RECENT PROGRAM GRADUATE PERFORMANCE.—Increase capacity and collect and analyze data on the performance of recent program graduates of educator residency programs, including data on—

"(i) results from statewide teacher or school leader evaluation systems;

"(ii) recent program graduate retention rates in full-time positions;

"(iii) satisfaction survey outcomes; and

"(iv) to the extent practicable, surveys of parents on how well the teacher or

1 school leader engages parents in student
2 learning activities.
3 "(F) COMPREHENSIVE LITERACY INSTRUC-
4 TION.—Strengthen comprehensive literacy in-
5 struction, that—
6 "(i) incorporates effective literacy in-
7 struction; and
8 "(ii) is designed to support—
9 "(I) developmentally appropriate,
10 contextually explicit, systematic in-
11 struction, and frequent practice, in
12 reading across content areas; and
13 "(II) developmentally appropriate
14 and contextually explicit instruction,
15 and frequent practice, in writing
16 across content areas.
17 "(3) TEACHER RESIDENCY PROGRAMS.—In ad-
18 dition to the requirements under paragraph (2), an
19 eligible partnership receiving a grant under this sec-
20 tion to design and implement an effective teacher
21 residency program, shall include the following re-
22 quirements:
23 "(A) REFORMS.—Implementing reforms,
24 including—

"(i) curriculum changes that are aligned with the needs of the high-need local educational agency in the eligible partnership, in order to improve, evaluate, and assess how well all prospective and new teachers develop teaching skills;

"(ii) using empirically-based practice and scientifically valid research, where applicable, about teaching and learning so that all prospective teachers and, as applicable, early childhood educators—

"(I) are prepared to be highly effective teachers and, as applicable, highly competent early childhood educators;

"(II) understand and can implement research-based teaching practices in classroom instruction;

"(III) possess strong teaching skills and an understanding of effective instructional strategies across all applicable content areas that enable all teachers to—

"(aa) meet the specific learning needs of all students, in-

cluding students with disabilities, English learners, students who are gifted and talented, students with low literacy levels and, as applicable, children in early childhood education programs;

"(bb) differentiate instruction for such students;

"(cc) have knowledge of student learning styles;

"(dd) analyze the results of student learning and other data to improve instruction;

"(ee) effectively participate as a member of the individualized education program team, as defined in section 614(d)(1)(B) of the Individuals with Disabilities Education Act in order to ensure individualized education plans promote student success;

"(ff) if applicable, successfully employ effective strategies for comprehensive literacy instruction; and

"(gg) employ techniques to improve children's cognitive, social, emotional, and physical development;

"(IV) if applicable, receive training on effective teaching in rural or diverse communities and on teaching students with disabilities and English learners; and

"(V) can effectively teach students with disabilities; and

"(iii) administering satisfaction surveys to employers of recent program graduates and to recent program graduates.

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

"(i) Integration of pedagogy, robust classroom practice, and mentoring to promote effective teaching skills.

"(ii) Engagement of teacher residents in rigorous coursework, which shall be aligned to the needs of the high-need local

educational agency in the eligible partnership.

"(iii) Establishment of clear criteria for the selection and assignment of mentor teachers.

"(iv) Placement of teacher residents in cohorts that facilitate professional collaboration, both among teacher residents and between such teacher residents and mentors in the receiving school.

"(v) Support for teacher residents, once the teacher residents are hired as teachers of record, through an induction program, high-quality professional development, and regular opportunities to support the residents in their development of teaching skills during not less than the residents' first 2 years of teaching.

"(C) SELECTION OF INDIVIDUALS AS TEACHER RESIDENTS.—

"(i) ELIGIBLE INDIVIDUAL.—In order to be eligible to be a teacher resident in a teacher residency program under this paragraph, an individual shall—

"(I) be—

"(aa) a graduate of a 4-year institution of higher education; or

"(bb) in the third or fourth year of undergraduate baccalaureate education being pursued by the teacher candidate; and

"(II) submit an application to the teacher residency program.

"(ii) SELECTION CRITERIA.—An eligible partnership carrying out a teacher residency program under this subsection shall establish criteria for the selection of eligible individuals to participate in the teacher residency program, aligned to the hiring needs and objectives of the high-need local educational agency in the eligible partnership, and based on, at a minimum, the following applicant characteristics:

"(I) Strong content knowledge or record of accomplishment in the field or subject area to be taught.

"(II) Strong verbal and written communication skills.

"(III) Other attributes linked to effective teaching, which may be de-

termined by interviews or performance assessments, as specified by the eligible partnership.

"(IV) Demonstrated commitment, which could be evidenced by past work experience, to serving in high-need local educational agencies.

"(V) Demonstrated leadership in past education or work experiences.

"(4) SCHOOL LEADER RESIDENCY PROGRAMS.—In addition to the requirements under paragraph (2), an eligible partnership receiving a grant under this section to design and implement an effective school leader residency program, shall include the following requirements:

"(A) REFORMS.—Implementing reforms, including the following:

"(i) Preparing prospective school leaders for careers as principals, assistant principals, early childhood education program directors, or other school leaders (including individuals preparing to work in high-need local educational agencies located in rural areas who may perform mul-

tiple duties in addition to the role of a school leader).

"(ii) Promoting strong leadership skills and, as applicable, techniques for school leaders to effectively—

"(I) develop a shared vision for high achievement and college- and career-readiness for all students;

"(II) support teachers in implementing rigorous curricula and assessments tied to State challenging academic content standards and challenging student academic achievement standards adopted pursuant to section 1111(b) of the Elementary and Secondary Education Act of 1965;

"(III) create and maintain a data-driven, professional learning community within the school leader's school and understand the teaching skills needed to support successful classroom instruction and to use data to evaluate teacher instruction and drive teacher and student learning;

"(IV) recruit, hire, assign, and retain effective teachers and complete high-quality evaluations of instructional staff for continuous improvement;

"(V) provide a climate conducive to the professional development of teachers, with a focus on improving student academic achievement and the development of effective instructional leadership skills;

"(VI) manage resources and school time to improve student academic achievement, and to ensure the school environment is safe;

"(VII) engage and involve families, community members, the local educational agency, businesses, and other community leaders, to respond to the diverse interests and needs and leverage additional resources to improve student academic achievement;

"(VIII) understand how students learn and develop in order to increase academic achievement for all students,

including students with disabilities and English learners; and

"(IX) understand the varied roles and responsibilities of general and special educators and teachers of English as a second language to support meaningful observation, feedback, and evaluations.

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

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

"(ii) Engagement of school leader residents in rigorous coursework, which shall be aligned to the needs of the high-need local educational agency in the eligible partnership.

"(iii) Establishment of clear criteria for the selection and assignment of mentor school leaders.

"(iv) Placement of school leader residents in cohorts that facilitate professional

collaboration, both among school leader residents and between such school leader residents and mentors in the receiving school.

"(v) Support for school leader residents once such school leader residents are hired as school leaders, through an induction program, high-quality professional development, and regular opportunities, to support residents in their development of leadership skills during not less than the residents' first 2 years of serving as a school leader.

"(C) SELECTION OF INDIVIDUALS AS SCHOOL LEADER RESIDENTS.—

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

"(I) be a graduate of a 4-year institution of higher education;

"(II) have prior prekindergarten through grade 12 teaching experience;

"(III) have experience as an effective leader, manager, and communicator; and

"(IV) submit an application to the residency program.

"(ii) SELECTION CRITERIA.—An eligible partnership carrying out a school leader residency program under this subsection shall establish criteria for the selection of eligible individuals to participate in the school leader residency program, aligned to the hiring needs and objectives of the high-need local educational agency in the eligible partnership, and based on, at a minimum, the following applicant characteristics:

"(I) Demonstrated leadership skills in an elementary school or secondary school setting.

"(II) Strong record of accomplishment in prior prekindergarten through grade 12 teaching experience.

"(III) Strong verbal and written communication skills.

"(IV) Other attributes linked to effective leadership.

"(V) Demonstrated commitment, which may be evidenced by past work experience, to serving in high-need local educational agencies.

"(5) STIPENDS OR SALARIES; APPLICATIONS; AGREEMENTS; REPAYMENTS.—

"(A) STIPENDS OR SALARIES.—A teacher residency program or school leader residency program funded under this subsection shall provide a 1-year living stipend or salary to each teacher or school leader resident during the residency program.

"(B) APPLICATIONS FOR STIPENDS OR SALARIES.—Each teacher or school leader residency candidate desiring a stipend or salary during the period of residency shall submit an application to the eligible partnership at such time, and containing such information and assurances, as the eligible partnership may require.

"(C) AGREEMENTS TO SERVE.—Each application submitted under subparagraph (B)

shall contain or be accompanied by an agreement that the applicant will—

"(i) serve as a full-time teacher or school leader for a total of not less than 3 academic years immediately after successfully completing the teacher residency program or school leader residency program;

"(ii) fulfill the requirement under subclause (i)—

"(I) by serving as a teacher in a high-need subject or field in a high-need school served by the high-need local educational agency in the eligible partnership or serving as a school leader in such a school; or

"(II) if there is no appropriate position available in a high-need school served by the high-need local educational agency in the eligible partnership, by serving as a teacher in a high-need subject or field in a high-need school in another high-need local educational agency or serving as a school leader in such a school;

"(iii) provide to the eligible partnership a certificate, from the chief administrative officer of the local educational agency in which the resident is employed, of the employment required in clauses (i) and (ii) at the beginning of, and upon completion of, each year or partial year of service;

"(iv) for teachers, meet the requirements to be a highly qualified teacher, as defined in section 9101 of the Elementary and Secondary Education Act of 1965, or section 602 of the Individuals with Disabilities Education Act, when the applicant begins to fulfill the service obligation under this subparagraph; and

"(v) comply with the requirements set by the eligible partnership under subparagraph (D) if the applicant is unable or unwilling to complete the service obligation required under this subparagraph.

"(D) REPAYMENTS.—

"(i) IN GENERAL.—An eligible partnership receiving a grant under this section to design and implement an effective

educator residency program shall require a recipient of a stipend or salary under subparagraph (A) who does not complete, or who notifies the eligible partnership that the recipient intends not to complete, the service obligation required under subparagraph (C) to repay such stipend or salary to the eligible partnership, together with interest, at a rate specified by the eligible partnership in the agreement, and in accordance with such other terms and conditions specified by the eligible partnership, as necessary.

''(ii) OTHER TERMS AND CONDITIONS.—Any other terms and conditions specified by the eligible partnership may include reasonable provisions for pro-rata repayment of the stipend or salary described in subparagraph (A) or for deferral of a teacher or school leader resident's service obligation required by subparagraph (C) on grounds of health, incapacitation, inability to secure employment in a school served by the eligible partnership, being called to active duty in the Armed

Forces of the United States, or other extraordinary circumstances.

"(iii) USE OF REPAYMENTS.—An eligible partnership shall use any repayment received under this subparagraph to carry out additional activities that are consistent with the purposes of this subsection.

"(d) CONSULTATION.—

"(1) IN GENERAL.—In addition to the requirements identified in subsection (b)(2)(A), members of an eligible partnership that receives a grant under this section shall engage in regular consultation throughout the development and implementation of programs and activities carried out under this section.

"(2) REGULAR COMMUNICATION.—To ensure timely and meaningful consultation as described in paragraph (1), regular communication shall occur among all members of the eligible partnership, including the high-need local educational agency. Such communication shall continue throughout the implementation of the grant and the assessment of programs and activities under this section.

"(3) WRITTEN CONSENT.—The Secretary may approve changes in grant activities of a grant under

this section only if the eligible partnership submits to the Secretary a written consent to such changes signed by all members of the eligible partnership.

''(e) CONSTRUCTION.—Nothing in this section shall be construed to prohibit an eligible partnership from using grant funds to coordinate with the activities of eligible partnerships in other States or on a regional basis through Governors, State boards of education, State educational agencies, State agencies responsible for early childhood education, local educational agencies, or State agencies for higher education.

''(f) SUPPLEMENT, NOT SUPPLANT.—Funds made available under this section shall be used to supplement, and not supplant, other Federal, State, and local funds that would otherwise be expended to carry out activities under this section.

''(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2015 and each of the 5 succeeding fiscal years.

''SEC. 203. ADMINISTRATIVE PROVISIONS OF EDUCATOR RESIDENCY GRANTS.

''(a) DURATION; NUMBER OF AWARDS; PAYMENTS.—

''(1) DURATION.—

"(A) IN GENERAL.—A grant awarded under this part shall be not more than 5 years in duration.

"(B) REQUIREMENTS FOR ADDITIONAL FUNDING.—Before receiving funding for the third or any subsequent year of a grant under this part, the eligible partnership receiving the grant shall demonstrate to the Secretary that the eligible partnership is—

"(i) making progress in implementing the requirements under section 202(c) at a rate that the Secretary determines will result in full implementation of the program during the remainder of the grant period; and

"(ii) making progress, as measured by the performance objectives established by the eligible partnership under section 204(a), at a rate that the Secretary determines will result in reaching the targets and achieving the objectives of the grant, during the remainder of the grant period.

"(2) NUMBER OF AWARDS.—An eligible partnership may not receive more than 1 grant during a 5-year period. Nothing in this part shall be con-

strued to prohibit an individual member, that can demonstrate need, of an eligible partnership that receives a grant under this part from entering into another eligible partnership consisting of new members and receiving a grant with such other eligible partnership before the 5-year period applicable to the eligible partnership with which the individual member has first partnered has expired.

"(b) PEER REVIEW.—

"(1) PANEL.—The Secretary shall provide the applications submitted under this part to a peer review panel for evaluation. With respect to each application, the peer review panel shall initially recommend the application for funding or for disapproval.

"(2) PRIORITY.—The Secretary, in funding applications under this part, shall give priority—

"(A) to eligible partnerships that include a high-need local educational agency that serves a student population that consists of 40 percent or more students from low-income families;

"(B) to eligible partnerships that include an institution of higher education whose educator preparation program has a rigorous selec-

tion process to ensure the highest quality of students entering such program;

"(C) to applications from broad-based eligible partnerships that involve businesses and nonprofit community organizations; or

"(D) to eligible partnerships so that the awards promote an equitable geographic distribution of grants among rural and urban areas.

"(3) SECRETARIAL SELECTION.—The Secretary shall determine, based on the peer review process, which applications shall receive funding and the amounts of the grants under this part. In determining grant amounts, the Secretary shall take into account the total amount of funds available for all grants under this part and the types of activities proposed to be carried out by the eligible partnership.

"(c) MATCHING REQUIREMENTS.—

"(1) IN GENERAL.—Each eligible partnership receiving a grant under this part shall provide, from non-Federal sources, an amount equal to 100 percent of the amount of the grant, which may be provided in cash or in-kind, to carry out the activities supported by the grant.

"(2) WAIVER.—The Secretary may waive all or part of the matching requirement described in paragraph (1) for any fiscal year for an eligible partnership if the Secretary determines that applying the matching requirement to the eligible partnership would result in serious hardship or an inability to carry out the authorized activities described in this part.

"(d) LIMITATION ON ADMINISTRATIVE EXPENSES.—An eligible partnership that receives a grant under this part may use not more than 4 percent of the funds provided to administer the grant.

"SEC. 204. PERFORMANCE MEASURES AND EVALUATION OF EDUCATOR RESIDENCY GRANTS.

"(a) ELIGIBLE PARTNERSHIP EVALUATION.—Each eligible partnership submitting an application for a grant under this part shall establish, and include in such application, a plan for evaluating the grant project using scientifically valid research that includes strong and measurable performance objectives. The plan shall include, at a minimum, objectives and measures for determining the eligible partnership's success in increasing—

"(1) each teacher candidate or school leader candidate's performance during their clinical train-

ing under paragraphs (3)(B) and (4)(B) of section 202(c);

"(2) educator retention in high-need schools—

"(A) 3 years after initial placement as a teacher or school leader; and

"(B) 5 years after initial placement as a teacher or school leader;

"(3) the pass rates and scaled scores for first time test takers on the State certification or licensing examination;

"(4) educator effectiveness, as measured by—

"(A) performance on teacher or school leader evaluations, including impact on student growth; and

"(B) satisfaction survey outcomes; and

"(5) the percentage of—

"(A) recent program graduates hired by the high-need local educational agency who are rated effective under a State or district evaluation system 2 years after program completion;

"(B) recent program graduates hired by the high-need local educational agency who are rated effective under a State or district evaluation system 2 years after program completion and are members of underrepresented groups;

"(C) recent program graduates hired by the high-need local educational agency who are rated effective under a State or district evaluation system 2 years after program completion and who teach in high-need subject areas or fields;

"(D) recent program graduates hired by the high-need local educational agency who are rated effective under a State or district evaluation system 2 years after program completion and who serve in high-need schools or schools in rural areas, disaggregated by the elementary school and secondary school levels; and

"(E) early childhood education program classes in the geographic area served by the eligible partnership taught by early childhood educators who are highly competent, as applicable.

"(b) ANNUAL REPORT.—Each eligible partnership that receives a grant under this part shall submit to the Secretary and make publicly available, at such time and in such manner as the Secretary may require, an annual report including at a minimum—

"(1) data on the eligible partnership's progress on the measures described in subsection (a); and

"(2) a description of the challenges the eligible partnership has faced in implementing its grant and how the eligible partnership has addressed or plans to address such challenges.

"(c) INFORMATION.—An eligible partnership receiving a grant under this part shall ensure that candidates for admission to educator preparation programs, teachers, school leaders, school superintendents, faculty, and leadership at institutions of higher education located in the geographic areas served by the eligible partnership are provided information, including through electronic means, about the activities carried out with funds under this part.

"(d) REVISED APPLICATION.—If the Secretary determines that an eligible partnership receiving a grant under this part is not making substantial progress in meeting the purposes, goals, objectives, and measures of the grant, as appropriate, by the end of the third year of a grant under this part, then the Secretary—

"(1) shall cancel the grant; and

"(2) may use any funds returned or available because of such cancellation under paragraph (1) to—

"(A) increase other grant awards under this part; or

"(B) award new grants to other eligible partnerships under this part.

"(e) TECHNICAL ASSISTANCE, EVALUATION, AND DISSEMINATION.—The Secretary shall reserve not more than 2 percent of the funds appropriated under section 202(g) for a fiscal year—

"(1) to provide, directly or through grants, contracts, or cooperative agreements, technical assistance by qualified experts on using practices grounded in scientifically valid research to improve the outcomes of projects funded under this part;

"(2) acting through the Director of the Institute for Education Sciences, to—

"(A) develop performance measures, including the measures described in subsection (a) and evaluate the activities funded under section 202 by these performance measures by applying the same measures to each project funded under section 202;

"(B) report the findings of the evaluation to the authorizing committees and make publicly available on the website of the Department; and

"(C) identify best practices and disseminate research on best practices that scientif-

ically valid research indicates are the most successful in improving the quality of educator preparation programs, including through regional educational laboratories and comprehensive centers (as authorized under the Education Sciences Reform Act of 2002).

"(f) EVALUATION TO BE MADE PUBLICLY AVAILABLE.—Each eligible partnership receiving a grant under this part shall complete and make publicly available, not later than 90 days after the grant period for such eligible partnership ends, an evaluation based on the evaluation plan described under subsection (a).

"(g) DEVELOPMENT OF PERFORMANCE MEASURES.—The Secretary shall develop performance measures described in subsection (e) prior to awarding grants under this part. The Secretary shall ensure that such measures are made available to potential applicants prior to seeking applications for grants under this part.

"PART B—STATE INNOVATION IN EDUCATOR PREPARATION

"SEC. 206. EDUCATOR PREPARATION PROGRAM REFORM GRANTS.

"(a) DEFINITIONS.—In this section:

"(1) EDUCATOR PREPARATION PROGRAM ACCOUNTABILITY AND IMPROVEMENT SYSTEM.—The

term 'Educator Preparation Program Accountability and Improvement System' means a system that assesses all educator preparation programs within a State, establishes performance levels for educator preparation programs, and informs the interventions for low-performing educator preparation programs. The minimum requirements for such a system shall include—

"(A) defining at least 4 performance levels that differentiate the performance of educator preparation programs based on data required in subparagraph (D);

"(B) administering satisfaction surveys to employers of recent program graduates;

"(C) administering satisfaction surveys to recent program graduates;

"(D) assessing all such educator preparation programs on multiple measures that, at a minimum, shall include—

"(i) for teacher preparation programs—

"(I) a statewide measure of teacher impact on student learning for recent program graduates who are

1 employed as full-time teachers as
2 demonstrated through either—
3 "(aa) the percentage of re-
4 cent program graduates in each
5 evaluation rating category for
6 States that have statewide teach-
7 er evaluation systems if such
8 evaluation systems contain the
9 impact on student achievement,
10 multiple measures, and more
11 than 2 rating categories; or
12 "(bb) for States that do not
13 have a statewide teacher evalua-
14 tion system meeting the require-
15 ments in item (aa), the percent-
16 age of recent program graduates
17 who demonstrate evidence of im-
18 proved student growth that is
19 limited to evidence-based or ex-
20 ternally-validated measures;
21 "(II) the number and percentage
22 of recent program graduates employed
23 as full time teachers who are identi-
24 fied as well-prepared by their employ-

ers in the surveys described in subparagraph (B);

"(III) the number and percentage of recent graduates employed as full-time teachers who identify themselves as being well-prepared in surveys described in subparagraph (C);

"(IV) the number and percentage of teachers who graduated from teacher preparation programs and who are still teaching in full-time positions 3 years and 5 years after initial placement as a teacher; and

"(V) the number and percentage of teachers who graduated from the educator preparation program in the most recent academic year who are teaching in full-time positions;

"(ii) for school leader preparation programs—

"(I) a statewide measure of school leader impact on student learning for recent program graduates who are employed as full-time school leaders as demonstrated through either—

"(aa) the percentage of recent program graduates in each evaluation rating category for States that have statewide school leader evaluation systems that include the impact on student achievement, multiple measures, and more than 2 rating categories; or

"(bb) for States that do not have school leader evaluation systems that meet the requirements of item (aa), the percentage of recent program graduates who demonstrate evidence of improved student achievement and growth that is limited to evidence-based or externally-validated measures;

"(II) evidence of training school leaders to provide strong instructional leadership and support to teachers and other staff;

"(III) the number and percentage of recent program graduates employed as full time school leaders who

are identified as well-prepared in the surveys described in subparagraph (B);

"(IV) the number and percentage of recent program graduates employed as school leaders who, based on surveys described in subparagraph (C), described themselves as prepared to be effective school leaders;

"(V) the number and percentage of school leaders who graduated from the educator preparation program in the most recent academic year who are employed as school leaders; and

"(VI) the number and percentage of school leaders who graduated from programs and are still serving in a school leadership role 3 years and 5 years after initial placement as a school leader;

"(iii) for all educator preparation programs—

"(I) evidence of meaningful collaboration with high-need local educational agencies to ensure the educa-

tor preparation programs are preparing educators to meet the workforce needs of high-need local educational agencies and to ensure that high-need local educational agencies have a role in the design of the teacher or school leader candidate education offered at educator preparation programs; and

"(II) the number and percentage of graduates who are working as full-time teachers or school leaders in high-need schools after 3 years;

"(E) using the same metrics and weights to determine the performance level of all educator preparation programs in the State;

"(F) public reporting of performance levels on a program by program basis based on the measures described in subparagraph (D);

"(G) distribution of educator preparation program performance information to all local educational agencies and school boards in the State;

"(H) interventions for programs identified as low performing pursuant to subparagraph (A), including—

"(i) for programs identified as low performing for 1 year, requiring such programs to conduct a needs assessment and develop and implement an improvement plan based on that needs assessment;

"(ii) for programs identified as low performing for 3 consecutive years, requiring such programs to lose eligibility for TEACH grants under subpart 9 of part A of title IV and continue to implement an improvement plan; and

"(iii) for programs identified as low performing for 4 consecutive years, requiring the State to terminate the ability of such program to operate; and

"(I) for programs identified in the lowest performing level for 1 or more years under subparagraph (A), an automatic designation as a low performing program under section 212.

"(2) ELIGIBLE ENTITY.—The term 'eligible entity' means—

"(A) a State; or

"(B) a consortium of States.

"(b) PROGRAM AUTHORIZED.—

"(1) EDUCATOR PREPARATION PROGRAM REFORM GRANTS.—The Secretary shall award grants to eligible entities to enable such entities to reform and improve educator preparation programs.

"(2) DURATION.—

"(A) IN GENERAL.—A grant awarded under this section shall be not more than 5 years in duration.

"(B) NUMBER OF GRANTS.—A State shall not receive, directly or as part of a consortium, more than 1 grant under this section for any grant period.

"(C) REQUIREMENTS FOR ADDITIONAL FUNDING.—Before receiving funding for the third or any subsequent year of the grant, the eligible entity receiving the grant shall demonstrate to the Secretary that the eligible entity is—

"(i) making progress in implementing the plan under subsection (c)(1)(A) at a rate that the Secretary determines will result in full implementation of the plan during the remainder of the grant period; and

"(ii) making progress, as measured by the performance measures established by the Secretary under subsection (h), at a rate that the Secretary determines will result in reaching the measures and achieving the objectives of the grant, during the remainder of the grant period.

"(D) SUBSTANTIAL PROGRESS.—

"(i) IN GENERAL.—If the Secretary determines that an eligible entity receiving a grant under this section is not making substantial progress in meeting the objectives of the grant, as appropriate, by the end of the third year of the grant under this section, then the Secretary may, after notice and an opportunity for a hearing in accordance with chapter 5 of title 5, United States Code—

"(I) withhold funds provided under the grant under this section for failure to comply substantially with the requirements of this section; or

"(II) take actions to recover funds provided under the grant if the entity uses grant funds for an unal-

lowable expense, or otherwise fails to discharge its responsibility to properly account for grant funds.

"(ii) USE OF RECOVERED OR UNUSED FUNDS.—Any funds recovered or withheld under clause (i) shall—

"(I) be credited to the appropriations account from which amounts are available to make grants under this section; and

"(II) remain available until expended for any purpose of such account authorized by law that relates to the program under this section.

"(E) RESERVATION OF FUNDS.—From amounts made available to carry out this section for a fiscal year, the Secretary may reserve not more than 5 percent to carry out activities related to technical assistance, outreach and dissemination, and evaluation.

"(c) APPLICATION AND SELECTION CRITERIA.—

"(1) APPLICATION.—An eligible entity that desires to receive a grant under this section shall submit to the Secretary an application at such time, in such manner, and accompanied by such information

as the Secretary may require. At a minimum, each such application shall include—

"(A) a plan to implement the required activities in subsection (e)(1) statewide, including a description of its plan to support educator preparation programs to make the necessary reforms and improvements required under this section;

"(B) an assurance that the eligible entity will use the Educator Preparation Program Accountability and Improvement System to reward high-performing educator preparation programs and identify and improve low-performing educator preparation programs and the specific criteria the eligible entity will use to identify low-performing and high-performing educator preparation programs;

"(C) evidence of the steps the State has taken and will take to eliminate statutory, regulatory, procedural, or other barriers to facilitate the full implementation of the State plans under subparagraph (A);

"(D) a comprehensive and coherent plan for using funds under this section, and other Federal, State, and local funds to develop state-

wide reforms and improvements to educator preparation programs;

"(E) evidence of collaboration between the eligible entity, State standards boards for teacher or school leader certification, local educational agencies, educator preparation programs, teachers, school leaders, and other key stakeholders within the State in developing the plan under subparagraph (A), including the design of the Education Preparation Program Accountability and Improvement System;

"(F) a commitment to participate in the reporting provisions under subsection (f) and the evaluation of the activities carried out under this section, as described in subsection (h); and

"(G) a description of the eligible entity's plan to regularly review the success of activities undertaken as part of the grant and continuously improve such activities.

"(2) SELECTION CRITERIA.—In awarding grants under this section, the Secretary shall consider—

"(A) the extent to which the eligible entity has the capacity to implement the activities described in subsection (e);

"(B) the extent to which the eligible entity has a demonstrated record of effectiveness or an evidence-based plan for reforming educator preparation programs; and

"(C) the likelihood of the eligible entity sustaining the reforms and improvements required under the grant, once the grant has ended and the eligible entity's plan for sustaining the reforms and improvements after the grant has ended.

"(d) AWARDING GRANTS.—In awarding grants under this section, the Secretary shall give priority to an eligible entity with—

"(1) data systems in place to link the results of teacher or school leader evaluation systems for recent program graduates back to the educator preparation programs from which they graduated;

"(2) statewide teacher or school leader evaluation systems based on multiple measures, that include student growth; and

"(3) strong partnerships between educator preparation programs and high-need local educational agencies.

"(e) ACTIVITIES.—

"(1) REQUIRED USES OF FUNDS FOR ALL GRANTEES.—Each eligible entity that receives a grant under this section shall use the grant funds to do the following:

"(A) Incorporate into the State's educator preparation program approval process a requirement that educator preparation entities—

"(i) successfully recruit top talent and hold a high bar for admission to educator preparation programs;

"(ii) present evidence demonstrating selective admission;

"(iii) provide participants with clinical training, including prioritizing clinical training in high-need schools;

"(iv) for entities that prepare teachers, prepare all teachers to effectively teach students with disabilities and English learners, and for entities that prepare school leaders, prepare all school leaders to lead schools that effectively address the academic needs of students with disabilities and English learners;

"(v) for entities that prepare teachers, ensure that all teacher candidates dem-

onstrate subject matter mastery and mastery of effective classroom management, and for entities that prepare school leaders, ensure that all school leader candidates demonstrate mastery of school management techniques, including strategies for creating a positive learning environment that conveys high expectations for all students and equitably implementing school discipline policies;

''(vi) ensure that all teachers and school leaders develop teaching skills and school leadership skills, respectively; and

''(vii) are aligned with research-based professional teaching or leadership standards.

''(B) Design and implement an Educator Preparation Program Accountability and Improvement System and require all educator preparation programs to be included in such system.

''(C) Require all educator preparation programs to regularly communicate with the in-State local educational agencies they predominantly serve to ascertain the agencies' educator

workforce needs and whether the educator preparation programs are meeting the workforce needs and whether recent program graduates have the skills needed to be effective.

"(D) Require all educator preparation programs to utilize satisfaction surveys of recent program graduates that are conducted by the States to improve educator preparation programs.

"(E) Require all educator preparation programs to utilize satisfaction surveys of employers that are conducted by the States to ascertain employer satisfaction with recent program graduates of educator preparation programs.

"(F) Ensure statewide data systems, including the Educator Preparation Program Accountability and Improvement System, do not publicly report personally identifiable information of educators or elementary school or secondary school students, comply with section 444 of the General Education Provisions Act ((20 U.S.C. 1232g), commonly known as the 'Family Educational Rights and Privacy Act of 1974'), and share with educator preparation programs the aggregate data on—

"(i) the aggregate impact their recent program graduates have on student achievement as demonstrated through teacher or school leader evaluation results of their program graduates;

"(ii) retention of their program graduates, including at—

"(I) 3 years after initial placement as a teacher or school leader; and

"(II) 5 years after initial placement as a teacher or school leader; and

"(iii) the number and percentage of recent program graduates hired into full-time positions as teachers or school leaders within 1 year of certification or licensure.

"(G) Report publicly on the aggregate performance of each educator preparation program operating in the State, including aggregate data on the measures described in subparagraph (F), and ensure that key stakeholders such as applicants to teacher preparation programs or school leader preparation programs, school administra-

tors, and school board members, receive these performance results.

"(H) Redesign certification and licensing exams to ensure that such exams are aligned with the State's challenging academic content standards and challenging student academic achievement standards required under section 1111(b) of the Elementary and Secondary Education Act of 1965, educator performance assessments, and educator evaluation systems.

"(I) Utilize data collected, as described in subsection (a)(1), in program approval, program re-approval, program improvement, and program closures processes.

"(J) Require all educator preparation programs within the State to offer a high-quality clinical training to educator candidates.

"(2) REQUIRED USES OF FUNDS FOR CONSORTIA GRANTEES.—Each eligible entity that receives a grant under this section and is a consortium of States shall use the grant funds to carry out the uses of funds under paragraph (1) and each of the following:

"(A) Develop consistent program quality and accountability indicators across State lines.

"(B) Develop consistent measures for identifying educator preparation programs as low performing.

"(C) Develop systems for the sharing of the data required under the Educator Preparation Program Accountability and Improvement System across State lines that complies with all relevant Federal and State privacy laws, including section 444 of the General Education Provisions Act ((20 U.S.C. 1232g), commonly known as the 'Family Educational Rights and Privacy Act of 1974').

"(3) PERMISSIVE USES OF FUNDS.—Each eligible entity that receives a grant under this section may use the grant funds (after meeting all the required uses of funds under paragraph (1) and, as applicable, paragraph (2)) to do the following:

"(A) Incentivize educator preparation programs to pursue programmatic accreditation.

"(B) Improve diversity of teacher or school leader candidates in educator preparation programs.

"(C) Develop partnerships between high-need local educational agencies and educator preparation entities to provide high-quality in-

duction programs and mentoring programs for new educators.

"(D) Provide subgrants for educator development. In this subparagraph, the term 'educator' means specialized instructional support personnel, or other staff member who provides or directly supports instruction, such as a school librarian, counselor, or paraprofessional.

"(E) Include, in the subgrants provided under subparagraph (D), the following activities:

"(i) Implementing curriculum changes that improve, evaluate, and assess how well educators develop instructional skills.

"(ii) Preparing educators to use empirically based practice and scientifically valid research, where applicable.

"(iii) Providing pre-service clinical training.

"(iv) Creating induction programs for new educators.

"(v) Aligning recruitment and admissions goals and priorities with the hiring objectives with local educational agencies

in the State, including high-need local educational agencies.

"(f) REPORTING.—An eligible entity that receives a grant under this section shall submit to the Secretary and make publicly available, at such time and in such manner as the Secretary may require, an annual report, including, at a minimum—

"(1) data on the eligible entity's progress on the performance measures established by the Secretary under subsection (h);

"(2) a description of the challenges the eligible entity has faced in implementing its plan under this section, and how the eligible entity has addressed or plans to address such challenges; and

"(3) data on educator preparation programs in the State recruiting and selecting candidates who are members of groups underrepresented in the teaching profession.

"(g) SUPPLEMENT, NOT SUPPLANT.—Grant funds provided under this section shall be used to supplement, and not supplant, any other Federal, State, or local funds otherwise available to carry out the activities described in this section.

1 "(h) RESEARCH, EVALUATION, AND DISSEMINA-
2 TION.—The Secretary, acting through the Director of the
3 Institute of Education Sciences, shall—
4 "(1) develop performance measures to evaluate
5 the effectiveness of the activities carried out under
6 this grant program; and
7 "(2) identify best practices and disseminate re-
8 search on best practices.
9 "(i) DEVELOPMENT OF PERFORMANCE MEAS-
10 URES.—The Secretary shall establish performance meas-
11 ures described under subsection (h) prior to awarding
12 grants under this section. The Secretary shall ensure that
13 such measure are made available to potential applicants
14 prior to seeking applications for grants under this section.
15 "(j) TEACHER OR SCHOOL LEADER PRIVACY.—No
16 State or local educational agency shall be required to pub-
17 licly report information in compliance with this section in
18 a case in which the results would reveal personally identifi-
19 able information about an individual teacher or school
20 leader.
21 "(k) CONSTRUCTION.—Nothing in this section shall
22 be construed to alter or otherwise affect the rights, rem-
23 edies, and procedures afforded school or school district
24 employees under Federal, State or local laws (including
25 applicable regulators or court orders) or under the terms

of collective bargaining agreements, memoranda of understanding, or other agreements between such employees and their employers.

"(l) REPORT TO CONGRESS.—Not later than 5 years after the date of enactment of the Higher Education Affordability Act, the Secretary shall submit a report to the Committee on Health, Education, Labor, and Pensions of the Senate, the Committee on Appropriations of the Senate, the Committee on Education and the Workforce of the House of Representatives, and the Committee on Appropriations of the House of Representatives on lessons learned through programs funded with grants awarded under this section and shall make such report publicly available.

"(m) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2015 and each of the 5 succeeding fiscal years.

"PART C—EDUCATOR PREPARATION PROGRAM REPORTING AND IMPROVEMENT

"SEC. 210. INFORMATION ON EDUCATOR PREPARATION PROGRAMS.

"(a) INSTITUTIONAL AND PROGRAM REPORT CARDS ON THE QUALITY OF EDUCATOR PREPARATION.—

"(1) REPORT CARD.—Each institution of higher education that conducts a traditional educator preparation program or alternative routes to State certification or licensure program and that enrolls students receiving Federal assistance under this Act and each educator preparation entity that is not based at an institution of higher education and that receives Federal assistance shall report annually to the State and the general public, in a uniform and comprehensible manner that conforms with the definitions and methods established by the Secretary, the following, in the aggregate for each institution and entity and disaggregated by program within each institution and entity:

"(A) GOALS AND ASSURANCES.—For the most recent year for which the information is available for the institution or entity—

"(i) whether the goals set under section 211 have been met; and

"(ii) if the goals under section 211 have not been met, a description of the steps the program is taking to improve its performance in meeting such goals.

"(B) PASS RATES AND SCALED SCORES.—For the most recent year for which the informa-

tion is available for those program participants who took the assessments used for teacher or school leader certification or licensure by the State in which the program is located and are enrolled in the traditional educator preparation program or alternative routes to State certification or licensure program, for each of such assessments—

"(i) the percentage of all program participants who have taken the assessment who have passed such assessment compared to the average passage rate percentage in the State on such assessment;

"(ii) the percentage of all program participants who have taken the assessment who passed such assessment on the first time taking the assessment compared to the first-time average passage rate in the State on such assessment;

"(iii) the percentage of program participants who have taken such assessment and enrolled in the traditional teacher or school leader preparation program or alternative routes to State certification or licensure program, as applicable;

"(iv) the average scaled score for all program participants who have taken such assessment, as compared to the passing score required by the State on such assessment;

"(v) the average scaled score for all program participants who have taken such assessment for the first time compared to the average scaled score for programs in the State; and

"(vi) if applicable, the percentage of all program participants who have taken and passed a teacher performance assessment compared to the average passage rate for all programs in the State on such assessment.

"(C) CANDIDATE INFORMATION.—For the most recent academic year for which data is available—

"(i) the median cumulative grade point average of admitted program participants compared to the institution or entity as a whole;

"(ii) the median score on standardized entrance examinations of admitted pro-

gram participants compared to the institution or entity as a whole, as applicable;

"(iii) in the aggregate and disaggregated by race, ethnicity, gender, and Pell Grant recipient status, the number of program participants who—

"(I) enrolled in the program; and

"(II) completed or graduated from the program in 100 percent of normal time and 150 percent of normal time; and

"(iv) the total number of program participants who have been certified or licensed as teachers or school leaders, disaggregated by race, ethnicity, gender, Pell Grant recipient status, subject and area of certification or licensure.

"(D) PROGRAM INFORMATION.—For the most recent academic year for which data is available—

"(i) the percentage of enrolled program participants who participated in a clinical training;

"(ii) the number of hours of clinical training required for program participants; and

"(iii) the percentage of program participants graduating from or completing the program who obtained at minimum 50 percent of clinical training in high-need schools.

"(E) ACCREDITATION AND APPROVAL.—Whether the program is accredited by a specialized accrediting agency recognized by the Secretary for accreditation of professional educator preparation programs and whether the program is approved by the State.

"(F) DESIGNATION AS LOW-PERFORMING.—Whether the program has been designated as low performing by the State under section 212.

"(G) EDUCATOR TRAINING.—A list of the activities that prepare—

"(i) general education and special education teachers and other educators to effectively teach students with disabilities effectively, including training related to participation as a member of individualized

education program teams, as defined in section 614(d)(1)(B) of the Individuals with Disabilities Education Act, and to effectively teach students who are English learners; and

"(ii) school leaders to effectively develop a shared vision for high achievement and college and career readiness for all students, including creating structures and staffing to meet the needs of all students, in particular students with disabilities and English learners.

"(2) FINES.—The Secretary may impose a fine not to exceed $27,500 on an institution of higher education or educator preparation entity that is not based at an institution of higher education for failure to provide the information described in this subsection in a timely or accurate manner.

"(3) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to prevent a State from collecting and reporting additional data indicators regarding teacher preparation programs.

"(4) SPECIAL RULE.—In the case of an institution of higher education, or educator preparation entity that is not based at an institution of higher edu-

1 cation, that conducts a traditional educator prepara-
2 tion program or alternative routes to State certifi-
3 cation or licensure program and has fewer than 10
4 program participants in a program, the institution
5 or entity shall collect and publish information, as re-
6 quired under paragraph (1) over a 3-year period.

7 "(5) PROTECTION FOR TEACHER OR LEADER
8 IDENTITY AND DATA VALIDITY.—The Secretary, in
9 consultation with the Commissioner of the National
10 Center for Education Statistics, shall ensure that
11 data collected under paragraph (1) and subsection
12 (b) is collected in a way to protect the privacy of
13 teacher or school leader candidates, as well as teach-
14 ers or school leaders, and to ensure there is suffi-
15 cient data quality to ensure the validity of conclu-
16 sions to be drawn from the data collection.

17 "(b) STATE REPORT CARD ON THE QUALITY OF ED-
18 UCATOR PREPARATION.—

19 "(1) IN GENERAL.—Each State that receives
20 funds under this Act shall provide to the Secretary,
21 and make widely available to the general public and
22 to all local educational agencies located within the
23 State, including by sending information about the
24 State report card to every local educational agency
25 in the State, in a uniform and comprehensible man-

ner that conforms with the definitions and methods established by the Secretary, an annual State report card on the quality of educator preparation in the State, both for traditional educator preparation programs and for alternative routes to State certification or licensure programs, which shall include not less than the following:

"(A) All information reported under subsection (a)(1), for the State as a whole, and for each educator preparation program located within the State.

"(B) For the most recent year for which the information is available for each educator preparation program located within the State—

"(i) the number and percentage of recent program graduates hired into full-time positions as teachers or school leaders within 1 year of certification or licensure, in the aggregate and reported separately by—

"(I) teachers in high-need subject areas or fields;

"(II) high-need schools; and

"(III) certification or licensure type;

"(ii) for teacher preparation programs, the number and percentage of recent program graduates hired into full-time positions as teachers who served for periods of not less than 3 academic years after their initial placement in a teacher position, in the aggregate and reported separately by—

"(I) teachers in high-need subject areas or fields;

"(II) high-need schools;

"(III) certification or licensure type; and

"(iii) for school leader preparation programs, the number and percentage of recent program graduates hired into full-time positions as school leaders who served for periods of not less than 3 academic years after their initial placement in a school leader position, in the aggregated and reported separately by—

"(I) principals;

"(II) assistant principals; and

"(III) high-need schools.

"(C) For recent program graduates at each educator preparation program in the State—

"(i) the percentage of recent program graduates whose elementary and secondary students demonstrate evidence of improved student growth on State teacher or leader evaluation systems, if States have such teacher or leader evaluation systems; and

"(ii) the percentage of recent program graduates who are rated highly based on results from State-administered satisfaction surveys, as available, and the percentage of recent program graduates who self-identify as prepared to be effective teachers or school leaders based on results from State-administered satisfaction surveys, as available.

"(D) Any educator preparation program that has a first-time passage rate for all test takers from the program (regardless of whether or not they are considered program graduates) on assessments used for teacher or school leader certification or licensure below 80 percent.

"(E) The total number of teachers certified or licensed in the preceding year in each high-need subject or field, as compared to the number of teachers needed in each high-need subject or field, and the total number of school leaders certified or licensed in the preceding year and serving in a high-need school compared to the number of school leaders needed in a high-need school, by elementary schools and secondary schools located within the State.

"(2) STATE REPORT CARD DISTRIBUTION AND PUBLICATION.—Each academic year, a State shall—

"(A) submit the report card required under paragraph (1) for the State and for each educator preparation program in the State to the Secretary;

"(B) publish the State's and each educator preparation program's report cards on the website of the State educational agency;

"(C) require that each educator preparation program in the State publish the report card required under paragraph (1) on the program's website and provide the report card to prospective teacher and school leader candidates

as well as teacher and school leader candidates accepted for admission; and

"(D) provide the report card required under paragraph (1) to each local educational agency in the State.

"(3) LOW-PERFORMING PROGRAMS.—Each State receiving funds under this Act shall provide—

"(A) the State's criteria for assessing the performance of educator preparation programs in the State, including the measures described in section 212(a);

"(B) a list of all programs identified as low performing under section 212, and an identification of those programs at risk of being placed on such list, including a specification of the factors that led to each program's identification;

"(C) for States that do not identify any programs as low performing under section 212 or at risk of being classified as low performing, a description of the reliability and validity of the measures used to assess program performance and evidence that each program met the State's criteria for assessing performance of

teacher preparation programs and school leader preparation programs; and

"(D) for States that do not identify any programs as low performing under section 212 or at risk of being classified as low performing, an explanation of why programs that have first-time passage rates under 80 percent on assessments used for teacher or school leader certification or licensure are not identified as low-performing by the State.

"(4) PROHIBITION AGAINST CREATING A NATIONAL LIST.—The Secretary shall not create a national list or ranking of States, institutions, or schools using the scaled scores provided under this subsection.

"(c) DATA QUALITY.—The Secretary shall prescribe regulations to ensure the reliability, validity, integrity, and accuracy of the data submitted pursuant to this section.

"(d) REPORT OF THE SECRETARY ON THE QUALITY OF EDUCATOR PREPARATION.—

"(1) REPORT CARD.—The Secretary shall annually provide to the authorizing committees, and publish and make widely available, a report card on teacher and school leader qualifications and preparation in the United States, including all the informa-

1 tion reported in subsection (b)(1). Such report shall
2 identify States which received a grant under this
3 part as part of an eligible partnership.

4 ''(2) REPORT TO CONGRESS.—The Secretary
5 shall prepare and submit a report to the authorizing
6 committees and make such report publicly available
7 that contains the following:

8 ''(A) A comparison of States' efforts to im-
9 prove the quality of the current and future edu-
10 cator force, including a list of those States that
11 did not identify any programs as low per-
12 forming under section 212, or at risk for being
13 identified as low performing, and an assessment
14 of the reliability and validity of the criteria used
15 to by such States to evaluate program perform-
16 ance.

17 ''(B) A comparison of eligible partnerships'
18 efforts to improve the quality of the current
19 and future educator force.

20 ''(C) The national mean and median scaled
21 scores and pass rate on any standardized test
22 that is used in more than one State for teacher
23 or school leader certification or licensure.

24 ''(3) SPECIAL RULE.—In the case of a teacher
25 preparation program or school leader preparation

program with fewer than 10 graduates in a program, the Secretary shall collect and publish, and make publicly available, the information required under subsection (b)(1) taken over a 3-year period.

"(e) COORDINATION.—The Secretary, to the extent practicable, shall coordinate the information collected and published under this part among States for individuals who took State teacher certification or licensure assessments in a State other than the State in which the individual received the individual's most recent degree.

"SEC. 211. GOALS FOR MEETING THE NEEDS OF EDUCATOR SHORTAGE AREAS.

"(a) ANNUAL GOALS.—Each institution of higher education that offers a traditional educator preparation program (including programs that offer any ongoing professional development programs) or alternative routes to State certification or licensure program, and that enrolls students receiving Federal assistance under this Act, and each non-institution of higher education-based educator preparation entity receiving Federal assistance shall set annual quantifiable goals for increasing the number of prospective educators trained in educator shortage areas designated by the Secretary or by the State educational agency, including mathematics, science, special education, and instruction of English learners.

1 "(b) ASSURANCES.—Each institution described in
2 subsection (a) shall provide assurances to the Secretary
3 that—
4 "(1) training provided to prospective educators
5 responds to the identified needs of the local edu-
6 cational agencies or States where the institution's
7 graduates are likely to teach or lead, based on past
8 hiring and recruitment trends;
9 "(2) training provided to prospective educators
10 is closely linked with the needs of schools and the in-
11 structional decisions new teachers or school leaders
12 face in the classroom and school;
13 "(3) prospective special education teachers re-
14 ceive course work in core academic subjects and re-
15 ceive training in providing instruction in core aca-
16 demic subjects;
17 "(4) general education teachers receive training
18 in providing instruction to diverse populations, in-
19 cluding children with disabilities, English learners,
20 and children from low-income families; and
21 "(5) prospective educators receive training on
22 how to effectively meet the needs of urban and rural
23 schools, as applicable.
24 "(c) RULE OF CONSTRUCTION.—Nothing in this sec-
25 tion shall be construed to require an institution to create

a new educator preparation area of concentration or degree program or adopt a specific curriculum in complying with this section.

"SEC. 212. STATE IDENTIFICATION OF LOW-PERFORMING PROGRAMS.

''(a) STATE ASSESSMENT.—In order to receive funds under this Act, a State shall conduct an assessment to identify low-performing educator preparation programs in the State and to assist such programs through the provision of technical assistance. Each such State shall provide the Secretary with an annual list of low-performing educator preparation programs and an identification of those programs at risk of being placed on such list, as applicable. Such assessment shall be described in the report under section 210(b). Levels of performance shall be determined by the State and shall include, at minimum—

''(1) measures of candidates' academic strength, such as median cumulative grade point averages or median standardized entrance examination scores of admitted students;

''(2) first-time passage rates and scaled scores on assessments used for teacher or school leader certification or licensure by the State;

''(3) the number of hours of clinical training required for program candidates;

"(4) programs' progress towards achieving goals set under section 211(a);

"(5) employment outcomes for recent program graduates, including job placement rates and retention rates, particularly in high-need schools;

"(6) recent program graduates' results from teacher or leader evaluations; and

"(7) results of satisfaction surveys, as applicable.

"(b) TERMINATION OF ELIGIBILITY.—Any educator preparation program from which the State has withdrawn the State's approval, or terminated the State's financial support, due to the low performance of the program based upon the State assessment described in subsection (a)—

"(1) shall be ineligible for any funding for professional development activities awarded by the Department;

"(2) may not be permitted to accept or enroll any student who receives aid under title IV in the institution's educator preparation program;

"(3) shall provide transitional support, including remedial services if necessary, for students enrolled at the institution at the time of termination of financial support or withdrawal of approval; and

"(4) shall be reinstated upon demonstration of improved performance, as determined by the State.

"(c) NEGOTIATED RULEMAKING.—If the Secretary develops any regulations implementing subsection (b)(2), the Secretary shall submit such proposed regulations to a negotiated rulemaking process, which shall include representatives of States, institutions of higher education, and educational and student organizations.

"(d) APPLICATION OF THE REQUIREMENTS.—The requirements of this section shall apply to both traditional educator preparation programs and alternative routes to State certification and licensure programs.

"SEC. 213. GENERAL PROVISIONS.

"(a) METHODS.—The Secretary shall ensure that States, institutions of higher education, and educator preparation entities, use fair and equitable methods in reporting under this part and that the reporting methods do not reveal personally identifiable information.

"(b) SPECIAL RULE.—For each State that does not use content assessments as a means of ensuring that all teachers teaching in core academic subjects within the State are highly qualified, as required under section 1119 of the Elementary and Secondary Education Act of 1965, in accordance with the State plan submitted or revised under section 1111 of such Act, and that each person em-

ployed as a special education teacher in the State who teaches elementary school or secondary school is highly qualified by the deadline, as required under section 612(a)(14)(C) of the Individuals with Disabilities Education Act, the Secretary shall—

"(1) to the extent practicable, collect data comparable to the data required under this part from States, local educational agencies, institutions of higher education, or other entities that administer such assessments to teachers or prospective teachers; and

"(2) notwithstanding any other provision of this part, use such data to carry out requirements of this part related to assessments, pass rates, and scaled scores.

"(c) RELEASE OF INFORMATION TO EDUCATOR PREPARATION PROGRAMS.—

"(1) IN GENERAL.—For the purpose of improving teacher and school leader preparation programs, a State that receives funds under this Act, or that participates as a member of a partnership, consortium, or other entity that receives such funds, shall provide to an educator preparation program any and all pertinent education-related information that—

"(A) may enable the educator preparation program to evaluate the effectiveness of the program's graduates or the program itself; and

"(B) is possessed, controlled, or accessible by or through the State.

"(2) DATA REQUIRED TO BE SHARED.—In addition to the information described in paragraph (1), the State shall share with each educator preparation program in the State, and to the extent practicable, with educator preparation programs in other States whose program graduates are teaching in the State, data from teacher or school leader evaluation results, including any information necessary to complete subsections (a) and (b) of section 210.

"(3) PRIVACY.—The information and data required under paragraphs (1) and (2) to be shared shall—

"(A) include aggregate elementary and secondary academic achievement, without revealing personally identifiable information about an individual student, for students who have been taught by graduates of the educator preparation program, as available; and

"(B) comply with section 444 of the General Education Provisions Act (20 U.S.C.

1232g, commonly known as the 'Family Educational Rights and Privacy Act of 1974').

''(d) FUNDING.—A State may use funds made available under section 2113(a)(3) of the Elementary and Secondary Education Act of 1965 to carry out this section.

"PART D—ENHANCING TEACHER EDUCATION

"Subpart 1—Honorable Augustus F. Hawkins Centers of Excellence

"SEC. 214. DEFINITIONS.

''In this subpart:

''(1) ELIGIBLE INSTITUTION.—The term 'eligible institution' means—

''(A) an institution of higher education that offers a teacher preparation program that is—

''(i) a part B institution (as defined in section 322);

''(ii) a Hispanic-serving institution (as defined in section 502);

''(iii) a Tribal College or University (as defined in section 316);

''(iv) an Alaska Native-serving institution (as defined in section 317(b));

''(v) a Native Hawaiian-serving institution (as defined in section 317(b));

"(vi) a Predominantly Black Institution (as defined in section 318);

"(vii) an Asian American and Native American Pacific Islander-serving institution (as defined in section 320(b)); or

"(viii) a Native American-serving, nontribal institution (as defined in section 319);

"(B) a consortium of institutions described in subparagraph (A); or

"(C) an institution described in subparagraph (A), or a consortium described in subparagraph (B), in partnership with any other institution of higher education, but only if the center of excellence established under section 215 is located at an institution described in subparagraph (A).

"(2) SCIENTIFICALLY BASED READING RESEARCH.—The term 'scientifically based reading research' has the meaning given such term in section 1208 of the Elementary and Secondary Education Act of 1965.

"SEC. 215. AUGUSTUS F. HAWKINS CENTERS OF EXCELLENCE.

"(a) PROGRAM AUTHORIZED.—From the amounts appropriated to carry out this part, the Secretary is authorized to award competitive grants to eligible institutions to establish centers of excellence.

"(b) USE OF FUNDS.—Grants provided by the Secretary under this subpart shall be used to ensure that current and future teachers are highly qualified by carrying out 1 or more of the following activities:

"(1) Implementing reforms within teacher preparation programs to ensure that such programs are preparing teachers who are highly qualified, are able to understand scientifically valid research, and are able to use advanced technology effectively in the classroom, including use of instructional techniques to improve student academic achievement, by—

"(A) retraining or recruiting faculty; and

"(B) designing (or redesigning) teacher preparation programs that—

"(i) prepare teachers to serve in low-performing schools and close student achievement gaps, and that are based on rigorous academic content, scientifically valid research (including scientifically based reading research and mathematics

research, as it becomes available), and challenging State academic content standards and student academic achievement standards; and

"(ii) promote strong teaching skills.

"(2) Providing sustained and high-quality preservice clinical training, including the mentoring of prospective teachers by exemplary teachers, substantially increasing interaction between faculty at institutions of higher education and new and experienced teachers, school leaders, and other administrators at elementary schools or secondary schools, and providing support, including preparation time, for such interaction.

"(3) Developing and implementing initiatives to promote retention of highly qualified teachers and school leaders, including minority teachers and school leaders, including programs that provide—

"(A) teacher or school leader mentoring from exemplary teachers or school leaders, respectively; or

"(B) induction and support for teachers and school leaders during their first 3 years of employment as teachers or school leaders, respectively.

"(4) Awarding scholarships based on financial need to help students pay the costs of tuition, room, board, and other expenses of completing a teacher preparation program, not to exceed the cost of attendance.

"(5) Disseminating information on effective practices for teacher preparation and successful teacher certification and licensure assessment preparation strategies.

"(6) Activities authorized under section 202.

"(c) APPLICATION.—Any eligible institution desiring a grant under this subpart shall submit an application to the Secretary at such a time, in such a manner, and accompanied by such information as the Secretary may require.

"(d) MINIMUM GRANT AMOUNT.—The minimum amount of each grant under this subpart shall be $500,000.

"(e) LIMITATION ON ADMINISTRATIVE EXPENSES.—An eligible institution that receives a grant under this subpart may use not more than 2 percent of the funds provided to administer the grant.

"(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out this subpart.

"Subpart 2—Preparing General Education Teachers To More Effectively Educate Students With Disabilities

"SEC. 216. TEACH TO REACH GRANTS.

''(a) AUTHORIZATION OF PROGRAM.—

''(1) IN GENERAL.—The Secretary is authorized to award grants, on a competitive basis, to eligible partnerships to improve the preparation of general education teacher candidates to ensure that such teacher candidates possess the knowledge and skills necessary to effectively instruct students with disabilities in general education classrooms.

''(2) DURATION OF GRANTS.—A grant under this section shall be awarded for a period of not more than 5 years.

''(3) NON-FEDERAL SHARE.—An eligible partnership that receives a grant under this section shall provide not less than 25 percent of the cost of the activities carried out with such grant from non-Federal sources, which may be provided in cash or in kind.

''(b) DEFINITION OF ELIGIBLE PARTNERSHIP.—In this section, the term 'eligible partnership' means a partnership that—

''(1) shall include—

"(A) 1 or more departments or programs at an institution of higher education—

"(i) that prepare elementary or secondary general education teachers;

"(ii) that have a program of study that leads to an undergraduate degree, a master's degree, or completion of a postbaccalaureate program required for teacher certification; and

"(iii) the graduates of which are highly qualified;

"(B) a department or program of special education at an institution of higher education;

"(C) a department or program at an institution of higher education that provides degrees in core academic subjects; and

"(D) a high-need local educational agency; and

"(2) may include a department or program of mathematics, earth or physical science, foreign language, or another department at the institution that has a role in preparing teachers.

"(c) ACTIVITIES.—An eligible partnership that receives a grant under this section—

"(1) shall use the grant funds to—

"(A) develop or strengthen an undergraduate, postbaccalaureate, or master's teacher preparation program by integrating special education strategies into the general education curriculum and academic content;

"(B) provide teacher candidates participating in the program under subparagraph (A) with skills related to—

"(i) response to intervention, positive behavioral interventions and supports, differentiated instruction, and data driven instruction;

"(ii) universal design for learning;

"(iii) determining and utilizing accommodations for instruction and assessments;

"(iv) collaborating with special educators, related services providers, and parents, including participation in individualized education program development and implementation; and

"(v) appropriately utilizing technology and assistive technology for students with disabilities; and

"(C) provide extensive clinical training for participants described in subparagraph (B) with

mentoring and induction program support throughout the program that continues during the first 2 years of full-time teaching; and

"(2) may use grant funds to develop and administer alternate assessments of students with disabilities.

"(d) APPLICATION.—An eligible partnership seeking a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. Such application shall include—

"(1) a self-assessment by the eligible partnership of the existing teacher preparation program at the institution of higher education and needs related to preparing general education teacher candidates to instruct students with disabilities; and

"(2) an assessment of the existing personnel needs for general education teachers who instruct students with disabilities, performed by the local educational agency in which most graduates of the teacher preparation program are likely to teach after completion of the program under subsection (c)(1).

"(e) PEER REVIEW.—The Secretary shall convene a peer review committee to review applications for grants under this section and to make recommendations to the

Secretary regarding the selection of grantees. Members of the peer review committee shall be recognized experts in the fields of special education, teacher preparation, and general education and shall not be in a position to benefit financially from any grants awarded under this section.

"(f) EVALUATIONS.—

"(1) BY THE PARTNERSHIP.—

"(A) IN GENERAL.—An eligible partnership receiving a grant under this section shall conduct an evaluation at the end of the grant period to determine—

"(i) the effectiveness of the general education teachers who completed a program under subsection (c)(1) with respect to instruction of students with disabilities in general education classrooms; and

"(ii) the systemic impact of the activities carried out by such grant on how each institution of higher education that is a member of the partnership prepares teachers for instruction in elementary schools and secondary schools.

"(B) REPORT TO THE SECRETARY.—Each eligible partnership performing an evaluation

under subparagraph (A) shall report the findings of such evaluation to the Secretary.

"(2) REPORT BY THE SECRETARY.—Not later than 180 days after the last day of the grant period under this section, the Secretary shall make available to Congress and the public the findings of the evaluations submitted under paragraph (1), and information on best practices related to effective instruction of students with disabilities in general education classrooms.

"PART E—GENERAL PROVISIONS

"SEC. 217. LIMITATIONS.

"(a) FEDERAL CONTROL PROHIBITED.—Nothing in this title shall be construed to permit, allow, encourage, or authorize any Federal control over any aspect of any private, religious, or home school, whether or not a home school is treated as a private school or home school under State law. This section shall not be construed to prohibit private, religious, or home schools from participation in programs or services under this title.

"(b) NO CHANGE IN STATE CONTROL ENCOURAGED OR REQUIRED.—Nothing in this title shall be construed to encourage or require any change in a State's treatment of any private, religious, or home school, whether or not

a home school is treated as a private school or home school under State law.

''(c) NATIONAL SYSTEM OF TEACHER CERTIFICATION OR LICENSURE PROHIBITED.—Nothing in this title shall be construed to permit, allow, encourage, or authorize the Secretary to establish or support any national system of teacher certification or licensure.

''(d) RULE OF CONSTRUCTION.—Nothing in this title shall be construed to alter or otherwise affect the rights, remedies, and procedures afforded to the employees of local educational agencies under Federal, State, or local laws (including applicable regulations or court orders) or under the terms of collective bargaining agreements, memoranda of understanding, or other agreements between such employees and their employers.

''(e) TEACHER OR SCHOOL LEADER PRIVACY.—No State, institution of higher education, or local educational agency shall be required to publicly report information in compliance with this title in a case in which the results would reveal personally identifiable information about an individual teacher or school leader.''.

TITLE III—INSTITUTIONAL AID

SEC. 301. RULE OF CONSTRUCTION.

Section 301 (20 U.S.C. 1051) is amended—

(1) in the section heading by adding "**; RULE OF CONSTRUCTION**" after "**FINDINGS AND PURPOSES**"; and

(2) by adding at the end the following:

"(c) RULE OF CONSTRUCTION.—Nothing in this Act shall be construed to restrict an institution from using funds provided under a section of this title for activities and uses that were authorized under such section on the day before the date of enactment of the Higher Education Affordability Act.".

SEC. 302. PROGRAM PURPOSE.

Section 311 (20 U.S.C. 1057) is amended—

(1) by striking subsection (c) and inserting the following:

"(c) AUTHORIZED ACTIVITIES.—Grants awarded under this section shall be used for 1 or more of the following activities:

"(1) The purchase, rental, or lease of educational resources.

"(2) The construction, maintenance, renovation, or joint use and improvement of classrooms, libraries, laboratories, or other instructional facilities, including the integration of computer technology into institutional facilities to create smart buildings.

"(3) Support of faculty exchanges, faculty development, and faculty fellowships to assist members of the faculty in attaining advanced degrees in their field of instruction.

"(4) Student support services, including supporting distance education, the development and improvement of academic programs, tutoring, counseling, school-sanctioned travel, and financial literacy for students and families.

"(5) Improving funds management, administrative management, and the acquisition of equipment for use in strengthening funds management.

"(6) Maintaining financial stability through establishing or developing a contributions development office or endowment fund.

"(7) Other activities proposed in the application submitted pursuant to section 391 that—

"(A) contribute to carrying out the purposes of the program assisted under this section; and

"(B) are approved by the Secretary as part of the review and acceptance of such application."; and

(2) in subsection (d)—

(A) in paragraph (2), by inserting ''75 percent of'' after ''equal to or greater than''; and

(B) by adding at the end the following:

''(4) SCHOLARSHIP.—An eligible institution that uses grant funds provided under this part to establish or increase an endowment fund may use the interest proceeds from such endowment to provide scholarships to students for the purposes of attending such institution.''.

SEC. 303. DURATION OF GRANT.

Section 313 (20 U.S.C. 1059) is amended by adding at the end the following:

''(e) REQUIREMENT FOR ADDITIONAL FUNDING.—

''(1) IN GENERAL.—The Secretary shall not award grant funds for the fourth or fifth year of a grant under this part unless the Secretary determines that the grantee is making progress in implementing the activities described in the grantee's application under section 391 at a rate that will result in the full implementation of such activities before the end of the grant period.

''(2) CONSIDERATION OF DATA AND INFORMATION.—The Secretary shall consider any data or information provided to the Department by grantees for the continued receipt of grants under this title

under paragraph (1) that is considered in accordance with regulations issued by the Secretary before the date of enactment of the Higher Education Affordability Act. Any requirements the Secretary develops for institutions in accordance with regulations issued by the Secretary after the date of enactment of the Higher Education Affordability Act to carry out this subsection shall take into account the capacity and resources of institutions to comply with such requirements.''.

SEC. 304. AMERICAN INDIAN TRIBALLY CONTROLLED COLLEGES AND UNIVERSITIES.

Section 316 (20 U.S.C. 1059c) is amended—

(1) in subsection (c)—

(A) by striking subparagraphs (A) through (N) and inserting the following:

''(A) The activities described in section 311(c).

''(B) Academic instruction in disciplines in which Indians are underrepresented and instruction in tribal governance or tribal public policy.

''(C) Establishing or enhancing a program of teacher education designed to qualify students to teach in elementary schools or sec-

ondary schools, with a particular emphasis on teaching Indian children and youth, that shall include, as part of such program, preparation for teacher certification.

"(D) Establishing community outreach programs that encourage Indian elementary school and secondary school students to develop the academic skills and the interest to pursue postsecondary education.";

(B) by striking paragraph (2);

(C) by redesignating paragraph (3) as paragraph (2); and

(i) in paragraph (2), as redesignated by subparagraph (C)—

(ii) by inserting "not less than 75 percent of" after "in an amount equal to"; and

(iii) by adding at the end the following:

"(D) SCHOLARSHIP.—A Tribal College or University that uses grant funds under this section to establish or increase an endowment fund may use the interest proceeds from such endowment to provide scholarships to students for the

purposes of attending such Tribal College or University.''; and

(2) in subsection (d)—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2), (3), and (4), as paragraphs (1), (2), and (3), respectively.

SEC. 305. ALASKA NATIVE AND NATIVE HAWAIIAN-SERVING INSTITUTIONS.

Section 317(c) (20 U.S.C. 1059d(c)) is amended—

(1) in paragraph (1)—

(A) by striking ''AUTHORIZED ACTIVITIES.—'' in the subsection heading and all that follows through ''Grants awarded under this section shall'' and inserting ''AUTHORIZED ACTIVITIES.—Grants awarded under this section shall''; and

(B) by inserting ''Such activities may include the activities described in section 311(c).'' after ''capacity to serve Alaska Natives or Native Hawaiians.''; and

(2) by striking paragraph (2).

SEC. 306. PREDOMINANTLY BLACK INSTITUTIONS.

Section 318(d) (20 U.S.C. 1059e(d)) is amended—

(1) in paragraph (2)(A), by striking ''paragraphs (1) through (12)'' and inserting ''paragraphs (1) through (7)''; and

(2) in paragraph (3)(B), by inserting ''75 percent of'' after ''equal to or greater than''.

SEC. 307. NATIVE AMERICAN-SERVING NONTRIBAL INSTITUTIONS.

Section 319(c) (20 U.S.C. 1059f(c)) is amended—

(1) in paragraph (1)—

(A) by striking ''AUTHORIZED ACTIVITIES.—'' in the subsection heading and all that follows through ''Grants awarded under this section shall'' and inserting ''AUTHORIZED ACTIVITIES.—Grants awarded under this section shall''; and

(B) by inserting ''Such activities may include the activities described in section 311(c).'' after ''serve Native Americans and low-income individuals.''; and

(2) by striking paragraph (2).

SEC. 308. ASIAN AMERICAN AND NATIVE AMERICAN PACIFIC ISLANDER-SERVING INSTITUTIONS.

Section 320(c)(2) (20 U.S.C. 1059g(c)(2)) is amended by striking subparagraphs (A) through (N) and inserting the following:

"(A) the activities described in section 311(c);

"(B) academic instruction in disciplines in which Asian Americans and Native American Pacific Islanders are underrepresented;

"(C) conducting research and data collection for Asian American and Native American Pacific Islander populations and subpopulations; and

"(D) establishing partnerships with community-based organizations serving Asian Americans and Native American Pacific Islanders.".

SEC. 309. NATIVE AMERICAN EDUCATION TUITION COST SHARE.

Part A of title III of the Higher Education Act of 1965 (20 U.S.C. 1057 et seq.) is amended by inserting after section 319 the following:

"SEC. 319A. NATIVE AMERICAN EDUCATION TUITION COST SHARE.

"(a) AMOUNT OF PAYMENT.—

"(1) IN GENERAL.—Subject to paragraphs (2) and (3), for fiscal year 2015 and each succeeding fiscal year, the Secretary shall pay to any eligible college an amount equal to 40 percent of the total

amount of charges for tuition for such year, and the State shall pay 60 percent of such charges for such year, for all Native American Indian students who—

"(A) are not residents of the State in which the college they attend is located; and

"(B) are enrolled in the college for the academic year ending immediately prior to the beginning of such fiscal year.

"(2) ELIGIBLE COLLEGES.—For purposes of this section, an eligible college is any institution of higher education serving Native American Indian students that provides tuition-free education to such students, as mandated by Federal law, with the support of the State in which the college is located, in fulfillment of a condition under which the State or college received its original grant of land and facilities from the United States.

"(b) TREATMENT OF PAYMENT.—Any amounts received by an eligible college under this section shall be treated as a reimbursement from the State in which the college is located, and shall be considered as provided in fulfillment of any Federal mandate upon the State to admit Native American Indian students free of charge of tuition.

"(c) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to relieve any State from any mandate the State may have under Federal law to reimburse a college for each academic year—

"(1) with respect to Native American Indian students enrolled in the college who are not residents of the State in which the college is located, any amount of charges for tuition for such students for such academic year that exceeds the amount received under this section for such academic year; and

"(2) with respect to Native American Indian students enrolled in the college who are residents of the State in which the college is located, an amount equal to the charges for tuition for such students for such academic year.

"(d) DEFINITION.—In this section, the term 'Native American Indian student' means an Indian pupil (as such term has been defined for purposes of Federal laws that impose a mandate upon a State or college to provide tuition-free education to Native American Indian students in fulfillment of a condition under which the State or college received its original grant of land and facilities from the United States).".

SEC. 310. GRANTS TO INSTITUTIONS.

Section 323 (20 U.S.C. 1062) is amended—

(1) in subsection (a), by striking paragraphs (1) through (15) and inserting the following:

''(1) The purchase, rental, or lease of educational resources.

''(2) The construction, maintenance, renovation, or joint use and improvement of classrooms, libraries, laboratories, or other instructional facilities, including the integration of computer technology into institutional facilities to create smart buildings.

''(3) Support of faculty exchanges, faculty development, and faculty fellowships to assist members of the faculty in attaining advanced degrees in their field of instruction.

''(4) Student academic and support services, including supporting distance education (including through the purchase or rental of telecommunications technology equipment or services), the development and improvement of academic programs and curricula, tutoring, counseling, school-sanctioned travel, and financial literacy for students and families.

''(5) Improving funds management, administrative management, and the acquisition of technology,

1 services and equipment for use in strengthening
2 funds and administrative management.
3 ''(6) Maintaining financial stability through es-
4 tablishing or developing a contributions development
5 office or endowment fund.
6 ''(7) Initiatives to improve the educational out-
7 comes of African-American males.
8 ''(8) Other activities proposed in the application
9 submitted pursuant to section 325 that—
10 ''(A) contribute to carrying out the pur-
11 poses of the program assisted under this sec-
12 tion; and
13 ''(B) are approved by the Secretary as part
14 of the review and acceptance of such applica-
15 tion.''; and
16 (2) in subsection (b)—
17 (A) in paragraph (2), by inserting ''75 per-
18 cent of'' after ''equal to or greater than''; and
19 (B) by adding at the end the following:
20 ''(4) SCHOLARSHIP.—An institution that uses
21 grant funds provided under this part to establish or
22 increase an endowment fund may use the interest
23 proceeds from such endowment to provide scholar-
24 ships to students for the purposes of attending such
25 institution.''.

SEC. 311. ALLOTMENTS TO INSTITUTIONS.

Section 324(c) (20 U.S.C. 1063(c)) is amended by striking ''5 years'' and inserting ''6 years''.

SEC. 312. PROFESSIONAL OR GRADUATE INSTITUTIONS.

Section 326 (20 U.S.C. 1063b) is amended by striking subsection (c) and inserting the following:

''(c) USES OF FUNDS.—

''(1) IN GENERAL.—A grant under this section may be used for 1 or more of the following activities:

''(A) The purchase, rental, or lease of educational resources.

''(B) The construction, maintenance, renovation, or joint use and improvement of classrooms, libraries, laboratories, or other instructional facilities, including the integration of computer technology into institutional facilities to create smart buildings.

''(C) Support of faculty exchanges, faculty development, and faculty fellowships to assist members of the faculty in attaining advanced degrees in their field of instruction.

''(D) Student academic support services, including supporting distance education (including through the purchase or rental of telecommunications technology equipment or services), the development and improvement of aca-

demic programs, tutoring, counseling, school-sanctioned travel, distance education, and financial literacy for students and families.

"(E) Improving funds management, administrative management, and the acquisition of technology, services, and equipment for use in strengthening funds and administrative management.

"(F) Maintaining financial stability through establishing or developing a contributions development office or endowment fund.

"(G) Other activities proposed in the applications submitted pursuant to subsection (d) and section 391 that—

"(i) contribute to carrying out the purposes of the program assisted under this section; and

"(ii) are approved by the Secretary as part of the review and acceptance of such application.".

SEC. 313. APPLICATIONS FOR ASSISTANCE.

Section 391(b) (20 U.S.C. 1068(b)) is amended—

(1) by redesignating paragraphs (6) through (8) as paragraphs (7) through (9); and

(2) by inserting after paragraph (5), the following:

"(6) provide an assurance that the institution will report to the Secretary on—

"(A) the number and percentage of undergraduate students who upon entry into the institution matriculate into a major field of study or other program leading to a postsecondary certificate, an associate's degree, or a baccalaureate degree;

"(B) student persistence data for the institution's undergraduates, demonstrating the number and percentage of students who are continuously enrolled in the institution, which shall be measured in a manner proposed by the institution and approved by the Secretary; and

"(C) data on the number and percentage of undergraduate students making satisfactory progress, as defined in accordance with section 484(c).".

SEC. 314. LIMITATIONS ON FEDERAL INSURANCE FOR BONDS ISSUED BY THE DESIGNATED BONDING AUTHORITY.

Section 344(a) (20 U.S.C. 1066c(a)) is amended—

(1) in the matter preceding paragraph (1), by striking "$1,100,000,000" and inserting "$3,000,000,000";

(2) in paragraph (1), by striking "$733,333,333" and inserting "$2,088,000,000"; and

(3) in paragraph (2), by striking "$366,666,667" and inserting "$912,000,000".

SEC. 315. AUTHORIZATION OF APPROPRIATIONS.

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

(1) in paragraph (1)—

(A) in subparagraph (A), by striking "$135,000,000 for fiscal year 2009" and inserting "such sums as may be necessary for fiscal year 2015";

(B) in subparagraph (B), by striking "$30,000,000 for fiscal year 2009" and inserting "such sums as may be necessary for fiscal year 2015";

(C) in subparagraph (C), by striking "$15,000,000 for fiscal year 2009" and inserting "such sums as may be necessary for fiscal year 2015";

(D) in subparagraph (D), by striking "$75,000,000 for fiscal year 2009" and insert-

ing "such sums as may be necessary for fiscal year 2015";

(E) in subparagraph (E), by striking "$25,000,000 for fiscal year 2009" and inserting "such sums as may be necessary for fiscal year 2015"; and

(F) in subparagraph (F), by striking "$30,000,000 for fiscal year 2009" and inserting "such sums as may be necessary for fiscal year 2015";

(2) in paragraph (2)—

(A) in subparagraph (A), by striking "$375,000,000 for fiscal year 2009" and inserting "such sums as may be necessary for fiscal year 2015"; and

(B) in subparagraph (B), by striking "$125,000,000 for fiscal year 2009" and inserting "such sums as may be necessary for fiscal year 2015";

(3) in paragraph (3), by striking "$10,000,000 for fiscal year 2009" and inserting "such sums as may be necessary for fiscal year 2015";

(4) in paragraph (4)—

(A) in subparagraph (A), by striking "$185,000 for fiscal year 2009" and inserting

"such sums as may be necessary for fiscal year 2015"; and

(B) in subparagraph (B), by striking "fiscal year 2009" and inserting "fiscal year 2015"; and

(5) in paragraph (5)—

(A) in subparagraph (A), by striking "$12,000 for fiscal year 2009" and inserting "such sums as may be necessary for fiscal year 2015"; and

(B) in subparagraph (B), by striking "fiscal year 2009" and inserting "fiscal year 2015".

TITLE IV—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS

Subpart 1—Federal Pell Grants

SEC. 401. YEAR-ROUND FEDERAL PELL GRANTS; EXTENSION OF FEDERAL PELL GRANT INFLATION ADJUSTMENTS.

Section 401 (20 U.S.C. 1070a) is amended—

(1) in subsection (a)(1), by striking "through fiscal year 2017" and inserting "through fiscal year 2020";

(2) in subsection (b)—

(A) in paragraph (2)(A)(ii), by striking "paragraph (7)(B)" and inserting "paragraph (9)(B)";

(B) by redesignating paragraphs (5) through (7) as paragraphs (7) through (9), respectively;

(C) by inserting after paragraph (4) the following:

"(5)(A) The purpose of this paragraph is to establish a year-round Federal Pell Grant program to allow eligible students to accelerate the time needed to earn a degree.

"(B) In this paragraph, the term 'eligible student' means a student who—

"(i) has received a Federal Pell Grant for an award year and is enrolled in a program of study for 1 or more additional payment periods during the same award year that are not otherwise covered by the student's Federal Pell Grant;

"(ii) continues to meets all eligibility requirements to receive a Federal Pell Grant under this section; and

"(iii) attends an institution of higher education on not less than a half-time basis.

"(C) Notwithstanding any other provision of this subsection, the Secretary shall award an additional Federal

1 Pell Grant to an eligible student for the additional pay-
2 ment periods during an award year that are not otherwise
3 covered by the student's Federal Pell Grant for the award
4 year.

5 "(D) In the case of a student receiving more than
6 one Federal Pell Grant in a single award year under sub-
7 paragraph (C), the total amount of the Federal Pell
8 Grants awarded to such student for the award year shall
9 not exceed an amount equal to 150 percent of the total
10 maximum Federal Pell Grant for such award year cal-
11 culated in accordance with paragraph (9)(C)(iv)(II).

12 "(E) Any period of study covered by a Federal Pell
13 Grant awarded under subparagraph (C) shall be included
14 in determining a student's duration limit under subsection
15 (c)(5).

16 "(6) In any case where an eligible student is receiving
17 a Federal Pell Grant for a payment period that spans 2
18 award years, the Secretary shall allow the eligible institu-
19 tion in which the student is enrolled to determine the
20 award year to which the additional period shall be as-
21 signed."; and

22 (D) in paragraph (9)(C), as redesignated
23 by subparagraph (B)—

24 (i) in clause (ii)—

(I) in the clause heading, by striking ''2017–2018'' and inserting ''2020–2021''; and

(II) in the matter preceding subclause (I), by striking ''2017–2018'' and inserting ''2020–2021''; and

(ii) in clause (iii)—

(I) by striking ''2018–2019'' and inserting ''2021–2022''; and

(II) by striking ''2017–2018'' and inserting ''2020–2021''; and

(3) by adding at the end the following:

''(k) NOTIFICATION OF PELL GRANT ELIGIBILITY.—

''(1) IN GENERAL.—Each eligible institution shall notify each student enrolled in the institution who is receiving a Federal Pell Grant of the student's remaining period of eligibility for a Federal Pell Grant in accordance with subsection (c)(5), at the times required under paragraph (2) and (3).

''(2) FREQUENCY OF NOTIFICATIONS.—An eligible institution shall provide the notification described in paragraph (1) to a student receiving a Federal Pell Grant—

''(A) not less than once a year while the student is enrolled in the institution; and

"(B) in the case of a student with 2 years, or less, of Federal Pell Grant eligibility remaining, not less than once a semester (or its equivalent) while the student is enrolled in the institution.

"(3) PELL GRANT RECIPIENTS WHO ARE BORROWERS.—In the case of a student who is receiving a Federal Pell Grant who is also a borrower of a loan made, insured, or guaranteed under part B (other than a loan made pursuant to section 428C or a loan made on behalf of a student pursuant to section 428B) or made under part D (other than a Federal Direct Consolidation Loan or a Federal Direct PLUS loan made on behalf of a student), the requirement described in paragraph (1) shall be carried out in accordance with the notification and counseling requirements described in section 485(n).".

SEC. 401A. COLLEGE OPPORTUNITY AND GRADUATION BONUS DEMONSTRATION PROGRAM.

Subpart 1 of part A of title IV (20 U.S.C. 1070a et seq.) is amended by adding at the end the following:

"SEC. 401B. COLLEGE OPPORTUNITY AND GRADUATION BONUS DEMONSTRATION PROGRAM.

"(a) DEMONSTRATION PROGRAM AUTHORITY.—The Secretary is authorized to establish a demonstration program—

"(1) to reward eligible institutions of higher education that enroll and graduate a significant number of low- and moderate-income students on time; and

"(2) to encourage institutions of higher education to improve their performance in enrolling and graduating a significant number of low- and moderate-income students on time.

"(b) GRANTS.—The Secretary shall carry out the demonstration program described in paragraph (1) by awarding grants to eligible institutions of higher education in not more than 5 eligible States selected in accordance with subsection (c) that the Secretary determines have a strong record of supporting, reforming, and improving the performance of the State's public higher education systems in order to make college more affordable and increase college access and success, especially for low-income students.

"(c) ELIGIBLE STATES.—The Secretary shall select eligible States based on the extent to which a State has—

"(1) invested, and continues to invest, significantly in public higher education, resulting in a lower net price for low-income students, as compared to the net price for such students in other States;

"(2) adopted policy reforms to ensure seamless transitions into higher education and among public institutions of higher education, such as dual enrollment and guaranteed credit transfers;

"(3) allocated State financial aid primarily on the basis of need, and

"(4) met other criteria, as determined by the Secretary.

"(d) INSTITUTIONAL ELIGIBILITY.—The Secretary shall establish criteria for the eligibility of institutions that are located in eligible States on the basis of—

"(1) the percentage of the institution's graduating class that is comprised of Pell Grant recipients;

"(2) the institution's graduation rate;

"(3) the institution's average net price; and

"(4) other criteria, as determined by the Secretary.

"(e) USES OF FUNDS.—Each eligible institution of higher education that receives a grant under this section shall use the grant funds to support reforms to further

increase college access and success for low- and moderate-income students, by making key investments and adopting best practices, such as—

"(1) awarding additional need-based financial aid;

"(2) enhancing academic and student support services;

"(3) improving student learning and other outcomes while reducing costs;

"(4) using technology to scale and enhance improvements; and

"(5) establishing or expanding accelerated learning opportunities.

"(f) AMOUNT OF GRANT FUNDS.—

"(1) IN GENERAL.—Each eligible institution of higher education that receives a grant under this section shall receive annual grant funds in an amount equal to—

"(A) the number of Pell Grant recipients who graduate from the institution on time (defined as an amount of time equal to or less than 100 percent of program length based on full-time enrollment status) in the previous academic year; multiplied by

"(B) a per-student base amount, which shall be determined by the Secretary and shall be based on the type of institution receiving the grant (such as whether the institution provides a 2-year program or a 4-year program).

"(2) ADDITIONAL PER-STUDENT FUNDS.—In addition to the amount of grant funds awarded under paragraph (1), the Secretary shall award eligible institutions that graduate a number of Pell Grant recipients in excess of a certain threshold number established by the Secretary, a per-student bonus amount (in excess of the per student base amount described in paragraph (1)(B)) for each additional Pell Grant recipient who graduates from the institution that is in excess of that threshold.

"(g) SUPPLEMENT NOT SUPPLANT.—Funds made available under this section shall be used to supplement, and not supplant—

"(1) other State funds that eligible States would otherwise expend to carry out activities under this section to improve college affordability and graduate additional low-income and moderate-income students; and

"(2) other institutional funds that eligible institutions receiving a grant under this section would

otherwise expend to carry out activities under this section to improve college affordability and graduate additional low-income and moderate-income students.

''(h) EVALUATION.—Not later than 3 years after the enactment of this section, the Secretary shall prepare and submit to Congress a report that contains an evaluation of the effectiveness of the pilot program under this section in improving college access and success for low-income and moderate-income students.

''(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2015 and each of the five succeeding fiscal years.''.

Subpart 2—Early Awareness of College Financing Options

SEC. 403. FEDERAL TRIO PROGRAMS AUTHORIZATION.

Section 402A(g) (20 U.S.C. 1070a–11(g)) is amended by striking ''$900,000,000'' and all that follows through ''years.'' and inserting ''such sums as may be necessary for fiscal year 2015 and each of the five succeeding fiscal years.''.

SEC. 404. POSTBACCALAUREATE ACHIEVEMENT PROGRAM AUTHORIZATION.

Section 402E(g) (20 U.S.C. 1070a–15(g)) is amended by striking ''each of the fiscal years 2009 through 2014'' and inserting ''fiscal year 2015 and each of the five succeeding fiscal years''.

SEC. 405. GAINING EARLY AWARENESS AND READINESS FOR UNDERGRADUATE PROGRAMS AUTHORIZATION.

Section 404H (20 U.S.C. 1070a–28) is amended by striking ''$400,000,000'' and all that follows through the period at the end and inserting ''such sums as may be necessary for fiscal year 2015 and each of the five succeeding fiscal years''.

SEC. 405A. EARLY AWARENESS OF COLLEGE FINANCING OPTIONS.

Subpart 2 of part A of title IV (20 U.S.C. 1070a–11 et seq.) is amended by adding at the end the following:

''CHAPTER 3—EARLY AWARENESS OF COLLEGE FINANCING OPTIONS

''SEC. 405A. EARLY AWARENESS OF COLLEGE FINANCING OPTIONS.

''(a) PURPOSE.—The purpose of this section is to establish a demonstration program that explores the effectiveness of early notification of postsecondary financial aid options and the cost of postsecondary education.

"(b) GRANTS AUTHORIZED; DURATION.—

"(1) GRANTS AUTHORIZED.—From amounts appropriated under subsection (l) and not reserved under paragraph (3), and beginning after the first postsecondary education information form described in subsection (h) has been developed, the Secretary is authorized to award grants to 15 State educational agencies to enable such agencies to pay the expenses, including the expenses of local educational agencies in the State, for providing information in a cost-effective way to students in grades 8 through 12 in order to—

"(A) increase student awareness of, and access to, postsecondary education; and

"(B) increase the likelihood that those students will apply for postsecondary financial aid and attend an institution of higher education.

"(2) DURATION.—A grant awarded under this section shall be awarded for a 3-year period.

"(3) RESERVATION OF FUNDS.—From amounts made available to carry out this section for a fiscal year, the Secretary may reserve not more than 1 percent to award a grant to the Bureau of Indian Education, to enable the Bureau to carry out the

1 purposes of this section with respect to schools oper-
2 ated or funded by the Bureau.
3 "(c) STATE EDUCATIONAL AGENCY APPLICA-
4 TIONS.—
5 "(1) IN GENERAL.—Each State educational
6 agency desiring to participate in the demonstration
7 program under this section shall submit an applica-
8 tion to the Secretary at such time and in such man-
9 ner as the Secretary may require.
10 "(2) CONTENTS.—Each application described in
11 paragraph (1) shall include—
12 "(A) a commitment to utilize the postsec-
13 ondary education information form described in
14 subsection (h) (referred to in this section as the
15 'information form'), including the provision of
16 State-specific grant aid information, as de-
17 scribed in subsection (h)(1)(G);
18 "(B) a description of how the State edu-
19 cational agency plans to disseminate the infor-
20 mation form to every school serving grades 8
21 through 12 in the State;
22 "(C) an assurance that the State edu-
23 cational agency will fully cooperate with the on-
24 going evaluation of the demonstration program;
25 and

"(D) such other information as the Secretary may require.

"(d) SELECTION CONSIDERATIONS.—In selecting State educational agencies to participate in the demonstration program under this section, the Secretary shall consider—

"(1) the number and quality of State educational agency applications received;

"(2) the geographic diversity of applicants; and

"(3) a State educational agency's—

"(A) financial responsibility;

"(B) administrative capability; and

"(C) ability to ensure that the activities carried out under the demonstration program serve all students in grades 8 through 12 in the State.

"(e) SELECTION PRIORITY.—In selecting State educational agencies to participate in the demonstration program under this section, the Secretary shall give priority to those States that have a high percentage of students who are eligible for free and reduced priced lunches under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) or who are, or come from families that are, eligible for benefits under another means-tested Federal benefit program as defined in section 479(d)(2).

1 "(f) ACTIVITIES.—Each State educational agency re-
2 ceiving a grant under this section shall carry out the fol-
3 lowing activities:

4 "(1) Make the information form available to
5 every school in the State that serves students in
6 grades 8 through 12 so that such schools can dis-
7 tribute the form to each student in grades 8 through
8 12, not less than once each school year, utilizing the
9 most useful, effective, and relevant modes of commu-
10 nication, including through technology.

11 "(2) Develop a statewide public awareness cam-
12 paign, using a variety of media, to inform students
13 about the cost of postsecondary education and the
14 availability of financial aid.

15 "(3) Ensure that local educational agencies
16 serving students who receive the information form
17 will participate in the evaluation of the demonstra-
18 tion program, and that data from such local edu-
19 cational agencies will be made available in accord-
20 ance with the requirements of section 444 of the
21 General Education Provisions Act (20 U.S.C.
22 1232g) (commonly known as the 'Family Edu-
23 cational Rights and Privacy Act of 1974').

24 "(4) Conduct annual surveys of a representative
25 sample of students who receive the information

form, both before the receipt of such form and after the receipt of such form, to determine the short-term and long-term effects of the information form, including—

"(A) such students' knowledge about the cost of postsecondary education and financial aid options;

"(B) the likelihood of such students applying for financial aid, attending an institution of higher education, and enrolling in Advanced Placement, International Baccalaureate, dual enrollment, or early college high school programs; and

"(C) any other information the State educational agency determines relevant.

"(g) DEVELOPMENT OF AN INITIAL FORM.—

"(1) INITIAL DEVELOPMENT.—Not later than 90 days after the date of enactment of the Higher Education Affordability Act, the Secretary, in consultation with the heads of relevant Federal agencies and representatives of higher education mentors, admissions staff from institutions of higher education, financial aid staff, student and parent focus groups (including students and parents from low-income families), consumer advocates, and secondary school

guidance counselors, shall complete the development of an initial model form of postsecondary education information (referred to in this subsection as the 'initial form').

"(2) CONSUMER TESTING PROCESS.—The Secretary shall—

"(A) submit the initial form for consumer testing that is in accordance with section 483C and includes the representatives described in paragraph (1); and

"(B) not later than 60 days after the conclusion of the consumer testing under subparagraph (A), use the results of the consumer testing of the initial form in the development of a final information form described in subsection (h).

"(h) POSTSECONDARY EDUCATION INFORMATION FORM.—

"(1) IN GENERAL.—The Secretary shall develop, using the best available evidence and research, an information form that the Secretary shall update annually and distribute to all State educational agencies that receive a grant under this section. The information form shall contain, at a minimum, the following information:

"(A) Information about Federal Pell Grants, including—

"(i) the maximum amount of a Federal Pell Grant for the award year in which the form will be disbursed to students, as determined under clauses (i) and (ii) of section 401(b)(2)(A), which shall be the most visually prominent figure on the information form; and

"(ii) information about when, and how, a student may apply for a Federal Pell Grant.

"(B) Information on—

"(i) Federal student financial aid options, including a description of all available Federal grants (including Federal supplemental educational opportunity grants under subpart 3), loans (including loans under parts D and E), work study assistance under part C, and scholarships for postsecondary education; and

"(ii) the application processes for such grants, loans, assistance, and scholarships.

"(C) Information about Federal tax credits available for higher education expenses.

"(D) Links to the application for the Free Application for Federal Student Aid described in section 483 and Federal student aid websites.

"(E) A link to the Department's College Affordability and Transparency Center website, including a link to a webpage providing information about net price calculators, or a successor website with similar information.

"(F) Information about fee waivers for applications for institutions of higher education that may be available to qualified students.

"(G) A State-specific section, in which each State educational agency shall include information on State grants for postsecondary education.

"(2) DISTRIBUTION OF FINAL FORM.—The Secretary shall make the final information form described in this subsection available to all State educational agencies that receive a grant under this section.

"(i) STATE REPORT.—Each State educational agency receiving a grant under this section shall use results from the surveys described in subsection (f)(4), and other perti-

nent information, to submit an annual report to the Secretary that includes the following:

"(1) A description of the delivery method by which the information form was given to students, and a measurement of the reach of such delivery method.

"(2) The number of students who report being encouraged to pursue higher education by the activities carried out under the grant program.

"(3) A description of the barriers to the effectiveness of the grant program.

"(4) An assessment of the cost-effectiveness of the grant program in improving access to higher education.

"(5) An identification of outcomes related to postsecondary education attendance, including whether a student who received the information form reported being more likely, as compared to before having received such form—

"(A) to enroll in Advanced Placement, International Baccalaureate, dual enrollment, or early college high school programs;

"(B) in the case of a student in grade 12, to submit an application to an institution of higher education;

"(C) to take the Preliminary SAT/National Merit Scholarship Qualifying Test (PSAT/NMSQT), SAT, or ACT; and

"(D) in the case of a student in grade 12, to file a Free Application for Federal Student Aid described in section 483.

"(6) The number of students who received the information form and were in grade 12 in the previous year, disaggregated by race, ethnicity, gender, status as an English language learner, status as an economically disadvantaged individual, and status as an individual with a disability (except that such disaggregation shall not be required in a case in which the results would reveal personally identifiable information about an individual student), who—

"(A) enrolled in an institution of higher education;

"(B) applied for Federal student financial aid; and

"(C) received Federal student financial aid.

"(7) A description of the impact of the grant program on the parents of students who received the information form.

"(j) EVALUATION AND DISSEMINATION OF RESEARCH ON BEST PRACTICES.—The Secretary, acting through the Director of the Institute of Education Sciences, shall—

"(1) develop performance measures, taking into account the elements that are included in the State report described in subsection (i), for grantees to ascertain outcomes and progress related to the grant program;

"(2) evaluate the demonstration program, using both quantitative and qualitative methods, to examine the effectiveness of delivery methods used in disseminating the information form to students; and

"(3) identify best practices and disseminate research on best practices—

"(A) to State educational agencies, local educational agencies, elementary school and secondary school guidance counselors, and other interested stakeholders; and

"(B) by making such research publicly available on the website of the Institute of Education Sciences.

"(k) IMPLEMENTATION.—

"(1) IN GENERAL.—The Secretary shall—

"(A) upon completion of the grant period, use the results of the evaluation described in subsection (j) to work with all State educational agencies and with local educational agencies to use the results of the evaluation described in subsection (j) to disseminate the information form described in subsection (h) to every State educational agency; and

"(B) in cooperation with States, institutions of higher education, organizations involved in college access and student financial aid, employers, and workforce investment boards, make special efforts to provide the information form to individuals who may qualify as independent students, as defined in section 480(d).

"(2) STATE EDUCATIONAL AGENCIES.—Not later than 1 year after receiving the first information form from the Secretary under paragraph (1), each State educational agency that receives assistance under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) shall ensure that the information form is distributed to all students in grades 8 through 12 in the State.

"(l) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2015 and each of the 2 succeeding fiscal years.".

SEC. 405B. AWARENESS OF POSTSECONDARY EDUCATION FINANCING OPTIONS FOR ADULT LEARNERS.

Subpart 2 of part A of title IV (20 U.S.C. 1070a–11 et seq.), as amended by section 405A, is further amended by adding at the end the following:

"CHAPTER 4—AWARENESS OF POSTSECONDARY EDUCATION FINANCING OPTIONS FOR ADULT LEARNERS

"SEC. 405B. AWARENESS OF POSTSECONDARY EDUCATION FINANCING OPTIONS FOR ADULT LEARNERS.

"(a) PURPOSE.—The purpose of this section is to establish a demonstration program that explores the effectiveness of notification processes for adult students regarding postsecondary financial aid options and the cost of postsecondary education.

"(b) GRANTS AUTHORIZED; DURATION.—

"(1) GRANTS AUTHORIZED.—From amounts appropriated under subsection (l) and beginning after the first information form described in subsection (h) has been developed, the Secretary is authorized to award grants to 15 States to enable such

States to pay the expenses of providing information in a cost-effective way to adult students who have received a secondary school diploma or who have been out of secondary school for not less than 3 years, in order to—

"(A) increase adult student awareness of, and access to, postsecondary education; and

"(B) increase the likelihood that adult students will apply for postsecondary financial aid and attend an institution of higher education.

"(2) DURATION.—A grant awarded under this section shall be awarded for a 3-year period.

"(c) STATE APPLICATIONS.—

"(1) DESIGNATION OF AGENCY.—In order for a State to apply for a grant under this part, the Governor of the State shall designate one agency as the eligible State agency who will apply for and administer the grant.

"(2) APPLICATION PROCESS.—Each State agency designated under paragraph (1) that desires to participate in the demonstration program under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may require.

"(3) CONTENTS.—Each application described in paragraph (2) shall include—

"(A) a commitment to utilize the postsecondary education information form described in subsection (h) (referred to in this section as the 'adult information form'), including the provision of State-specific grant aid information, as described in subsection (h)(1)(B);

"(B) a description of how the State plans to disseminate the information form to—

"(i) one-stop centers, as defined in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102);

"(ii) offices that provide access to public benefits at the State and local levels, including unemployment insurance benefits, assistance or benefits provided under the State temporary assistance for needy families program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and medical assistance provided under the State Medicaid program established under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.);

"(iii) public libraries;

"(iv) 2-year degree-granting institutions of higher education, including occupational programs at such institutions;

"(v) adult education providers, which may include 2-year degree-granting institutions of higher education or local educational agencies;

"(vi) local boards, as defined in section 3 of Workforce Innovation and Opportunity Act (29 U.S.C. 3102), and community-based programs;

"(C) an assurance that the State will fully cooperate with the ongoing evaluation of the demonstration program; and

"(D) such other information as the Secretary may require.

"(d) SELECTION CONSIDERATIONS.—In selecting States to participate in the demonstration program under this section, the Secretary shall consider—

"(1) the number and quality of State applications received;

"(2) the geographic diversity of applicants;

"(3)(A) the financial responsibility of the State agency designated by the State to carry out the program;

"(B) the administrative capability of such agency; and

"(C) such agency's ability to ensure that the activities carried out under the grant program serve the maximum number of adult students in the State.

"(e) SELECTION PRIORITY.—In selecting States to participate in the demonstration program under this section, the Secretary shall give priority to those States that have a high percentage of adults who are unemployed, underemployed, or eligible for benefits under a Federal means-tested program.

"(f) ACTIVITIES.—Each State agency receiving a grant under this section shall carry out the following activities:

"(1) Make the information form available to every one-stop center, adult education program, public library, office that provides access to public benefits, 2-year degree-granting institution of higher education, and community-based program in the State that serves adult students so that such entities can distribute the form to each adult student utilizing services at the entity in the most useful, effective,

and relevant modes of communication, including through technology.

"(2) Develop a statewide public awareness campaign, using a variety of media, to inform adult students about the value of a postsecondary education, the availability of supports to help them balance work and school, the cost of postsecondary education, and the availability of financial aid.

"(3) Ensure that entities serving adult students who receive the information form will participate in the evaluation of the demonstration program, and that data from such entities will be made available in accordance with the requirements of section 444 of the General Education Provisions Act (20 U.S.C. 1232) (commonly known as the 'Family Educational Rights and Privacy Act of 1974').

"(4) Conduct annual surveys of a representative sample of adult students who receive the information form to determine the short-term and long-term effects of the information form, including what those students know about the cost of postsecondary education and financial aid options, the likelihood of such students applying for financial aid, and attending an institution of higher education, and any other information the State agency determines relevant—

"(A) before the receipt of such form; and

"(B) after the receipt of such form.

"(g) DEVELOPMENT OF AN INITIAL FORM.—

"(1) INITIAL DEVELOPMENT.—Not later than 90 days after the date of enactment of this Act, the Secretary, in consultation with the heads of relevant Federal agencies and representatives of college admissions staff, financial aid staff, adult student focus groups (including students from low-income families), consumer advocates, and adult education program directors, shall complete the development of an initial model form of postsecondary education information (referred to in this subsection as the 'initial form').

"(2) CONSUMER TESTING PROCESS.—The Secretary shall—

"(A) submit the initial form for consumer testing in accordance with section 483C that includes the representatives described in paragraph (1); and

"(B) not later than 60 days after the conclusion of the consumer testing under subparagraph (A), use the results of the consumer testing of the initial form in the development of a

final information form described in subsection (h).

"(h) POSTSECONDARY EDUCATION INFORMATION FORM.—

"(1) IN GENERAL.—The Secretary shall develop, using the best available evidence and research, an information form that the Secretary shall update annually and distribute to all State agencies that receive a grant under this section. The information form shall contain, at a minimum, the following information:

"(A) The information described in subparagraphs (A) through (F) of section 405A(h)(1).

"(B) A State-specific section, in which each State shall include information on State grants for postsecondary education.

"(C) Information about the—

"(i) individual and societal benefits of postsecondary education;

"(ii) importance of academic preparation;

"(iii) array of postsecondary options available to adult students in the State, in-

cluding availability of programs that can help adults balance work and school; and

"(iv) the eligibility of the student for various Federal and State tax benefits and public benefits, such as assistance or benefits provided under the State temporary assistance for needy families program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and medical assistance provided under the State Medicaid program established under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

"(2) DISTRIBUTION OF FINAL FORM.—The Secretary shall make the final information form described in this subsection available to all States agencies that receive a grant under this section.

"(i) STATE REPORT.—Each State agency receiving a grant under this section shall use results from the surveys described in subsection (f)(4), and other pertinent information, to submit an annual report to the Secretary including the following:

"(1) A description of the delivery method by which the information form was given to students,

and a measurement of the reach of such delivery method.

"(2) The number of students who report being encouraged to pursue postsecondary education by the activities carried out under the grant program.

"(3) A description of the barriers to the effectiveness of the grant program.

"(4) An assessment of the cost-effectiveness of the grant program in improving access to postsecondary education.

"(5) An identification of outcomes related to postsecondary education attendance, including whether a student who received the information form reported being more likely, as compared to before having received such form—

"(A) to submit an application to an institution of higher education;

"(B) to take the SAT or ACT; and

"(C) to file a Free Application for Federal Student Aid described in section 483.

"(6) The number of students who received the information form, disaggregated by race, ethnicity, gender, status as an English language learner, status as an economically disadvantaged individual, and status as an individual with a disability, (except that

such disaggregation shall not be required in a case in which the results would reveal personally identifiable information about an individual student) who—

"(A) enrolled in an institution of higher education;

"(B) applied for Federal student financial aid; and

"(C) received Federal student financial aid.

"(7) A description of the impact of the grant program on the children of students who received the information form.

"(j) EVALUATION AND DISSEMINATION OF RESEARCH ON BEST PRACTICES.—The Secretary, acting through the Director of the Institute of Education Sciences, shall—

"(1) develop performance measures, taking into account the elements that are included in the State report described in subsection (i), for grantees to ascertain outcomes and progress related to the grant program;

"(2) evaluate the demonstration program, using both quantitative and qualitative methods, to examine the effectiveness of delivery methods used in disseminating the information form to students; and

"(3) identify best practices and disseminate research on best practices—

"(A) to States, State agencies administering a grant under this section, local educational agencies, community colleges, adult education programs, local workforce development boards, and other interested stakeholders; and

"(B) by making such research publicly available on the website of the Institute of Education Sciences.

"(k) IMPLEMENTATION.—

"(1) IN GENERAL.—The Secretary shall—

"(A) upon completion of the grant period, use the results of the evaluation described in subsection (j) to work with all States to use the results of the evaluation described in subsection (j) to disseminate the information form to the most appropriate agency in each State; and

"(B) in cooperation with States, institutions of higher education, organizations involved in postsecondary education access and student financial aid, employers, and workforce development boards, make special efforts to provide the information form to individuals who may qual-

ify as independent students, as defined in section 480(d).

"(2) STATE AGENCIES.—Not later than 1 year after receiving the first information form from the Secretary under paragraph (1), each State that receives assistance under this Act shall ensure that the State agency receiving the information form under paragraph (1)(A) distributes the information form to all adult students, to the maximum extent practicable.

"(l) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2015 and each of the following 2 fiscal years.".

Subpart 3—Federal Supplemental Education Opportunity Grants

SEC. 407. AUTHORIZATION OF APPROPRIATIONS.

Section 413A(b)(1) (20 U.S.C. 1070b(b)(1)) is amended by striking "2009" and inserting "2015".

SEC. 408. INSTITUTIONAL SHARE OF FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS.

Section 413C(a)(2) (20 U.S.C. 1070b–2(a)(2)) is amended by striking "75 percent" and inserting "50 percent".

SEC. 409. FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS ALLOCATION OF FUNDS.

Section 413D (20 U.S.C. 1070b–3) is amended—

(1) by striking subsection (a) and inserting the following:

"(a) ALLOCATION BASED ON PREVIOUS ALLOCATION.—

"(1) IN GENERAL.—From the amount appropriated pursuant to section 413A(b), for each fiscal year, the Secretary shall allocate to each eligible institution an amount equal to not less than 90 percent and not more than 110 percent of the amount that the eligible institution received under this subsection and subsection (b) (as such subsections were in effect with respect to allocations for such fiscal year) for the previous fiscal year for which that institution received funds under this section.

"(2) RATABLE REDUCTION.—If the amount appropriated for any fiscal year is less than the amount required to be allocated to all institutions under paragraph (1), then the amount of the allocation to each such institution shall be ratably reduced.

"(3) NO PREVIOUS ALLOCATION.—In the case of an institution that has not received a previous allocation under this section, the Secretary shall allo-

cate funds under this section solely on the basis of the need determination described under subsection (c).''; and

(2) in subsection (c)—

(A) in paragraph (2), by striking ''To determine the need of an institution's eligible undergraduate students,'' and inserting ''Until such time as the Secretary establishes a revised method to determine the need of an institution's eligible undergraduate students, in accordance with paragraph (5),''; and

(B) by adding at the end the following:

''(5) Not later than 1 year after the date of enactment of the Higher Education Affordability Act, the Secretary shall establish a revised method for determining the need of an institution's eligible undergraduate students, as described in paragraph (2), which shall take into account the number of low- and moderate-income students that an eligible institution serves. The Secretary shall promulgate any regulations necessary to carry out the revised methods of determining an eligible institution's need under this subsection.''.

Subpart 4—American Dream Grants and LEAP Program

SEC. 415. PURPOSE; APPROPRIATIONS AUTHORIZED.

Section 415A (20 U.S.C. 1070c) is amended—

(1) in subsection (a), in the matter preceding paragraph (1) of subsection (a), by inserting ''to award American dream grants under section 415G and'' before ''to make''; and

(2) in subsection (b)—

(A) in paragraph (1), by striking ''subpart'' and all that follows through the period at the end and inserting ''subpart (except for section 415F) such sums as may be necessary for fiscal year 2015 and each of the five succeeding fiscal years.''; and

(B) by adding at the end the following:

''(4) AUTHORIZATION OF APPROPRIATIONS FOR AMERICAN DREAM GRANTS.—There are authorized to be appropriated to carry out section 415F such sums as may be necessary for fiscal year 2015 and each of the five succeeding fiscal years.''.

SEC. 416. AMERICAN DREAM GRANTS.

Subpart 4 of part A of title IV (20 U.S.C. 1070c et seq.) is amended—

(1) by redesignating section 415F as section 415G; and

(2) by adding at the end the following:

"SEC. 415F. AMERICAN DREAM GRANTS.

"(a) DREAMER STUDENTS.—

"(1) IN GENERAL.—In this section, the term 'Dreamer student' means an individual who—

"(A) was younger than 16 years of age on the date on which the individual initially entered the United States;

"(B) has provided, to the applicable State, a list of each secondary school that the student attended in the United States; and

"(C)(i) has earned a high school diploma or the recognized equivalent of such diploma from a secondary school, has obtained a high school equivalency diploma in the United States, or is scheduled to complete the requirements for such a diploma or equivalent before the next academic year begins;

"(ii) has acquired a degree from an institution of higher education or has completed not less than 2 years in a program for a baccalaureate degree or higher degree at an institution of higher education in the United States and has made satisfactory progress, as defined

in section 484(c), in the program of study during such time period; or

"(iii) has served in the uniformed services, as defined in section 101 of title 10, United States Code, for not less than 4 years and, if discharged, received an honorable discharge.

"(2) HARDSHIP EXCEPTION.—The Secretary shall issue regulations that direct when a State shall waive the requirement of subparagraph (A) or (B), or both, of paragraph (1) for an individual to qualify as a Dreamer student under such paragraph, if the individual—

"(A) demonstrates compelling circumstances for the inability to satisfy the requirement of such subparagraph (A) or (B), or both; and

"(B) satisfies the requirement of paragraph (1)(C).

"(b) GRANTS TO STATES.—

"(1) RESERVATION FOR ADMINISTRATION.—From the amounts appropriated to carry out this section for each fiscal year, the Secretary may reserve not more than 1 percent of such amounts to administer this section.

"(2) GRANTS AUTHORIZED TO ELIGIBLE STATES.—From the amounts appropriated to carry out this section for each fiscal year and not reserved under paragraph (1), the Secretary shall award grants, through allotments under paragraph (4), to eligible States to enable the eligible States to carry out the activities described in clauses (i) and (ii) of paragraph (3)(A).

"(3) ELIGIBLE STATE.—In this section, the term 'eligible State' means a State that—

"(A) increases access and affordability to higher education for students by—

"(i) offering in-State tuition for Dreamer students; or

"(ii) expanding in-State financial aid to Dreamer students; and

"(B) submits an application to the Secretary that contains an assurance that—

"(i) notwithstanding any other provision of law, the State will not discriminate in awarding student financial assistance or determining who is eligible for in-State tuition, against a Dreamer student who resides in the State, if the student otherwise qualifies for the assistance or tuition; and

"(ii) for fiscal year 2015 and each of the 4 succeeding fiscal years, the State will maintain State support for public institutions of higher education located in the State (not including support for capital projects, research and development, or tuition and fees paid by students) at not less than the level of such support for fiscal year 2013, increased by a percentage equal to the estimated percentage increase in the Consumer Price Index (as such term is defined in section 478(f)) between December 2013 and the December preceding the fiscal year for which the determination under this clause is being made.

"(4) ALLOTMENTS.—The Secretary shall allot the amount appropriated to carry out this section for each fiscal year and not reserved under paragraph (1) among the eligible States in proportion to the number of Dreamer students enrolled at least half-time in postsecondary education who reside in the State for the most recent fiscal year for which satisfactory data are available, compared to the number of such students who reside in all eligible States for such fiscal year.

"(c) SUPPLEMENT NOT SUPPLANT.—Grant funds awarded under this section shall be used to supplement, and not supplant, non-Federal funds that would otherwise be used for activities authorized under this section.

"(d) APPLICABILITY.—The provisions of sections 415B through 415E shall not apply to the program authorized by this section.".

Subpart 5—Reauthorization of Appropriations for Other Part A Programs.

SEC. 417. REAUTHORIZATION OF APPROPRIATIONS FOR OTHER PART A PROGRAMS.

(a) SPECIAL PROGRAMS FOR STUDENTS WHOSE FAMILIES ARE ENGAGED IN MIGRANT AND SEASONAL FARMWORK.—Section 418A(i) (20 U.S.C. 1070d–2(i)) is amended by striking "$75,000,000" and all that follows through the period at the end and inserting "such sums as may be necessary for fiscal year 2015 and each of the five succeeding fiscal years.".

(b) ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAM.—Section 419K (20 U.S.C. 1070d–41) is amended by striking "2009" and inserting "2015".

(c) CHILD CARE ACCESS MEANS PARENTS IN SCHOOL.—Section 419N(g) (20 U.S.C. 1070e(g)) is amended by striking "2009" and inserting "2015".

PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM

SEC. 421. SIMPLIFICATION OF INCOME-BASED REPAYMENT OPTIONS FOR FEDERALLY INSURED STUDENT LOANS.

(a) AMENDMENT REPLACING INCOME-SENSITIVE REPLACEMENT.—Section 427(a)(2)(H) (20 U.S.C. 1077(a)(2)(H)) is amended—

(1) by striking ''graduated or income-sensitive repayment schedule'' and inserting ''graduated repayment schedule or income-based repayment schedule under section 493C''; and

(2) by striking ''in accordance with the regulations of the Secretary'' and inserting ''in accordance with section 493C and regulations issued by the Secretary''.

(b) EFFECTIVE DATE RELATING TO TERMINATION OF INCOME-SENSITIVE REPAYMENT.—The amendments made by subsection (a) shall take effect on the date that is 1 year after the date of enactment of this Act.

SEC. 422. IMPROVEMENTS TO MILITARY LOAN DEFERMENT; CLARIFICATION OF SCRA PROTECTIONS; SIMPLIFICATION OF INCOME-BASED REPAYMENT OPTIONS.

(a) AMENDMENTS.—Section 428 (20 U.S.C. 1078) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (D), by striking ''may, following a default by the borrower, be subject to income contingent repayment in accordance with subsection (m)'' and inserting ''may, following a default by the borrower, be subject to income-based repayment in accordance with subsection (m) and section 493C(d)'';

(ii) in subparagraph (E)(i), by striking ''standard, graduated'' and all that follows and inserting ''standard, graduated, income-based, or extended repayment schedule (as described in paragraph (9)), established by the lender in accordance with the regulations of the Secretary''; and

(iii) in subparagraph (M)—

(I) by redesignating clause (iv) as clause (v);

(II) in clause (iii), by striking ''the borrower—'' and all that follows through ''described in subclause (I) or (II); or'' and inserting ''the borrower is performing eligible military service,

and for the 180-day period following the demobilization date for such eligible military service;''; and

(III) by inserting after clause (iii) the following:

''(iv) not in excess of 180 days after the effective movement date listed on the military orders of a borrower's spouse if that spouse is a member of the Armed Forces who has received military orders for a permanent change of station; or''; and

(B) in paragraph (9)(A)(iii), by inserting ''and an income-sensitive repayment plan shall be available only for borrowers who have selected or been required to use such a plan before the date that is 1 year after the date of enactment of the Higher Education Affordability Act'' before the semicolon at the end;

(2) in subsection (d), by striking ''section 207 of the Servicemembers Civil Relief Act (50 U.S.C. App. 527)'' and inserting ''the Servicemembers Civil Relief Act (50 U.S.C. App. 501 et seq.)''; and

(3) by striking subsection (m) and inserting the following:

''(m) INCOME-BASED REPAYMENT.—

"(1) AUTHORITY OF SECRETARY TO REQUIRE.—The Secretary may require borrowers who have defaulted on loans made under this part that are assigned to the Secretary under subsection (c)(8) to repay those loans under an income-based repayment plan, under terms and conditions established by the Secretary that are the same, or similar to, the terms and conditions established under such section.

"(2) LOANS FOR WHICH INCOME-BASED REPAYMENT MAY BE REQUIRED.—A loan made under this part may be required to be repaid under this subsection if the note or other evidence of the loan has been assigned to the Secretary pursuant to subsection (c)(8).".

(b) RULEMAKING REGARDING TERMINATION OF INCOME CONTINGENT AND INCOME-SENSITIVE REPAYMENT PLANS.—By not later than 1 year after the date of enactment of this Act, the Secretary of Education shall promulgate a final rule ending all eligibility for income contingent and income-sensitive repayment plans for loans made under part B or D of title IV of the Higher Education Act of 1965 unless the borrowers have selected, and remained continuously enrolled in, such payment plans before the date that is 1 year after the date of enactment

of this Act, in accordance with the amendments made by this Act.

(c) EFFECTIVE DATE REGARDING INCOME CONTINGENT AND INCOME-SENSITIVE REPAYMENT PLANS.—The amendments made by clauses (i) and (ii) of subparagraph (A), and subparagraph (B), of paragraph (1), and by paragraph (3), of subsection (a) shall take effect on the date that is 1 year after the date of enactment of this Act.

SEC. 423. SIMPLIFICATION OF INCOME-BASED REPAYMENT OPTIONS FOR FEDERAL CONSOLIDATION LOANS.

(a) AMENDMENTS.—Section 428C of such Act (20 U.S.C. 1078–3) is amended—

(1) by striking subclause (V) of subsection (a)(3)(B)(i) and inserting the following:

"(V) an individual may obtain a subsequent consolidation loan under section 455(g) only—

"(aa) for the purposes of obtaining income-based repayment under section 493C, and only if the loan has been submitted to the guaranty agency for default aversion or if the loan is already in default;

"(bb) for the purposes of using the public service loan forgiveness program under section 455(m); or

"(cc) for the purpose of using the no accrual of interest for active duty service members benefit offered under section 455(o).";

(2) in subsection (b)—

(A) by striking subparagraph (E) of paragraph (1) and inserting the following:

"(E) that the lender shall—

"(i) offer an income-based repayment schedule, established by the lender in accordance with section 493C and regulations promulgated by the Secretary, to the borrower of any consolidation loan made by the lender on or after July 1, 1994, and before July 1, 2010; and

"(ii) only in the case of any borrower who has selected, before the date that is 1 year after the date of enactment of the Higher Education Affordability Act, an income-sensitive repayment schedule, in accordance with regulations promulgated by the Secretary and as in effect on the day

before the date that is 1 year before such date of enactment, continue to offer such borrower the income-sensitive repayment schedule until the borrower selects an alternative repayment schedule;''; and

(B) in paragraph (5), by inserting ''(if such borrower has selected an income contingent repayment schedule before the date that is 1 year after the date of enactment of the Higher Education Affordability Act)'' after ''income contingent repayment under part D of this title''; and

(3) in subsection (c)—

(A) in the matter preceding clause (i) of paragraph (2)(A), by inserting '', except that an income-sensitive repayment schedule shall only be available to borrowers who have selected such schedule before the date that is 1 year after the date of enactment of the Higher Education Affordability Act'' after ''regulations of the Secretary''; and

(B) in paragraph (3)(B), by inserting ''for borrowers who have selected income contingent repayment before the date that is 1 year after

the date of enactment of the Higher Education Affordability Act'' after ''subsection (b)(5)''.

(b) EFFECTIVE DATE FOR TERMINATION OF INCOME-SENSITIVE OR INCOME CONTINGENT REPAYMENT PLANS.—The amendments made by subsection (a) shall take effect on the date that is 1 year after the date of enactment of this Act.

SEC. 424. REASONABLE COLLECTION COSTS AND REHABILITATION PAYMENTS.

Section 428F (20 U.S.C. 1078–6) is amended—

(1) in subsection (a)—

(A) by striking item (aa) of paragraph (1)(D)(i)(II) and inserting the following:

''(aa) charge to the borrower an amount that is reasonable and that does not exceed the bona fide collection costs associated with such loan that are actually incurred in collecting the debt against the borrower, which amount shall not exceed 16 percent of the outstanding principal and interest at the time of the loan sale; and''; and

(B) by striking paragraph (5); and

(2) by adding at the end the following:

"(d) DETERMINATION OF REASONABLE AND AFFORDABLE.—

"(1) IN GENERAL.—For purposes of this section, a monthly payment shall be reasonable and affordable based upon the borrower's total financial circumstances if the payment is the equivalent of a monthly payment amount determined for a borrower under the income-based repayment plan under section 493C, except that in no cases shall the monthly payment under this section be less than $5.

"(2) APPEALS PROCESS.—The Secretary shall establish a clear and accessible process for appealing the monthly payment amount determined as reasonable and affordable under this section in any case where a borrower believes that the borrower's monthly payment amount is incorrect, or that the amount calculated for the borrower under paragraph (1) is based on incorrect information or is unreasonable based on the borrower's total circumstances.".

SEC. 425. FFEL LOAN FORGIVENESS FOR CERTAIN AMERICAN INDIAN EDUCATORS.

Section 428J(c) (20 U.S.C. 1078–10(c)) is amended by adding at the end the following:

"(4) AMERICAN INDIAN TEACHERS IN LOCAL EDUCATIONAL AGENCIES WITH A HIGH PERCENTAGE OF AMERICAN INDIAN STUDENTS.—Notwithstanding the amount specified in paragraph (1) and the requirements under subparagraphs (A) and (B) of subsection (b)(1), the aggregate amount that the Secretary shall repay under this section shall be not more than $17,500 in the case of a borrower who—

"(A) has been employed as a full-time teacher for 5 consecutive complete school years in a local educational agency described in section 7112(b) of the Elementary and Secondary Education Act of 1965 or in a school operated or funded by the Bureau of Indian Education; and

"(B) is a member of an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)).".

SEC. 426. REAUTHORIZATION OF APPROPRIATIONS FOR CERTAIN LOAN FORGIVENESS PROGRAMS.

(a) LOAN FORGIVENESS FOR SERVICE IN AREAS OF NATIONAL NEEDS.—Section 428K(h) (20 U.S.C. 1078–11(h)) is amended by striking "2009" and inserting "2015".

(b) LOAN REPAYMENT FOR CIVIL LEGAL ASSISTANCE ATTORNEYS.—Section 428L(i) (20 U.S.C. 1078–11(i)) is amended by striking ''$10,000,000'' and all that follows through the period at the end and inserting ''such sums as may be necessary for fiscal year 2015 and each of the five succeeding fiscal years.''.

SEC. 427. IMPROVEMENTS TO CREDIT REPORTING FOR FEDERAL STUDENT LOANS.

Section 430A (20 U.S.C. 1080A) is amended—

(1) by redesignating subsections (d) through (f) as subsections (e) through (g), respectively; and

(2) by inserting after subsection (c) the following:

''(d) TREATMENT OF REHABILITATION AND INCOME-BASED REPAYMENT AND INCOME CONTINGENT REPAYMENT PLANS.—

''(1) NECESSARY STEPS.—The Secretary and each guaranty agency, eligible lender, and subsequent holder of a loan shall take all necessary steps to ensure that information furnished under this section about a loan covered by Federal loan insurance pursuant to this part or covered by a guaranty agreement pursuant to section 428, or a loan made under part D, is reported in a manner that reflects the unique attributes of a Federal student loan

under this title. The necessary steps required shall include—

"(A) furnishing consumer reporting agencies with information about a loan's delinquency, default, post-default performance, rehabilitation, and post-rehabilitation performance, as applicable, in a manner that ensures the entire loan history is reported as a single open account for the duration of the borrower's financial obligation;

"(B) reporting a payment as paid as agreed if the payment made—

"(i) satisfies the terms of the borrower's income-based repayment plan under section 493C or any income contingent repayment plan authorized under section 455(e); or

"(ii) is a reasonable and affordable payment made by a borrower subject to section 428F that meet the requirements of such section; and

"(C) for purposes of payments under an income-based repayment plan under section 493C or any income contingent repayment plan authorized under section 455(e), any additional

steps that the Secretary determines necessary, through rulemaking or published guidance, based on the results of the study performed under section 1018 of the Higher Education Affordability Act.

''(2) APPLICATION TO AGENTS AND CONTRACTORS.—The requirements of paragraph (1) shall apply to any person furnishing information about loan performance on behalf of the Secretary, a guaranty agency, eligible lender, or subsequent holder of a loan, including third party student loan servicers or collectors.''.

SEC. 428. REDUCED DUPLICATION IN STUDENT LOAN SERVICING.

Section 432(l)(4) (20 U.S.C. 1082(l)(4)) is amended by striking ''simplifying and standardizing'' and inserting ''simplifying, standardizing, and reducing duplication in''.

SEC. 429. IMPROVED DETERMINATION OF COHORT DEFAULT RATES; PUBLICATION OF DEFAULT PREVENTION PLAN.

Section 435 (20 U.S.C. 1085) is amended—

(1) in subsection (a)—

(A) in paragraph (2), by adding at the end the following:

"(E) In any case where the Secretary has determined that the institution has engaged in default manipulation, the Secretary—

"(i) shall recalculate the cohort default rate for the institution under this section using corrected data and information, for all fiscal years for which the default manipulation has occurred; and

"(ii) using the recalculated cohort default rate, shall redetermine under subsection (a)(2) whether the institution is ineligible to participate in a program under this title."; and

(B) in paragraph (7)(A), by adding at the end the following:

"(iii) SUMMARY OF DEFAULT PREVENTION PLAN.—Upon receiving technical assistance from the Secretary under clause (ii), each institution subject to this subparagraph shall—

"(I) prepare a summary of the plan described under clause (i) that is directed to a student audience;

"(II) make the summary publicly available; and

"(III) provide the summary to students at the institution."; and

(2) in subsection (m)(3), by striking "through the use of" and all that follows through the period at the end and inserting "through default manipulation.".

SEC. 430. IMPROVED DISABILITY DETERMINATIONS.

(a) IN GENERAL.—Section 437(a) (20 U.S.C. 1087(a)) is amended—

(1) in the matter preceding subparagraph (A) of paragraph (1), by striking "Notwithstanding any other provision of this subsection," and inserting "Except as provided in paragraph (4),";

(2) by striking paragraph (2) and inserting the following:

"(2) SERVICE-CONNECTED DISABILITY DETERMINATIONS.—

"(A) IN GENERAL.—A borrower who has been determined by the Secretary of Veterans Affairs or Secretary of Defense to be unemployable due to a service-connected condition and who provides documentation of such determination to the Secretary of Education, shall be considered permanently and totally disabled for the purpose of discharging such borrower's loans

under this subsection, and such borrower shall not be required to present additional documentation for purposes of this subsection.

"(B) DETERMINATION BY THE SECRETARY OF VETERANS AFFAIRS OR THE SECRETARY OF DEFENSE.—

"(i) IN GENERAL.—A borrower who has been assigned a disability rating of 100 percent (or a combination of ratings equaling 100 percent or more) by the Secretary of Veterans Affairs or the Secretary of Defense for a service-connected disability (as defined in section 101 of title 38, United States Code) and who provides documentation of such rating to the Secretary of Education, shall be considered permanently and totally disabled for the purpose of discharging such borrower's loans under this subsection, and such borrower shall not be required to present any additional documentation for purposes of this subsection.

"(ii) RATING OF DISABILITY.—A disability rating described in clause (i), or similar determination of unemployability

by the Secretary of Veterans Affairs or the Secretary of Defense, transmitted in accordance with clause (iii) shall be considered sufficient documentation for purposes of this subsection.

"(iii) TRANSFER OF INFORMATION.—Not later than 180 days after the date of enactment of the Higher Education Affordability Act, the Secretary, in coordination with the Secretary of Defense and the Secretary of Veteran Affairs, shall create a system through which the applicable disability ratings (or alternative means of transmitting a determination of unemployability) shall be automatically transmitted from the Department of Defense or the Department of Veterans Affairs, as the case may be, to the Department of Education and shall satisfy the documentation requirement described in this subparagraph. The Secretary shall have the authority to enter into any agreements necessary to implement the requirements of this subparagraph.

"(3) DISABILITY DETERMINATIONS BY THE SOCIAL SECURITY ADMINISTRATION.—A borrower who has been determined by the Social Security Administration to be disabled with medical improvement not expected and who provides documentation of such determination to the Secretary of Education, shall be considered permanently and totally disabled for the purpose of discharging such borrower's loans under this subsection, and such borrower shall not be required to present additional documentation for purposes of this subsection.

"(4) REINSTATEMENT PROVISIONS.—A borrower of a loan that is discharged under paragraph (2) or (3) shall not be subject to the reinstatement provisions described in paragraph (1).

"(5) DATA COLLECTION AND REPORT TO CONGRESS.—

"(A) DATA COLLECTION.—The Secretary shall annually collect data about borrowers applying for, and borrowers receiving, loan discharges under this subsection, which shall include the following:

"(i) Data regarding—

"(I) the number of applications received under this subsection;

"(II) the number of such applications that were approved; and

"(III) the number of loan discharges that were completed under this subsection.

"(ii) A summary of the reasons why the Secretary reinstated the obligation of, and resumed collection on, loans discharged under this subsection.

"(iii) The data described in subclauses (I) through (III) of clause (i), and clause (ii), for each of the following:

"(I) Borrowers applying for, and borrowers receiving, loan discharges under paragraph (2)(A).

"(II) Borrowers applying for, and borrowers receiving, loan discharges under paragraph (2)(B).

"(III) Borrowers applying for, and borrowers receiving, loan discharges under paragraph (3).

"(iv) Any other information the Secretary determines is necessary.

"(B) REPORT.—The Secretary shall annually report to Congress, and make publicly

available, the information described in subparagraph (A).''.

(b) REPORTS.—

(1) PLAN.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Education shall submit to the appropriate committees of Congress a report that includes a plan to carry out the activities described under section 437(a)(2)(B)(iii) of the Higher Education Act of 1965 (20 U.S.C. 1087(a)(2)(B)(iii)), as amended by this section.

(2) FOLLOW-UP REPORT.—If the Secretary of Education has not carried out the activities described under section 437(a)(2)(B)(iii) of the Higher Education Act of 1965, as amended by this section, by the date that is 1 year after the date of enactment of this Act, the Secretary of Education shall submit to the appropriate committees of Congress, by such date, a report that includes an explanation of why those activities have not been implemented.

SEC. 431. TREATMENT OF BORROWERS FALSELY CERTIFIED AS ELIGIBLE TO BORROW DUE TO IDENTITY THEFT.

Section 437(c)(1) (20 U.S.C. 1087(c)(1)) is amended by striking ''of a crime''.

PART C—FEDERAL WORK-STUDY PROGRAMS

SEC. 441. AUTHORIZATION OF APPROPRIATIONS.

Section 441(b) (42 U.S.C. 2751(b)) is amended by striking ''2009'' and inserting ''2015''.

SEC. 442. FEDERAL WORK STUDY ALLOCATION OF FUNDS.

Section 442 (42 U.S.C. 2752) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) ALLOCATION BASED ON PREVIOUS ALLOCATION.—

''(1) IN GENERAL.—From the amount appropriated pursuant to section 441(b), for each fiscal year, the Secretary shall allocate to each eligible institution an amount equal to not less than 90 percent and not more than 110 percent of the amount that the eligible institution received under this subsection and subsection (b) (as such subsections were in effect with respect to allocations for such fiscal year) for the previous fiscal year for which that institution received funds under this section.

''(2) RATABLE REDUCTION.—If the amount appropriated for any fiscal year is less than the amount required to be allocated to all institutions under paragraph (1), then the amount of the allocation to each such institution shall be ratably reduced.

"(3) NO PREVIOUS ALLOCATION.—In the case of an institution that has not received a previous allocation under this section, the Secretary shall allocate funds under this section solely on the basis of the self-help need determination described under subsection (c)."; and

(2) in subsection (c)—

(A) in paragraph (2), by striking "To determine the self-help need of an institution's eligible undergraduate students," and inserting "Until such time as the Secretary establishes a revised method to determine the self-help need of an institution's eligible undergraduate students, in accordance with paragraph (5),";

(B) in paragraph (3), by striking "To determine the self-help need of an institution's eligible graduate and professional students," and inserting "Until such time as the Secretary establishes a revised method to determine the self-help need of an institution's eligible graduate and professional students, in accordance with paragraph (5),"; and

(C) by adding at the end the following:

"(5) Not later than 1 year after the date of enactment of the Higher Education Affordability Act,

the Secretary shall establish revised methods for determining the self-help need of an institution's eligible undergraduate students, as described in paragraph (2), and eligible graduate and professional students, as described in paragraph (3), which shall take into account the number of low- and moderate-income students that an eligible institution serves. The Secretary shall promulgate any regulations necessary to carry out the revised methods of determining an eligible institution's self-help need under this subsection.''.

SEC. 443. INSTITUTIONAL SHARE OF FEDERAL WORK STUDY FUNDS.

Section 443(b)(5) (42 U.S.C. 2753(b)(5)) is amended by striking ''75 percent'' and inserting ''50 percent'' each place the term appears.

SEC. 444. ADDITIONAL FUNDS TO CONDUCT COMMUNITY SERVICE WORK-STUDY PROGRAMS.

Section 447(b)(4) (42 U.S.C. 2756a(b)(4)) is amended by striking ''2009'' and inserting ''2015''.

SEC. 445. WORK COLLEGES.

Section 448(f) (42 U.S.C. 2756b(f)) is amended by striking ''2009'' and inserting ''2015''.

PART D—FEDERAL DIRECT LOAN PROGRAM

SEC. 451. ELIMINATION OF ORIGINATION FEES AND OTHER AMENDMENTS TO TERMS AND CONDITIONS OF LOANS.

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

(1) by repealing subsection (c);

(2) in subsection (d)—

(A) in paragraph (1)(D), by inserting ''or to any borrower who has not selected the income contingent repayment plan before the date that is 1 year after the date of enactment of the Higher Education Affordability Act'' before the semicolon at the end; and

(B) in paragraph (5)—

(i) by striking subparagraph (A) and inserting the following:

''(A) pay collection costs in an amount that is reasonable and that does not exceed the bona fide collection costs associated with such student loan that are actually incurred in collecting the debt against the borrower; and''; and

(ii) in subparagraph (B), by striking ''income contingent repayment plan'' and

inserting ''income-based repayment plan, as provided in 493C'';

(3) in subsection (e)—

(A) in paragraph (1), by striking ''The Secretary may'' and inserting ''With respect to borrowers who have selected, or been required to use, an income contingent repayment plan before the date that is 1 year after the date of enactment of the Higher Education Affordability Act, the Secretary may'';

(B) in paragraph (3), by inserting ''before the date that is 1 year after the date of enactment of the Higher Education Affordability Act'' after ''income contingent repayment'';

(C) by striking paragraph (6); and

(D) by redesignating paragraph (7) as paragraph (6);

(4) in subsection (f)(2)—

(A) in subparagraph (C), by striking ''the borrower—'' and all that follows through ''described in clause (i) or (ii); or'' and inserting ''the borrower is performing eligible military service, and for the 180-day period following the demobilization date for such eligible military service;'';

(B) by redesignating subparagraph (D) as subparagraph (E); and

(C) by inserting after subparagraph (C) the following:

''(D) any period not in excess of 180 days after the effective movement date listed on the military orders of a borrower's spouse if that spouse is a member of the Armed Forces who has received military orders for a permanent change of station; or'';

(5) by striking subsection (h) and inserting the following:

''(h) BORROWER CLAIMS AND DEFENSES.—

''(1) IN GENERAL.—Notwithstanding any other provision of State or Federal law, a borrower, regardless of the account status of the borrower's loan, may assert as an affirmative claim or defense against repayment, any act or omission of an institution of higher education attended by the borrower that would give rise to a cause of action against the institution under this Act, other Federal law, or applicable State law, except that in no event may a borrower recover from the Secretary, in any action arising from or relating to a loan made under this

part, an amount in excess of the amount such borrower has repaid on such loan.

"(2) EXERCISE BY SECRETARY.—The Secretary may elect to carry out the authority under this subsection on behalf of a group of multiple borrowers if the Secretary determines that the group has been harmed by the same act, omission, or practice.";

(6) in subsection (m)—

(A) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(B) by inserting after paragraph (2) the following:

"(3) LUMP SUM PAYMENT.—For purposes of this subsection, if a borrower has enrolled in a repayment plan described in paragraph (1)(A) and makes a lump sum payment through a student loan repayment program under section 2171 of title 10, United States Code, or a similarly structured eligible repayment program (as determined by the Secretary), the Secretary will treat the borrower as having made a number of qualifying payments equal to the lesser of—

"(A) the number, rounded to the nearest whole number, equal to the quotient of—

"(i) such lump sum payment; divided by

"(ii) the monthly payment amount that the borrower would have otherwise made under the repayment plan described in paragraph (1)(A) selected by the borrower; or

"(B) 12 payments."; and

(7) in subsection (o)—

(A) by striking paragraph (1) and inserting the following:

"(1) IN GENERAL.—Notwithstanding any other provision of this part and in accordance with paragraphs (2) and (4), the Secretary shall not charge interest on a loan made to a borrower under this part for which the first disbursement is made on or after October 1, 2008, during the period in which a borrower who is performing eligible military service is serving in an area of hostilities in which service qualifies for special pay under section 310 of title 37, United States Code.";

(B) by striking paragraph (3) and inserting the following:

"(3) IMPLEMENTATION OF ACCRUAL OF INTEREST PROVISION FOR MEMBERS OF THE ARMED FORCES.—

"(A) IN GENERAL.—The Secretary of Education shall enter into any necessary agreements, including agreements with the Commissioner of the Internal Revenue Service and the Secretary of Defense—

"(i) to ensure that interest does not accrue for eligible military borrowers, in accordance with this subsection; and

"(ii) to obtain or provide any information necessary to implement clause (i) without requiring a request from the borrower.

"(B) REPORTS.—

"(i) PLAN.—Not later than 90 days after the date of enactment of the Higher Education Affordability Act, the Secretary shall submit to the appropriate committees of Congress a report that includes a plan to implement the accrual of interest provision described in subparagraph (A).

"(ii) FOLLOW-UP REPORT.—If the Secretary has not implemented the accrual

of interest provision described in subparagraph (A) by the date that is 1 year after the date of enactment of the Higher Education Affordability Act, the Secretary shall submit, by such date, a report that includes an explanation of why such provision has not been implemented.''; and

(C) in paragraph (4), by striking ''who qualifies as an eligible military borrower under this subsection'' and inserting ''described in paragraph (1)''.

(b) EFFECTIVE DATES.—

(1) REPEAL OF LOAN FEES.—The amendment made by subsection (a)(1) shall apply with respect to loans made under part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.) for which the first disbursement of principal is made, or, in the case of a Federal Direct Consolidation Loan made under such part, the application is received, on or after July 1, 2014.

(2) TERMINATING INCOME CONTINGENT REPAYMENT.—The amendments made by subparagraphs (A) and (B)(ii) of paragraph (2), and paragraph (3), of subsection (a) shall take effect on the date that is 1 year after the date of enactment of this Act.

SEC. 452. IMPROVED STUDENT LOAN SERVICING AND DEBT COLLECTION PRACTICES.

(a) AMENDMENTS.—Section 456 (20 U.S.C. 1087f) is amended by adding at the end the following:

"(c) LIMITATION ON CONTRACTS FOR THE SERVICING OF LOANS.—

"(1) IN GENERAL.—A contract entered into under this section for the servicing of loans made or purchased under this part shall include—

"(A) a provision that prohibits the servicer from marketing to a borrower of a loan which the servicer services, a financial product or service while the borrower is enrolled in an institution of higher education;

"(B) a provision that, after the borrower is no longer enrolled in an institution of higher education, the servicer may only market a financial product or service to the borrower through an opt-in rather than an opt-out system; and

"(C) a provision that, to the extent practicable, the servicer shall clearly disclose in any written material or correspondence sent or made available to the borrower (including correspondence and disclosures on the website of the servicer) that the material or correspond-

ence is in relation to a Department of Education loan.

"(2) NO PREDISPUTE ARBITRATION CLAUSES.—A contract entered into under this section for the servicing of loans made or purchased under this part shall include a provision that any rights and remedies available to borrowers against the servicer may not be waived by any agreement, policy, or form, including by a predispute arbitration agreement.

"(d) STUDY OF DIRECT LOAN DEBT COLLECTION.—

"(1) IN GENERAL.—The Secretary shall conduct a study to determine whether it is efficient and effective to contract with private entities under this section for the collection of loans made or purchased under this part that are in default.

"(2) EVALUATION METHOD.—For purposes of the study described in paragraph (1), the Secretary shall evaluate efficiency and effectiveness in terms of—

"(A) the cost incurred by the Federal Government for the collections of defaulted loans under this part through contracts under this section, and such cost in comparison with the costs of other methods by which debt owed to

the Federal Government are collected or recovered, including the collection of any unpaid Federal income taxes;

"(B) the consumer protections provided to the borrower who has defaulted on a loan under this part through the collections process;

"(C) the impact of the collections process for defaulted loans under this part on the integrity of the loan program carried out under this part; and

"(D) borrower experience, as determined through borrower surveys.

"(3) RECOVERY COSTS.—

"(A) IN GENERAL.—As part of the study conducted under this subsection, the Secretary shall calculate the average recovery cost, per dollar recovered, through the collection of defaulted loans made under this part, in the aggregate for all borrowers of defaulted loans and disaggregated for the following categories of borrowers of defaulted loans:

"(i) Veterans with a service-connected disability (as defined in section 101 of title 38, United States Code).

"(ii) Individuals who are entitled to benefits under section 223 of the Social Security Act (42 U.S.C. 423).

"(iii) Individuals who are allowed an earned income tax credit pursuant to section 32 of the Internal Revenue Code of 1986.

"(iv) Recipients of assistance under the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.).

"(B) CONSULTATION.—The Secretary shall consult with the Secretary of the Treasury, the Administrator of the Social Security Administration, the Secretary of Veterans Affairs, and the Secretary of Agriculture, as appropriate, in order to identify individuals in the categories described in clauses (i) through (iv) of subparagraph (A) and to calculate the average recovery cost per dollar recovered for each category of borrowers.

"(4) ADDITIONAL INFORMATION REGARDING COSTS.—The Secretary may directly carry out collection activities for a subset of defaulted loans under

this part, instead of awarding contracts under subsection (b)(2) for such activities, if the Secretary determines it would better inform the study required under paragraph (1).

"(5) REPORT.—By not later than the date that is 1 year after the date of enactment of the Higher Education Affordability Act, the Secretary shall prepare and submit to the authorizing committees a report that includes the findings of the study conducted under paragraph (1).

"(e) CERTIFICATION NECESSARY FOR CONTINUED PRIVATE DEBT COLLECTIONS.—

"(1) CERTIFICATION.—Not later than 1 year after the date of enactment of the Higher Education Affordability Act, the Secretary shall submit to the authorizing committees, and make available to the public—

"(A) a certification that the Secretary has determined, based on the results of the study conducted under subsection (d), that—

"(i) the use of private entities for the collection of defaulted loans made or purchased under this part is necessary to maintain the integrity of the loan program carried out under this part;

"(ii) the collection costs paid to such private entities under the contracts authorized by this section, in the aggregate and for each category of borrowers described in subsection (d)(3)(A), are reasonable; and

"(iii) expending funds for such collection costs is in the best financial interest of the United States; or

"(B) a notification that the Secretary will not issue the certification described in subparagraph (A).

"(2) PROHIBITION OF CONTRACTS FOR PRIVATE DEBT COLLECTIONS WITHOUT CERTIFICATION.—Notwithstanding subsection (b)(2), beginning on the date that is 1 year after the date of enactment of the Higher Education Affordability Act, the Secretary shall not enter into any contract with a private entity under this section for the collection of defaulted loans made or purchased under this part if the Secretary did not issue the certification described in paragraph (1)(A) by such date.

"(f) TERMINATION OF CONTRACTS.—

"(1) TERMINATION.—The Secretary shall terminate any contract with an entity for the collection of defaulted loans made or purchased under this

1 part if the entity, an affiliate of that entity, or a
2 service provider of the entity is found to have com-
3 mitted a violation of—
4 "(A) the prohibition on unfair, deceptive,
5 or abusive acts or practices under section 1031
6 of the Consumer Financial Protection Act of
7 2010 (12 U.S.C. 5531), including the regula-
8 tions promulgated under such section, relating
9 to the services performed pursuant to a con-
10 tract under this section; or
11 "(B) the Fair Debt Collection Practices
12 Act (15 U.S.C. 1692 et seq.), including the reg-
13 ulations promulgated under such Act, relating
14 to the services performed pursuant to a con-
15 tract under this section.
16 "(2) PROHIBITION ON ADDITIONAL CON-
17 TRACTS.—If the Secretary terminates a contract
18 with an entity under paragraph (1), such entity—
19 "(A) shall not be eligible to participate in
20 the next award cycle for contracts relating to
21 the collection of defaulted loans made or pur-
22 chased under this part that follows the date of
23 termination of the contract; and
24 "(B) shall not be eligible to receive any
25 new contract relating to the collection of such

1 defaulted loans during the 2-year period begin-
2 ning on the date of termination.
3 "(3) IDENTIFICATION OF OTHER VIOLA-
4 TIONS.—
5 "(A) IN GENERAL.—In any case where the
6 Secretary obtains evidence that any person or
7 entity has engaged in debt collection practices
8 described in paragraph (1) that may constitute
9 a violation of Federal law, the Secretary shall
10 transmit such evidence to the Director of the
11 Bureau of Consumer Financial Protection for
12 further proceedings under the appropriate law.
13 "(B) RULE OF CONSTRUCTION.—Nothing
14 in this paragraph shall be construed to affect
15 any other authority provided to the Secretary to
16 disclose information to a Federal agency.".
17 (b) STUDY AND REPORT ON SPECIALTY SERVICING
18 CONTRACTS.—
19 (1) IN GENERAL.—The Secretary of Education,
20 in consultation with the Director of the Bureau of
21 Consumer Financial Protection and the Secretary of
22 the Treasury, shall—
23 (A) conduct a study as to whether spe-
24 cialty servicing contracts in the Federal Direct
25 Loan Program under part D of title IV of the

Higher Education Act of 1965 (20 U.S.C. 1087a et seq.) could better serve varying segments of student loan borrowers, and, in particular, the unique needs of borrowers in delinquency or experiencing partial financial hardship and the allocation of servicer resources to assist such borrower segment; and

(B) not later than 180 days after the date of enactment of this Act, submit a report to the Committee on Health, Education, Labor, and Pensions and the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Education and the Workforce and the Committee on Financial Services of the House of Representatives, on the study described in subparagraph (A).

(2) SPECIALTY SERVICING CONTRACT.—In this subsection, the term ''specialty servicing contract'' means a contract—

(A) entered into pursuant to section 456 of the Higher Education Act of 1965 (20 U.S.C. 1087f) for the servicing of loans made or purchased under part D of title IV of such Act (20 U.S.C. 1087a et seq.) that provides for serv-

icing loans for a distinct and specified subset of borrowers; and

(B) that may be compensated at a greater level for such services, as determined appropriate by the Secretary of Education.

(c) REPORT ON SERVICER COMPENSATION.—

(1) IN GENERAL.—The Secretary of Education, in consultation with the Director of the Bureau of Consumer Financial Protection and the Secretary of the Treasury, shall conduct a report—

(A) on the compensation and incentive structure for servicers of loans made, insured, or guaranteed under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) and whether servicers adequately encourage repayment, as well as the use of alternative repayment options and discharge where appropriate; and

(B) that includes an analysis of the criteria utilized by the Department of Education in determining performance-based allocation of account volume in entering into contracts for servicing of loans made or purchased under part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.), and the ef-

fectiveness of those metrics in promoting repayment.

(2) COMMENTS FROM THE PUBLIC.—In conducting the report under paragraph (1), the Secretary of Education, in consultation with the Director of the Bureau of Consumer Financial Protection and the Secretary of the Treasury, shall seek and take comments from the public.

(3) PROCEDURES TO IMPLEMENT RECOMMENDATIONS.—If the report conducted under paragraph (1) includes recommendations on measures to improve the incentive structure, the report shall also include the procedures to implement such recommendations.

(4) PUBLICATION.—The report conducted under paragraph (1) shall be published not later than 180 days after the date of enactment of this Act.

(d) REPORT AND PLAN ON FFEL SERVICING.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of Education, in consultation with the Director of the Bureau of Consumer Financial Protection and the Secretary of the Treasury, shall publish a report that identifies whether the public has ade-

quate visibility into the market of loan servicing under part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.) to adequately assess the performance of such servicing under such part, including—

(A) the utilization of alternative repayment plans;

(B) the distribution of delinquent and defaulted loan balances; and

(C) loan performance by institution type.

(2) PLAN.—If the Secretary of Education, in consultation with the Director of the Bureau of Consumer Financial Protection and the Secretary of the Treasury, determines that the public does not have enough visibility into the market of loan servicing, as described in paragraph (1), the Secretary of Education, in consultation with the Director of the Bureau of Consumer Financial Protection and the Secretary of the Treasury, shall establish a plan to disclose such information necessary to provide for such visibility.

(e) REPORT ON SERVICING CHALLENGES.—The Secretary of Education shall periodically issue a report, at times determined appropriate by the Secretary, about the challenges borrowers face in the servicing of their student

loans, impediments to the efficient and effective servicing of loans under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), and any changes, including protections for consumers, that should be considered to improve postsecondary education loan servicing for all borrowers, servicers, taxpayers, and the Department of Education.

SEC. 453. FUNDS FOR ADMINISTRATIVE EXPENSES.

Section 458(a) (20 U.S.C. 1087h(a)) is amended—

(1) in paragraph (3)—

(A) in the paragraph heading, by striking ''2007 THROUGH 2014'' and inserting ''2015 THROUGH 2020''; and

(B) by striking ''2007 through 2014'' and inserting ''2015 through 2020'';

(2) in paragraph (4), by striking ''2007 through 2014'' and inserting ''2015 through 2020''; and

(3) in paragraph (5), by striking ''paragraph (3)'' and inserting ''paragraph (4)''.

SEC. 454. FEDERAL DIRECT LOAN FORGIVENESS FOR CERTAIN AMERICAN INDIAN EDUCATORS.

Section 460(c) (20 U.S.C. 1087j(c)) is amended by adding at the end the following:

"(4) AMERICAN INDIAN TEACHERS IN LOCAL EDUCATIONAL AGENCIES WITH A HIGH PERCENTAGE OF AMERICAN INDIAN STUDENTS.—Notwithstanding the amount specified in paragraph (1) and the requirements under subparagraphs (A) and (B) of subsection (b)(1), the aggregate amount that the Secretary shall cancel under this section shall be not more than $17,500 in the case of a borrower who—

"(A) has been employed as a full-time teacher for 5 consecutive complete school years in a local educational agency described in section 7112(b) of the Elementary and Secondary Education Act of 1965 or in a school operated or funded by the Bureau of Indian Education; and

"(B) is a member of an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)).".

PART E—FEDERAL PERKINS LOANS

SEC. 461. APPROPRIATIONS AUTHORIZED.

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

(1) in paragraph (1), by striking "$300,000,000" and all that follows through the period at the end and by inserting "such sums as may

be necessary for fiscal year 2015 and each of the five succeeding fiscal years.''; and

(2) in paragraph (2), by striking ''2015'' each place the term appears and inserting ''2021''.

SEC. 462. PERKINS ALLOCATION OF FUNDS.

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

(1) by striking subsection (a) and inserting the following:

''(a) ALLOCATION BASED ON PREVIOUS ALLOCATION.—

''(1) IN GENERAL.—From the amount appropriated pursuant to section 461(b), for each fiscal year, the Secretary shall allocate to each eligible institution an amount equal to not less than 90 percent and not more than 110 percent of the amount that the eligible institution received under this subsection and subsection (b) (as such subsections were in effect with respect to allocations for such fiscal year) for the previous fiscal year for which that institution received funds under this section.

''(2) RATABLE REDUCTION.—If the amount appropriated for any fiscal year is less than the amount required to be allocated to all institutions under paragraph (1), then the amount of the alloca-

tion to each such institution shall be ratably reduced.

"(3) NO PREVIOUS ALLOCATION.—In the case of an institution that has not received a previous allocation under this section, the Secretary shall allocate funds under this section solely on the basis of the self-help need determination described under subsection (c)."; and

(2) in subsection (c)—

(A) in paragraph (2), by striking "To determine the self-help need of an institution's eligible undergraduate students," and inserting "Until such time as the Secretary establishes a revised method to determine the self-help need of an institution's eligible undergraduate students, in accordance with paragraph (5),";

(B) in paragraph (3), by striking "To determine the self-help need of an institution's eligible graduate and professional students," and inserting "Until such time as the Secretary establishes a revised method to determine the self-help need of an institution's eligible graduate and professional students, in accordance with paragraph (5),"; and

(C) by adding at the end the following:

"(5) Not later than 1 year after the date of enactment of the Higher Education Affordability Act, the Secretary shall establish revised methods for determining the self-help need of an institution's eligible undergraduate students, as described in paragraph (2), and eligible graduate and professional students, as described in paragraph (3), which shall take into account the number of low- and moderate-income students that an eligible institution serves. The Secretary shall promulgate any regulations necessary to carry out the revised methods of determining an eligible institution's self-help need under this subsection.".

SEC. 463. INSTITUTIONAL CONTRIBUTIONS FOR PERKINS.

Section 463(a)(2)(B) (20 U.S.C. 1087cc(a)(2)(B)) is amended by striking "one-third of the Federal capital contributions" and inserting "50 percent of the Federal capital contributions".

SEC. 464. SIMPLIFICATION OF MILITARY DEFERMENT ELIGIBILITY.

Section 464(c)(2)(A) (20 U.S.C. 1087dd(c)(2)(A)) is amended—

(1) by redesignating clauses (iv) and (v) as clauses (v) and (vi), respectively;

(2) in clause (iii), by striking ''the borrower—'' and all that follows through ''described in subclause (I) or (II);'' and inserting ''during which the borrower is performing eligible military service, and for the 180-day period following the demobilization date for such eligible military service;''; and

(3) by inserting after clause (iii) the following:

''(iv) not in excess of 180 days after the effective movement date listed on the military orders of a borrower's spouse if that spouse is a member of the Armed Forces who has received military orders for a permanent change of station; or''.

SEC. 465. FORGIVENESS OF LOANS FOR ELIGIBLE MILITARY SERVICE.

Section 465(a)(2)(D) (20 U.S.C. 1087ee(a)(2)(D)) is amended by striking ''qualifies for special pay under section 310 of title 37, United States Code, as an area of hostilities'' and inserting ''is eligible military service''.

SEC. 466. DISTRIBUTION OF ASSETS FROM STUDENT LOAN FUNDS.

Section 466(b) (20 U.S.C. 1087ff(b)) is amended by striking ''October 1, 2012'' and inserting ''October 1, 2021''.

PART F—NEED ANALYSIS

SEC. 471. INCREASED INCOME PROTECTION ALLOWANCE FOR DEPENDENT STUDENTS.

(a) AMENDMENT.—Section 475(g)(2)(D) (20 U.S.C. 1087oo(g)(2)(D)) is amended to read as follows:

"(D) an income protection allowance (or a successor amount prescribed by the Secretary under section 478) of $8,451 for academic year 2015–2016;".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on July 1, 2015.

SEC. 472. INCREASED INCOME PROTECTION ALLOWANCE FOR INDEPENDENT STUDENTS WITHOUT DEPENDENTS OTHER THAN A SPOUSE.

(a) AMENDMENT.—Section 476(b)(1)(A)(iv) (20 U.S.C. 1087pp(b)(1)(A)(iv)) is amended to read as follows:

"(iv) an income protection allowance (or a successor amount prescribed by the Secretary under section 478)—

"(I) for single or separated students, or married students where both are enrolled pursuant to subsection (a)(2), of $13,135 for academic year 2015–2016; and

"(II) for married students where 1 is enrolled pursuant to subsection (a)(2), of $21,060 for academic year 2015–2016;".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on July 1, 2015.

SEC. 473. INCREASED INCOME PROTECTION ALLOWANCE FOR INDEPENDENT STUDENTS WITH DEPENDENTS OTHER THAN A SPOUSE.

(a) AMENDMENT.—Section 477(b)(4) of the Higher Education Act of 1965 (20 U.S.C. 1087qq(b)(4)) is amended to read as follows:

"(4) INCOME PROTECTION ALLOWANCE.—The income protection allowance is determined by the following table (or a successor table prescribed by the Secretary under section 478), for academic year 2015–2016:

"Income Protection Allowance

Family Size	Number in College					
(including student)	1	2	3	4	5	For each additional subtract:
2	$33,277	$27,580				$4,250
3	41,431	35,761	$30,078			
4	51,151	45,481	39,825	$34,114		
5	60,358	54,661	49,005	43,321	$37,665	
6	70,591	64,908	59,265	53,554	47,898	
For each additional add:	6,000					".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on July 1, 2015.

SEC. 474. UPDATED TABLES AND AMOUNTS FOR INCOME PROTECTION ALLOWANCE.

(a) AMENDMENTS.—Section 478(b) of the Higher Education Act of 1965 (20 U.S.C. 1087rr(b)) is amended—

(1) in paragraph (1), by striking subparagraphs (A) and (B) and inserting the following:

"(A) IN GENERAL.—For each academic year after academic year 2015–2016, the Secretary shall publish in the Federal Register a revised table of income protection allowances for the purpose of sections 475(c)(4) and 477(b)(4), subject to subparagraphs (B) and (C).

"(B) TABLE FOR INDEPENDENT STUDENTS.—For each academic year after academic year 2015–2016, the Secretary shall develop the revised table of income protection allowances by increasing each of the dollar amounts contained in the table of income protection allowances under section 477(b)(4)(D) by a percentage equal to the estimated percentage increase in the Consumer Price Index (as determined by the Secretary) between December 2014 and the December next preceding the

beginning of such academic year, and rounding the result to the nearest $10.''; and

(2) in paragraph (2), by striking ''shall be developed'' and all that follows through the period at the end and inserting ''shall be developed for each academic year after academic year 2015–2016, by increasing each of the dollar amounts contained in such section for academic year 2015–2016 by a percentage equal to the estimated percentage increase in the Consumer Price Index (as determined by the Secretary) between December 2014 and the December next preceding the beginning of such academic year, and rounding the result to the nearest $10.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on July 1, 2015.

SEC. 475. PRIOR PRIOR YEAR; DEFINITION OF INDEPENDENT STUDENT.

Section 480 (20 U.S.C. 1087) is amended—

(1) by striking subparagraph (B) of subsection (a)(1) and inserting the following:

''(B) Notwithstanding section 478(a) and beginning not later than 180 days after the date of enactment of the Higher Education Affordability Act, the Secretary shall provide for the use of data from the second preceding tax year when and to the extent necessary to carry out

the simplification of applications (including simplification for a subset of applications) used for the estimation and determination of financial aid eligibility. Such simplification shall include the sharing of data between the Internal Revenue Service and the Department, pursuant to the consent of the taxpayer.'';

(2) in subsection (d)—

(A) in paragraph (1)(H)—

(i) in the matter preceding clause (i), by striking ''during the school year in which the application is submitted as either an unaccompanied youth'' and inserting ''as either an unaccompanied youth age 23 or younger who is'';

(ii) in clause (i), by inserting '', or a designee of the liaison'' after ''Act''; and

(iii) in clause (ii), by striking ''a program funded under the Runaway and Homeless Youth Act'' and inserting ''an emergency or transitional shelter, street outreach program, homeless youth drop-in center, or other program serving homeless youth,''; and

(B) by adding at the end the following:

"(3) SIMPLIFYING THE DETERMINATION PROCESS FOR UNACCOMPANIED YOUTH.—

"(A) VERIFICATION.—A financial aid administrator is not required to verify homelessness determinations made by the individuals authorized to make such determinations under clause (i), (ii), or (iii) of paragraph (1)(H) in the absence of conflicting information. A documented phone call with, or a written statement from, one of the authorized individuals is sufficient verification when needed.

"(B) DETERMINATION OF INDEPENDENCE.—A financial aid administrator shall conduct the verification under paragraph (1)(H) if a student does not have, and cannot get, documentation from any of the individuals authorized to make such determinations under clause (i), (ii), or (iii) of paragraph (1)(H). The financial aid administrator shall make the determination of independence based on the determination of a student as an unaccompanied youth who is a homeless child or youth (as such terms are defined in section 725 of the McKinney-Vento Homeless Assistance Act), or as un-

accompanied, at risk of homelessness, and self-supporting, which—

"(i) shall be distinct from a determination of independence described under paragraph (1)(I); and

"(ii) may be based on a documented interview with the student if there is no written documentation available.

"(C) DURATION OF DETERMINATION.—A student shall receive a determination under paragraph (1)(H) during the school year in which the student initially submits the application. If a student is determined to be independent under paragraph (1)(H), the student shall be presumed to be independent in subsequent years unless—

"(i) the student informs the financial aid office that circumstances have changed; or

"(ii) the financial aid administrator has specific conflicting information about the student's independence."; and

(3) by striking paragraph (5) of subsection (e) and inserting the following:

"(5) payments made and services provided under part E of title IV of the Social Security Act, including the value of vouchers for education and training made available under section 477 of such Act, and any payments made directly to youth as part of an extended foster care program pursuant to such part E; and".

PART G—GENERAL PROVISIONS

SEC. 481. DEFINITIONS.

Section 481 (20 U.S.C. 1088) is amended—

(1) by striking subsection (d);

(2) in the subsection heading of subsection (f), by striking "DEFINITION OF";

(3) by redesignating subsections (b), (c), (e), and (f) as subsections (f), (m), (c), and (d), respectively, and transferring such subsections to be in alphabetical order based on subsection designation;

(4) by inserting after subsection (a) the following:

"(b) COMMISSION, BONUS, OR OTHER INCENTIVE PAYMENT.—For purposes of this title, the term 'commission, bonus, or other incentive payment' means a sum of money or something of value, other than a fixed salary or wages, paid to or given to a person or an entity for services rendered.";

(5) by inserting after subsection (d), as redesignated and transferred by paragraph (3), the following:

"(e) ELIGIBLE MILITARY SERVICE.—

"(1) IN GENERAL.—The term 'eligible military service'—

"(A) in the case of a member of a regular component of the Armed Forces, means full-time duty in the Armed Forces, other than active duty for training (as defined in section 101 of title 38, United States Code) of 30 days or less;

"(B) in the case of a member of the reserve components of the Armed Forces, means service on active duty under a call or order to active duty under—

"(i) section 688, 12302, 12304, or 12322 of title 10, United States Code;

"(ii) subsection (a), (d), or (g) of section 12301 of title 10, United States Code; or

"(iii) section 712 of title 14, United States Code;

"(C) in the case of a member of the Army National Guard of the United States or Air Na-

tional Guard of the United States, means, in addition to service described in subparagraph (B), full-time service—

"(i) in the National Guard of a State for the purpose of organizing, administering, recruiting, instructing, or training the National Guard; or

"(ii) in the National Guard under section 502(f) of title 32, United States Code, when authorized by the President or the Secretary of Defense for the purpose of responding to a national emergency declared by the President and supported by Federal funds; and

"(D) in the case of a servicemember who is a commissioned officer of the Public Health Service or the National Oceanic and Atmospheric Administration, active service.

"(2) EXCLUSIONS.—The term 'eligible military service' does not include any period during which an individual—

"(A) was assigned full-time by the Armed Forces to a civilian institution for a course of education that was substantially the same as established courses offered to civilians;

"(B) serves as a cadet or midshipman at one of the military service academies of the United States; or

"(C) serves under the provisions of section 12103(d) of title 10, United States Code, pursuant to an enlistment in the Army National Guard or the Air National Guard, or as a Reserve for service in the Army Reserve, Navy Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve.";

(6) by inserting after subsection (f), as redesignated and transferred by paragraph (3), the following:

"(g) INSTITUTION AFFILIATE.—For purposes of this title, the term 'institution affiliate' means any person or entity that controls, is controlled by, or is under common control with, an institution of higher education.

"(h) MILITARY ORDERS.—For purposes of this title, the term 'military orders', when used with respect to a member of the Armed Forces, means official military orders, or any notification, certification, or verification from the member's commanding officer, with respect to the member's current or future military duty status.

"(i) REVENUE-SHARING ARRANGEMENT.—For purposes of this title, the term 'revenue-sharing arrangement'

means an arrangement between an institution of higher education and third party under which—

"(1) the third party provides, exclusively or nonexclusively, educational products or services to prospective students or students attending the institution of higher education; and

"(2) the third party or institution of higher education pays a fee or provides other material benefits, including revenue- or profit-sharing, to the institution of higher education or third party in connection with the educational products or services provided to prospective students or students attending the institution of higher education.

"(j) SECURING ENROLLMENTS OR SECURING OR AWARDING FINANCIAL AID.—

"(1) IN GENERAL.—For purposes of this title, the term 'securing enrollments or securing or awarding financial aid'—

"(A) means any activity carried out by a person or entity for the purpose of the admission or matriculation of a student to an institution of higher education or the award of financial aid to a student that occurs at any time until the student has completed the student's educational program at an institution;

"(B) includes contact in any form with a prospective student, such as contact through preadmission or advising activities, scheduling an appointment to visit the enrollment office or any other office of the institution, attendance at such an appointment, or involvement in a prospective student's signing of an enrollment agreement or financial aid application; and

"(C) does not include making a payment to a third party for the provision of student contact information for prospective students, as long as such payment is not based on—

"(i) any additional conduct or action by the third party or any prospective student, such as participation in preadmission or advising activities, scheduling an appointment to visit the enrollment office or any other office of the institution or attendance at such an appointment, or the signing, or being involved in the signing, of a prospective student's enrollment agreement or financial aid application; or

"(ii) the number of students (calculated at any point in time of an educational program) who apply for enroll-

ment, are awarded financial aid, or are enrolled for any period of time, including through completion of an educational program.

"(k) SERVICE PROVIDER.—For purposes of this title, the term 'service provider' means any State, person, or entity that enters into a contract with an eligible institution to administer any aspect of the institution's participation in any program under this title, including—

"(1) securing enrollments or securing or awarding financial aid;

"(2) student performance in educational coursework;

"(3) student graduation;

"(4) job placement of students; or

"(5) any other academic facet of a student's enrollment in an institution of higher education.

"(l) STUDENT DEFAULT RISK.—For purposes of this title, the term 'student default risk' means a risk that is reflected as a percentage that is calculated by taking an institution's 3-year cohort default rate, as defined in section 435(m), for the most recent fiscal year available, and multiplying it by the percentage of students enrolled at such institution receiving a Federal student loan authorized under this title during the previous academic year.".

SEC. 482. STANDARD NOTIFICATION FORMAT FOR DELINQUENT BORROWERS; EXPLANATION OF BENEFITS OF FEDERAL LOANS.

Part G of title IV (20 U.S.C. 1088 et seq.) is amended by inserting after section 483 the following:

"SEC. 483A. STANDARD NOTIFICATION FORMAT FOR DELINQUENT BORROWERS; EXPLANATION OF BENEFITS OF FEDERAL LOANS.

"(a) STANDARD NOTIFICATION FORMAT FOR DELINQUENT BORROWERS.—

"(1) IN GENERAL.—The Secretary, in consultation with the Director of the Bureau of Consumer Financial Protection, shall develop and submit for consumer testing in accordance with section 483C, a standard format to be used to notify, by writing and by telephone, any borrower who is delinquent, or at risk of becoming delinquent, on loans made, insured, or guaranteed under part B or D of the borrower's repayment options, including deferment, forbearance, the income-based repayment plan available under section 493C, loan forgiveness opportunities, and, if applicable, the possibility for loan discharge.

"(2) CONTENTS.—To the extent practicable, the information provided through the standard format to borrowers described in paragraph (1) shall include all terms, conditions, fees, and costs associ-

ated with the available repayment plans in a format that allows the borrower to compare the borrower's current repayment plan with the alternatives.

"(b) EXPLANATION OF THE BENEFITS OF FEDERAL LOANS.—The Secretary, in consultation with the Director of the Bureau of Consumer Financial Protection, shall prepare and make available to eligible institutions, for disclosure in accordance with section 485(l)(2)(L)(ii), a written explanation of the benefits that are unique to Federal student loans (including repayment plans, loan forgiveness, and loan deferment) and a description of the loan terms that borrowers should examine carefully if considering a private education loan.".

SEC. 483. INSTITUTIONAL FINANCIAL AID AWARD LETTER.

(a) IN GENERAL.—Part G of title IV (20 U.S.C. 1088 et seq.) is further amended by inserting after section 483A, as added by section 482, the following:

"SEC. 483B. INSTITUTIONAL FINANCIAL AID AWARD LETTERS.

"(a) STANDARD FORMAT.—The Secretary, in consultation with the heads of relevant Federal agencies, shall develop a standard format for financial aid award letters based on recommendations from representatives of students, students' families, institutions of higher education,

1 secondary school and postsecondary education counselors,
2 and nonprofit consumer groups.

3 "(b) KEY REQUIRED CONTENTS FOR FINANCIAL AID
4 AWARD LETTERS.—The standard format developed under
5 subsection (a) shall include, in a consumer-friendly man-
6 ner that is simple and understandable, the following items
7 clearly separated from each other and listed on the first
8 page of the financial aid award letter in either electronic
9 or written format:

10 "(1) Information on the student's cost of at-
11 tendance based on the most current costs for the
12 academic period covered by the financial aid award
13 letter, including the following expenses (as deter-
14 mined under section 472):

15 "(A) Tuition and fees.

16 "(B) Room and board costs.

17 "(C) Books and supplies.

18 "(D) Transportation.

19 "(E) Miscellaneous personal expenses.

20 "(2)(A) The amount of financial aid that the
21 student would not have to repay, such as scholar-
22 ships, grant aid offered under this title, or grant aid
23 offered by the institution, a State, or an outside
24 source to the student for such academic period;

"(B) a disclosure that such financial aid does not have to be repaid and whether the student can expect to receive similar amounts of such financial aid for each academic period the student is enrolled at the institution; and

"(C) in the case of any institution that has a policy or practice of front-loading grant aid, a disclosure of that practice and that the student may receive less grant aid in future academic terms.

"(3) The net price that the student, or the student's family on behalf of the student, will have to pay for the student to attend the institution for such academic period, equal to the difference between—

"(A) the cost of attendance as described in paragraph (1) for the student for such academic period; and

"(B) the amount of financial aid described in paragraph (2) that is included in the financial aid award letter.

"(4) The amount of work study assistance, including such assistance available under part C, the likelihood of finding employment opportunities on campus, and a disclosure that the aid must be earned by the student and the assistance offered is

subject to the availability of employment opportunities.

"(5) The types and amounts of loans under part D or E that the institution recommends for the student for such academic period, including—

"(A) a disclosure that such loans have to be repaid;

"(B) a disclosure that the student can borrow a lesser amount than the recommended loan amount;

"(C) a clear use of the word 'loan' to describe the recommended loan amounts;

"(D) personalized information showing estimates of the borrower's anticipated monthly payments and the difference in total interest paid and total payments under each plan;

"(E) a disclosure that Federal loans cannot be discharged in bankruptcy except in cases of extreme or undue hardship; and

"(F) a disclosure that the student may be eligible for longer repayment terms, such as extended or income-based repayment plans, and that longer repayment terms may result in the student paying more money over the life of the loans.

"(6) Where a student or the student's family can seek additional information regarding the financial aid offered, including contact information for the institution's financial aid office and the Department's website on financial aid.

"(7) A disclosure that Federal student loans offer generally more favorable terms and beneficial repayment options than private education loans so students should examine available Federal student loan options before applying for private education loans, and an explanation to be written by the Secretary, in consultation with the heads of relevant Federal agencies of—

"(A) the benefits unique to Federal student loans, including various repayment plans, loan forgiveness, and loan deferment; and

"(B) the loan terms and conditions to examine carefully, if considering a private education loan.

"(8) The deadline and summary of the process, if any, for accepting the financial aid offered in the financial aid award letter.

"(9) The academic period covered by the financial aid award letter and a clear indication whether

the aid offered is based on full-time or part-time enrollment.

"(10) With respect to institutions where more than 30 percent of enrolled students borrow loans to pay for their education, the institution's most recent cohort default rate, as defined in section 435(m), compared to the most recent national average cohort default rate.

"(11) Any other information the Secretary, in consultation with the heads of relevant Federal agencies, determines necessary so that students and parents can make informed loan borrowing decisions, including quality metrics such as percentage of students at the institution who take out student loans and average debt at graduation for students at the institution.

"(c) OTHER REQUIRED CONTENTS FOR THE FINANCIAL AID AWARD LETTER.—The standard format for a financial aid award letter developed under subsection (a) shall also include the following information, in a concise format determined by the Secretary, in consultation with the heads of relevant Federal agencies:

"(1) A concise summary of the terms and conditions of financial aid recommended under paragraphs (2), (4), and (5) of subsection (b), and a

method to provide students with additional information about such terms and conditions, such as links to the supplementary information.

"(2) At the institution's discretion, additional options for paying for the net price amount listed in subsection (b)(3), such as the amount recommended to be paid by the student or student's family, Federal Direct PLUS Loans, or private education loans. If the institution recommends private education loans, the financial aid award letter shall contain the additional following general disclosures:

"(A) The availability of, and the student's potential eligibility for, additional Federal financial assistance under this title.

"(B) The impact of a proposed private education loan on the student's potential eligibility for other financial assistance, including Federal financial assistance under this title.

"(C) The student's ability to select a private educational lender of the student's choice.

"(D) The student's right to accept or reject a private education loan within the 30-day period following a private educational lender's approval of a student's application and a student's 3-day right-to-cancel period.

"(E) With respect to dependent students, any reference to private education loans shall be accompanied by information about the recommended family contribution and the availability of, and terms and conditions associated with, Federal Direct PLUS Loans for the student's parents regardless of family income, and of the student's increased eligibility for Federal student loans under this title if the student's parents are not able to borrow under the Federal Direct PLUS Loan program.

"(3) The following disclosures:

"(A) That the financial aid award letter only contains information for 1 academic period and the financial aid offered in following academic periods may change, unless the institution is offering aid that covers multiple academic periods.

"(B) How non-institutional scholarships awarded to the student affect the financial aid package offered to the student.

"(C) A concise summary of any Federal or institutional conditions required to receive and renew financial aid and a method to provide students with additional information about

these conditions, such as links to the supplementary information.

"(d) ADDITIONAL REQUIREMENTS FOR FINANCIAL AID AWARD LETTER.—In addition to the requirements listed under subsections (b) and (c), the financial aid award letter shall meet the following requirements:

"(1) Clearly distinguish between the aid offered under paragraphs (2), (4), and (5) of subsection (b), by including a subtotal for the aid offered in each of such paragraphs and by refraining from commingling the different types of aid described in such paragraphs.

"(2) Use standard definitions and names for the terms described in subsection (b) that are developed by the Secretary in consultation with the heads of relevant Federal agencies, representatives of institutions of higher education, nonprofit consumer groups, students, and secondary school and higher education guidance counselors, not later than 3 months after the date of enactment of the Higher Education Affordability Act.

"(3) If an institution's recommended Federal student loan aid offered under subsection (b)(5) is less than the maximum amount of Federal assistance available to the student under parts D and E,

provide additional information on Federal student loans, including the types and amounts for which the student is eligible in an attached document or webpage.

"(4) Use standard formatting and design to ensure—

"(A) that figures described in paragraphs (1) through (5) of subsection (b) are in the same font, appear in the same order, and are displayed prominently on the first page of the financial aid award letter whether produced in written or electronic format; and

"(B) that the other information required in subsections (b) and (c) appears in a standard format and design on the financial aid award letter.

"(5) Include an attestation that the student has accessed and read the financial aid award letter, if provided to the student in electronic format.

"(6) Include language developed by the Secretary, in consultation with the heads of relevant Federal agencies, notifying eligible students that they may be eligible for education benefits, and where they can locate more information about such benefits, described in the following provisions:

"(A) Chapter 30, 31, 32, 33, 34, or 35 of title 38, United States Code.

"(B) Chapter 101, 105, 106A, 1606, 1607, or 1608 of title 10, United States Code.

"(C) Section 1784a, 2005, or 2007 of title 10, United States Code.

"(e) ADDITIONAL INFORMATION.—Nothing in this section shall preclude an institution from supplementing the financial aid award letter with additional information as long as such additional information supplements the financial aid award letter and is not located on the financial aid award letter, except as provided in subsection (c)(2).

"(f) CONSUMER TESTING.—The financial aid award letter under this section shall undergo consumer testing in accordance with section 483C. The Secretary, in consultation with the heads of relevant Federal agencies, representatives of institutions of higher education, nonprofit consumer groups, students, and secondary school and higher education guidance counselors, shall develop multiple designs and formatting, subject to the requirements of subsection (d)(4), of the financial aid award letter to be used for consumer testing not later than 6 months after the date of enactment of the Higher Education Affordability Act.".

(b) CONFORMING AMENDMENT.—Section 484 of the Higher Education Opportunity Act (20 U.S.C. 1092 note) is repealed.

SEC. 483A. CONSUMER TESTING.

Part G of title IV (20 U.S.C. 1088 et seq.) is further amended by inserting after section 483B, as added by section 483, the following:

"SEC. 483C. CONSUMER TESTING.

"(a) ESTABLISHMENT OF CONSUMER TESTING PROCESS.—Not later than 6 months after the date of enactment of the Higher Education Affordability Act, and every 5 years thereafter, the Secretary shall establish, in consultation with the heads of relevant Federal agencies, a process for consumer testing each of the following:

"(1) The universal net price calculator established under section 132(h)(7).

"(2) The College Scorecard established under section 133.

"(3) The initial model form of postsecondary education information required under section 405A(g) for the initial consumer testing, and the postsecondary education information form under section 405A(h) for all subsequent consumer testing.

"(4) The initial model form of postsecondary education information required under section

405B(g) for the initial consumer testing, and the postsecondary education information form under section 405B(h) for all subsequent consumer testing.

''(5) The master promissory note.

''(6) The standard notification format for borrowers who are delinquent or at risk of being delinquent under section 483A.

''(7) The institutional financial aid award letter required under section 483B.

''(8) The methodology for comparing institutions based on the speed-based repayment rate under section 483D(c)(4)(A).

''(9) Online entrance, exit, and interim loan counseling tools, including the Department of Education's Financial Awareness Counseling Tool and other online tools that may be used, and any disclosures that may be provided, during the counseling that is required under subsections (b), (l), and (n) of section 485.

''(10) The personalized periodic statement required for borrowers who are automatically enrolled into an income-based repayment plan under section 493C(d)(1)(D).

''(11) Any consent form or any online tool required for consent of borrowers with $0 payment

under paragraph (1)(C)(ii)(II) or (3)(B) of section 493C(d).

"(b) PARTICIPANTS IN CONSUMER TESTING.—The consumer testing process for a product described in subsection (a) shall include, as the Secretary determines necessary for the product—

"(1) representatives of students (including low-income students, first generation college students, students underrepresented in higher education (including students from ethnic and racial minorities), adult students, and prospective students);

"(2) students' families (including low-income families, families with first generation college students, families with students who are underrepresented in higher education (including students from ethnic and racial minorities), and families with prospective students);

"(3) representatives of institutions of higher education, including faculty;

"(4) secondary school and postsecondary education counselors;

"(5) postsecondary financial aid officers; and

"(6) nonprofit consumer groups.

"(c) USE OF CONSUMER TESTING RESULTS.—The Secretary shall use the results of the consumer testing in

the final development of each product described in subsection (a), and may modify the definitions, terms, formatting, and design of any product tested under this section based on the results of the consumer testing before finalizing the product.

"(d) REPORT TO CONGRESS.—Not later than 3 months after the date any consumer testing under this section concludes, the Secretary shall submit to the authorizing committees a report that contains the results of such consumer testing.".

SEC. 483B. LOAN REPAYMENT RATE AND SPEED-BASED REPAYMENT RATE.

Part G of title IV (20 U.S.C. 1088 et seq.) is further amended by inserting after section 483C, as added by section 484, the following:

"SEC. 483D. LOAN REPAYMENT RATE AND SPEED-BASED REPAYMENT RATE.

"(a) DEFINITIONS.—In this section:

"(1) AMOUNT PAID.—The term 'amount paid', when used with respect to a covered Federal student loan, means the amount paid of the outstanding balance, calculated by determining the difference between the original outstanding balance on the loan and the current loan balance on the loan.

"(2) COHORT LOAN.—The term 'cohort loan', when used with respect to an institution, means a covered Federal student loan in the 2-year loan repayment cohort identified for the institution under subsection (b)(2) for a fiscal year.

"(3) COVERED FEDERAL STUDENT LOAN.—The term 'covered Federal student loan' means—

"(A) a loan made, insured, or guaranteed under part B or D that is issued to a student borrower; or

"(B) the portion of a loan made under section 428C or a Federal Direct Consolidation Loan that is used to repay a loan described in subparagraph (A).

"(4) CURRENT LOAN BALANCE.—The term 'current loan balance' means the sum of the current outstanding balance due on a covered Federal student loan, as of the date on which a rate determination under this section is being made, plus the accrued and unpaid interest balance on the loan as of such date.

"(5) ORIGINAL OUTSTANDING BALANCE.—The term 'original outstanding balance', when used with respect to a covered Federal student loan, means the total amount of the outstanding balance of the loan,

including capitalized interest and any unpaid accrued interest that has not been capitalized, as of the date that the loan entered repayment.

"(6) PAYMENTS-MADE LOAN.—The term 'payments-made loan' means a covered Federal student loan that has never been in default (or, in the case of a loan described in paragraph (3)(B), neither the consolidation loan nor any underlying loan have ever been in default), where—

"(A) payments made by a borrower during the most recently completed fiscal year reduce the outstanding balance of the loan (which, in the case of a loan described in paragraph (3)(B), shall be deemed to mean reducing the outstanding balance of the entire consolidation loan) to an amount that is less than the outstanding balance of the loan at the beginning of that fiscal year; or

"(B) the borrower of the loan is in the process of qualifying for public service loan forgiveness under section 455(m) and submits an employment certification to the Secretary that demonstrates the borrower is engaged in a public service job and the borrower made qualifying payments, as determined under such section, on

the loan during the most recently completed fiscal year.

"(b) LOAN REPAYMENT RATE.—

"(1) METHOD OF CALCULATION.—Each fiscal year, the Secretary shall determine the loan repayment rate for each institution of higher education that is participating in a program under this title or seeking to regain eligibility to participate in a program under this title by using the loan cohort identified under paragraph (2) to calculate the loan repayment rate, in accordance with paragraph (3).

"(2) DETERMINATION OF LOAN COHORT.—

"(A) IN GENERAL.—For purposes of calculating the loan repayment rate for a fiscal year under this subsection, the 2-year loan repayment cohort for an institution of higher education shall consist of all covered Federal student loans of the institution that are in their third year of repayment or in their fourth year of repayment, except as provided in subparagraph (B).

"(B) SPECIAL RULES AND EXCLUSIONS.—

"(i) SPECIAL RULE FOR MEDICAL AND DENTAL STUDENTS.—Notwithstanding subparagraph (A), a covered Federal stu-

dent loan for any borrower who is a professional or graduate student enrolled in a program of study that requires a medical internship or residency shall be included in the loan cohort when the loan is in its sixth and seventh years of repayment.

"(ii) EXCLUSIONS.—The Secretary shall exclude from a loan cohort for a fiscal year any covered Federal student loan that would otherwise qualify, if the loan—

"(I) was discharged under subsection (a)(1) or (d) of section 437 as a result of the death of the borrower; or

"(II) was assigned or transferred to the Secretary and is being considered for discharge as a result of the total and permanent disability of the borrower, or was discharged by the Secretary on that basis, under section 437(a).

"(iii) TREATMENT OF DEFERMENTS AND FORBEARANCE.—

"(I) IN GENERAL.—The Secretary shall treat any period during

which a covered Federal student loan is in deferment or forbearance under this title as a period of repayment for purposes of this subsection, except as provided in subclause (II).

"(II) EXCEPTION FOR IN-SCHOOL DEFERMENT.—The Secretary shall not include any period during which payments on a covered Federal student loan are deferred under section 428(b)(1)(M)(i), 428B(d)(1)(A)(i), or 455(f)(2)(A) in determining the borrower's period of repayment for purposes of paragraph (1), subject to subclause (III).

"(III) NO EXCEPTION FOR CERTAIN SHORT TERM PROGRAMS OF STUDY.—Subclause (II) shall not apply in any case where a deferral described in such subclause is due to a borrower's enrollment, after completion of the program for which the loan was made, in a program of study of less than 6 months in duration.

"(iv) TREATMENT OF CONSOLIDATION LOANS.—For each covered Federal student loan that is a loan described in subsection (a)(3)(B), the Secretary shall—

"(I) determine the original outstanding balance for each original covered Federal student loan that comprises the consolidation loan;

"(II) determine the date that the repayment period began, in accordance with this subparagraph, for each such original loan;

"(III) include, in determining the duration of the repayment period under this paragraph for the underlying loan, the period during which the original loan was in repayment and the period during which the consolidation loan was in repayment; and

"(IV) include the amount determined under subclause (I) for each underlying loan in the calculations under this paragraph for the appropriate fiscal year based on the repayment period for the underlying loan.

"(3) FORMULA FOR LOAN REPAYMENT RATE.—

"(A) IN GENERAL.—For purposes of this section, the loan repayment rate for an institution for a fiscal year shall be equal to the proportion that—

"(i) the sum of—

"(I) the total original outstanding balance of all covered Federal student loans in the loan cohort of the institution for such fiscal year that are paid in full in accordance with subparagraph (B); and

"(II) the total original outstanding balance of all payments-made loans in the loan cohort for such year; bears to

"(ii) the total original outstanding balance of all loans in the loan cohort for such year.

"(B) LOANS PAID IN FULL.—

"(i) IN GENERAL.—For purposes of paragraph (1)(A), a loan paid in full is a covered Federal student loan in the loan cohort that—

"(I) has never been in default (or in the case of a loan described in subsection (a)(3)(B), neither the consolidation loan nor any original loan comprising the consolidation loan has ever been in default); and

"(II) has been paid in full by a borrower.

"(ii) CONSOLIDATION LOANS AND REFINANCING.—A covered Federal student loan described in subsection (a)(3)(B) or consolidated under another refinancing process provided for under this Act, is not counted as a loan paid in full for purposes of this subparagraph until the consolidation loan or other financial instrument is paid in full by the borrower.

"(4) PUBLICATION.—The Secretary shall make the loan repayment rate for each institution of higher education participating in a program under this title or seeking to regain eligibility to participate in a program under this title publicly available on the College Navigator website of the Department, or any successor website, and the website for the National Center for Education Statistics.

"(c) SPEED-BASED REPAYMENT RATE.—

"(1) PURPOSE.—The purpose of the speed-based repayment rate under this subsection is to provide an estimate of—

"(A) the annual rate at which student borrowers at an institution of higher education are repaying their loans under part B and D; and

"(B) the total expected time it takes student borrowers to repay their loans.

"(2) IN GENERAL.—In order to provide additional information regarding loan repayment, the Secretary shall, for each fiscal year—

"(A) determine the speed-based repayment rate for each institution of higher education that is participating in a program under this title or seeking to regain eligibility to participate in a program under this title;

"(B) determine the information required for the comparison methodology established by the Secretary under paragraph (4); and

"(C) publish the most recently available speed-based repayment rate and the comparison information under paragraph (4) for each such institution on the College Scorecard, in accordance with section 133(d)(3), and on the College

Affordability and Transparency Center website, or any successor website, of the Department.

"(3) DETERMINATION OF SPEED-BASED REPAYMENT RATE.—In order to provide additional information regarding loan repayment and determine the speed-based repayment rate required under paragraph (2)(A) for an institution of higher education, the Secretary shall, for each fiscal year—

"(A) determine the percentage paid of the total original outstanding balance of all cohort loans of the institution for the fiscal year (including, for purposes of calculating the speed-based repayment rate only, all loans that would be cohort loans for such fiscal year if the loans were not in delinquency, forbearance, deferment, or default) for which the determination is being made, by dividing—

"(i) the amount paid of all such cohort loans of the institution for such year; by

"(ii) the total original outstanding balance of all such cohort loans of the institution for such year; and

"(B) divide such percentage by the average number of years in repayment for the cohort

loans of the institution, rounded to the nearest month and weighted based on the dollar amount of the current loan balance of each cohort loan.

"(4) COMPARISON METHODOLOGY FOR DISCLOSURE PURPOSES.—

"(A) IN GENERAL.—The Secretary shall establish a methodology for comparing similar institutions of higher education based on the speed-based repayment rate. The methodology shall—

"(i) use clear and understandable terms, such as 'quickly' and 'slowly', to indicate the relative significance of the speed-based repayment rate of an institution of higher education;

"(ii) include a projection of the expected time for the average borrower in the loan cohort described in paragraph (3)(A) of each institution to complete repayment at each institution, based on the speed-based repayment rate;

"(iii) include a comparison of each institution's expected time of repayment

under clause (ii) with the expected times of repayment for similar institutions;

"(iv) not disaggregate the comparisons based on status as a public, private nonprofit, or proprietary institution of higher education;

"(v) distinguish the overall speed-based repayment rate of an institution from the speed-based repayment rate of all professional degree programs of the institution; and

"(vi) calculate a separate speed-based repayment rate for each program at an institution that is subject to gainful employment regulations under section 668.7 of title 34, Code of Federal Regulations.

"(B) CONSUMER TESTING.—The Secretary shall submit the methodology described in subparagraph (A) for consumer testing in accordance with section 483C.

"(5) GUIDANCE AND REGULATIONS.—The Secretary may issue guidance and promulgate rules for the purposes of determining the speed-based repayment rate.

"(6) AUTHORITY TO ADJUST FORMULA.—Notwithstanding any other provision of this section, the Secretary may adjust the formula for calculating the speed-based repayment rate under paragraphs (2) and (3) to provide a more informative and accurate measure of the speed of repayment.

"(d) PUBLICATION OF STUDENT DEFAULT RISK.—Each year, the Secretary shall publish the student default risk for each institution for the most recent fiscal year on the website of the National Center for Education Statistics.".

SEC. 483C. ONE-TIME FAFSA PILOT PROGRAM.

Part G of title IV (20 U.S.C. 1088 et seq.) is further amended by inserting after section 483C, as added by section 485, the following:

"SEC. 483E. ONE-TIME FAFSA PILOT PROGRAM.

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

"(1) to streamline the annual process by which students apply for Federal financial assistance; and

"(2) to reduce the need for students to apply for such assistance each year.

"(b) PILOT PROGRAM AUTHORIZED.—The Secretary is authorized to establish a pilot program and select 5 eligible States—

"(1) in which a student who attends an institution of higher education in the eligible State may submit a single Free Application for Federal Student Aid described in section 483 and as modified under subsection (d) (referred to in this section as the 'FAFSA)', to be used for application to determine the need and eligibility of the student for financial assistance under this title during the official length of the student's proposed postsecondary degree program; and

"(2) that shall receive a grant in accordance with subsection (e).

"(c) ELIGIBLE STATES.—The Secretary shall select 5 eligible States that are determined by the Secretary to have a strong record of increasing college access and affordability, especially for low-income students, to participate in the pilot program described in subsection (b). The selection of eligible States shall be based on the extent to which the State has—

"(1) invested, and continues to invest, significantly in public higher education, resulting in a comparatively lower net price for low-income students;

"(2) allocated State financial aid primarily on the basis of need; and

"(3) agreed, as a condition of the State's application for the pilot program under this section, to provide all in-State students (as determined by the State) with an offer for State financial aid that—

"(A) is valid for not less than 2 years and not more than 4 years, as determined by the State; and

"(B) shall be subject to change only upon certain conditions, such as significant changes in a student's financial circumstances.

"(d) SINGLE FAFSA SUBMISSION.—The Secretary shall implement, in consultation with the 5 selected eligible States, a pilot program to streamline the process of application to determine the need and eligibility of a student for financial assistance under this title that incorporates the following:

"(1) An option for students that are enrolled in an institution of higher education in a selected eligible State to submit a single FAFSA at the beginning of the student's postsecondary degree program and receive a determination of financial assistance under this title that shall, on a contingent basis, be valid for not less than 2 years and not more than four years, as determined by the State.

1 "(2) The determination of financial assistance
2 under paragraph (1) shall be made in accordance
3 with part F, except that relevant calculations shall
4 be made using a multi-year average, of two or three
5 years, from the most recent tax years for which data
6 are available. A student may use previously sub-
7 mitted student and parent taxpayer data to
8 prepopulate the electronic version of the FAFSA, as
9 described in section 483(f) of the Higher Education
10 Act of 1965 (20 U.S.C. 1090(f)).

11 "(3) As a condition of the continued receipt of
12 financial assistance under this section, the Secretary
13 may require a student who submits the single
14 FAFSA to respond to a short number of questions
15 (which may be determined by the Secretary), on an
16 annual basis, to determine if there is a change in the
17 financial status of the student (such as whether the
18 student or the student's parent has experienced a
19 substantial increase in annual income) in order to
20 ensure that the student continues to receive the ap-
21 propriate amount of financial assistance under this
22 title.

23 "(4) Notwithstanding paragraph (1), a require-
24 ment that students who experience significant
25 changes in their financial circumstances, as deter-

mined by the Secretary, will be required to resubmit the FAFSA in order to receive a new determination of financial assistance under this title.

"(5) An income verification process—

"(A) which the Secretary, through the establishment of a memorandum of understanding with the Secretary of the Treasury, will develop to share the income tax data of a random sample of students who have received Federal assistance under this title, including Federal Pell Grants under section 401 and loans made under part D;

"(B) to ensure that students who have not resubmitted a FAFSA in accordance with paragraph (4) did not have a significant change in financial circumstances that would have required them to do so;

"(C) that shall be carried out in a way so as to ensure that no personally identifiable information is made public through the income verification process; and

"(D) that will be carried out only with the consent of students, whose consent will be requested as part of the annual response required under paragraph (3).

"(6) An option for students to request professional judgment or resubmit their FAFSA each year, to receive a new determination of eligibility for financial assistance under this title.

"(e) GRANT AMOUNT.—Selected eligible States that receive a grant under this section shall use grant funds to increase public awareness of, and promote the use of, the single FAFSA that may be submitted under the pilot program to be used for application to determine the need and eligibility of the student for financial assistance under this title during the official length of the student's proposed postsecondary degree program.

"(f) SUPPLEMENT NOT SUPPLANT.—The grants provided under this section shall be used to supplement, and not supplant, State funds that are used to improve college access and affordability.

"(g) EVALUATION.—Not later than 3 years after the date of enactment of the Higher Education Affordability Act, and 5 years thereafter, the Secretary shall prepare and submit to the authorizing committees a report that contains an evaluation of the effectiveness of the pilot program under this section in improving college access, increasing FAFSA submission rates, and increasing postsecondary education credit and course accumulation.".

SEC. 484. ABILITY TO BENEFIT.

(a) IN GENERAL.—Subsection (d) of section 484 (20 U.S.C. 1091) is amended to read as follows:

"(d) STUDENTS WHO ARE NOT HIGH SCHOOL GRADUATES.—

"(1) STUDENT ELIGIBILITY.—In order for a student who does not have a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, to be eligible for any assistance under subparts 1, 3, and 4 of part A and parts B, C, D, and E of this title, the student shall meet the requirements of one of the following subparagraphs:

"(A) The student is enrolled in an eligible career pathway program and meets one of the following standards:

"(i) The student shall take an independently administered examination and shall achieve a score, specified by the Secretary, demonstrating that such student can benefit from the education or training being offered. Such examination shall be approved by the Secretary on the basis of compliance with such standards for development, administration, and scoring as the Secretary may prescribe in regulations.

"(ii) The student shall be determined as having the ability to benefit from the education or training in accordance with such process as the State shall prescribe. Any such process described or approved by a State for the purposes of this section shall be effective 6 months after the date of submission to the Secretary unless the Secretary disapproves such process. In determining whether to approve or disapprove such process, the Secretary shall take into account the effectiveness of such process in enabling students without high school diplomas or the equivalent thereof to benefit from the instruction offered by institutions utilizing such process, and shall also take into account the cultural diversity, economic circumstances, and educational preparation of the populations served by the institutions.

"(iii) The student shall be determined by the institution of higher education as having the ability to benefit from the education or training offered by the institution of higher education upon satisfactory com-

pletion of 6 credit hours or the equivalent coursework that are applicable toward a degree or certificate offered by the institution of higher education.

"(B) The student has completed a secondary school education in a home school setting that is treated as a home school or private school under State law.

"(2) ELIGIBLE CAREER PATHWAY PROGRAM.—In this subsection, the term 'eligible career pathway program' means a program that—

"(A) concurrently enrolls participants in connected adult education and eligible postsecondary programs;

"(B) provides counseling and supportive services to identify and attain academic and career goals;

"(C) provides structured course sequences that—

"(i) are articulated and contextualized; and

"(ii) allow students to advance to higher levels of education and employment;

"(D) provides opportunities for acceleration to attain recognized postsecondary creden-

tials, including degrees, industry relevant certifications, and certificates of completion of apprenticeship programs;

''(E) is organized to meet the needs of adults;

''(F) is aligned with the education and skill needs of the regional economy; and

''(G) has been developed and implemented in collaboration with partners in business, workforce development, and economic development.''.

(b) EFFECTIVE DATE AND TRANSITION.—The amendment made by subsection (a) shall apply to students who first enroll in a program of study during the period beginning July 1, 2012, and ending June 30, 2019.

SEC. 485. REASONABLE COLLECTION COSTS IN STATE COURT JUDGMENTS.

Section 484A(b)(1) (20 U.S.C. 1091a(b)(1)) is amended by striking ''reasonable collection costs'' and inserting ''reasonable collection costs, which, in the case of a loan made under part D, means collection costs in an amount that is reasonable and that does not exceed the bona fide collection costs associated with such student loan that are actually incurred in collecting the debt against the borrower''.

SEC. 486. IMPROVED DISCLOSURES, COUNSELING, AND FINANCIAL ASSISTANCE INFORMATION FOR STUDENTS.

(a) IN GENERAL.—Section 485 (20 U.S.C. 1092) is amended—

(1) in subsection (b)—

(A) in paragraph (1)(A)—

(i) by striking clause (i) and inserting the following:

''(i) personalized information that reflects the borrower's actual borrowing circumstances, which shall include—

''(I) the repayment plans available, including the income-based repayment option under section 493C and the standard 10-year repayment option under section 428(b)(9)(A)(i) or 455(d)(1)(A);

''(II) a description of the different features of each plan; and

''(III) personalized information showing estimates of the borrower's anticipated monthly payments and the difference in total interest paid and total payments under each plan;'';

(ii) by redesignating clauses (viii) and (ix) as clauses (x) and (xi), respectively;

(iii) by inserting after clause (vii) the following:

''(viii) a statement that student loans must be repaid even if the student does not complete the program in which the student is enrolled;

''(ix) information and resources related to financial literacy and planning, including budgeting, as determined by the Secretary based on the recommendations of the Secretary of the Treasury in the report submitted under section 1103 of the Higher Education Affordability Act;''; and

(iv) by adding at the end the following:

''(C) The counseling described in subparagraph (A)—

''(i) shall be provided in a simple and understandable manner that includes mechanisms to check for comprehension; and

''(ii) shall be provided—

''(I) during an exit counseling session conducted in person; or

''(II) online.''; and

(B) in paragraph (2)(A)(iv), by striking '', address, social security number, references, and driver's license number'' and inserting '', postal address, social security number, references,

driver's license number, phone number, and personal electronic mailing address that is not associated with the institution'';

(2) in subsection (d)(1), by striking ''income-sensitive'' and all that follows through ''part D'' and inserting ''income-based repayment plans for loans made, insured, or guaranteed under part B or made under part D.'';

(3) in subsection (f)—

(A) by striking the subsection heading and inserting ''DISCLOSURE OF CAMPUS SECURITY AND HARASSMENT POLICY AND CAMPUS CRIME STATISTICS'';

(B) in paragraph (6)(A)—

(i) by redesignating clauses (iii), (iv), and (v) as clauses (vii), (viii), and (ix), respectively; and

(ii) by inserting after clause (ii) the following:

''(iii) The term 'commercial mobile service' has the meaning given the term in section 332(d) of the Communications Act of 1934 (47 U.S.C. 332(d)).

''(iv) The term 'electronic communication' means any transfer of signs, signals, writing,

images, sounds, or data of any nature transmitted in whole or in part by a wire, radio, electromagnetic, photoelectronic, or photooptical system.

"(v) The term 'electronic messaging services' has the meaning given the term in section 102 of the Communications Assistance for Law Enforcement Act (47 U.S.C. 1001).

"(vi) The term 'harassment' means conduct, including acts of verbal, nonverbal, or physical aggression, intimidation, or hostility (including conduct that is undertaken in whole or in part, through the use of electronic messaging services, commercial mobile services, electronic communications, or other technology) that—

"(I) is sufficiently severe, persistent, or pervasive so as to limit a student's ability to participate in or benefit from a program or activity at an institution of higher education, or to create a hostile or abusive educational environment at an institution of higher education; and

"(II) is based on a student's actual or perceived—

"(aa) race;

"(bb) color;

"(cc) national origin;

"(dd) sex;

"(ee) disability;

"(ff) sexual orientation;

"(gg) gender identity; or

"(hh) religion.";

(C) by redesignating paragraphs (9) through (18) as paragraphs (10) through (19), respectively; and

(D) by inserting after paragraph (8) the following:

"(9)(A) Each institution of higher education participating in any program under this title, other than a foreign institution of higher education, shall develop and distribute as part of the report described in paragraph (1) a statement of policy regarding harassment, which shall include—

"(i) a prohibition of harassment of enrolled students by other students, faculty, and staff—

"(I) on campus;

"(II) in noncampus buildings or on noncampus property;

"(III) on public property;

"(IV) through the use of electronic mail addresses issued by the institution of higher education;

"(V) through the use of computers and communication networks, including any telecommunications service, owned, operated, or contracted for use by the institution of higher education or its agents; or

"(VI) during an activity sponsored by the institution of higher education or carried out with the use of resources provided by the institution of higher education;

"(ii) a description of the institution's programs to combat harassment, which shall be aimed at the prevention of harassment;

"(iii) a description of the procedures that a student should follow if an incident of harassment occurs; and

"(iv) a description of the procedures that the institution will follow once an incident of harassment has been reported.

"(B) The statement of policy described in subparagraph (A) shall address the following areas:

"(i) Procedures for timely institutional action in cases of alleged harassment, which pro-

cedures shall include a clear statement that the accuser and the accused shall be informed of the outcome of any disciplinary proceedings in response to an allegation of harassment.

''(ii) Possible sanctions to be imposed following the final determination of an institutional disciplinary procedure regarding harassment.

''(iii) Notification of existing counseling, mental health, or student services for victims or perpetrators of harassment, both on campus and in the community.

''(iv) Identification of a designated employee or office at the institution that will be responsible for receiving and tracking each report of harassment by a student, faculty, or staff member.'';

(4) in subsection (l)—

(A) by striking paragraph (1) and inserting the following:

''(1) DISCLOSURE REQUIRED PRIOR TO SIGNING MASTER PROMISSORY NOTE.—Each eligible institution shall, prior to obtaining or arranging execution of a master promissory note for a loan under part D (other than a Federal Direct Consolidation Loan)

by a first-time borrower at such institution, ensure that the borrower receives comprehensive information on the terms and conditions of the loan and of the responsibilities the borrower has with respect to such loan in accordance with paragraph (2). Such information—

"(A) shall be provided through the use of interactive programs that include mechanisms to check the borrower's comprehension of the terms and conditions of the borrower's loans under part D, using simple and understandable language and clear formatting; and

"(B) shall be provided—

"(i) during an entrance counseling session conducted in person; or

"(ii) online.";

(B) in paragraph (2)—

(i) in subparagraph (H), by striking "within the regular time for program completion"; and

(ii) by adding at the end the following:

"(L)(i) A disclosure that Federal student loans offer generally more favorable terms and beneficial repayment options than private edu-

cation loans, an explanation of the difference and relevance between student loans with a fixed interest rate as compared to student loans with a variable interest rate, and a recommendation that students examine available Federal student loan options before applying for private education loans.

''(ii) The explanation of the benefits provided under Federal student loans developed by the Secretary under section 483A(b).

''(M) An explanation, if applicable, that a student may refuse all or part of a student loan available under part D, which could help minimize the student's debt obligations.

''(N) Information relating to the institution's cohort default rate, including—

''(i) the cohort default rate, as defined in section 435(m), of the institution;

''(ii) an easy to understand explanation of the cohort default rate;

''(iii) the percentage of students at the institution of higher education who borrow Federal student loans under this title;

"(iv) the national average cohort default rate (as determined by the Secretary in accordance with section 435(m));

"(v) in the case of an institution with a cohort default rate that is greater than the national average cohort default rate (as described in clause (iv)), a disclosure to the student that the institution's cohort default rate is above the national average; and

"(vi) in the case of an institution with a cohort default rate that is greater than 30 percent, a disclosure to the students that if the cohort default rate remains greater than 30 percent for the 3 consecutive years—

"(I) the institution will lose institutional eligibility for the purposes of programs authorized under this title; and

"(II) the student will no longer be able to receive Federal financial aid at that institution.

"(O) Information relating to the institution's speed-based loan repayment rate, including—

"(i) the speed-based loan repayment rate, as described in section 483D(c), of the institution and, if applicable, the speed-based loan repayment rate of each program at the institution that is subject to gainful employment regulations under section 668.7 of title 34, Code of Federal Regulations;

"(ii) an easy to understand description of what a speed-based loan repayment rate is;

"(iii) the national average speed-based loan repayment rate, as determined by the Secretary in accordance with section 483D(c); and

"(iv) in the case of an institution with a speed-based loan repayment rate that is below the national average speed-based loan repayment rate (as described in clause (iii)), a disclosure to the student that the institution's speed-based loan repayment rate is below the national average.

"(P) In the case of an institution with a school default risk for a fiscal year, as calculated by the Secretary, of 0.1 or higher, an explanation of the obligations of the institution under section 487(a)(32)(A).

"(Q) The percentages of students at the institution who obtain a degree or certificate within 100 percent of the normal time for completion of the student's program, and who obtain a degree or certificate within 150 percent of the normal time for completion of, the student's program.

"(R) Information and resources related to financial literacy and planning, including budgeting, as determined by the Secretary based on the recommendations of the Secretary of the Treasury in the report submitted under section 1103 of the Higher Education Affordability Act."; and

(C) by adding at the end the following:

"(3) BORROWER CONTACT INFORMATION.—

"(A) IN GENERAL.—Each eligible institution shall—

"(i) require that a borrower who applies for a loan under this title to attend

the institution on or after the date of enactment of the Higher Education Affordability Act submit to the institution, during the entrance counseling required by this subsection, the borrower's contact information at the time of the entrance counseling, including the borrower's phone number and the borrower's postal address; and

"(ii) request that the borrower provide a personal electronic mailing address of the borrower that is not associated with the institution.

"(B) BORROWER RESPONSIBILITY.—A borrower receiving entrance counseling under this subsection shall provide the institution with the personal electronic mailing address described in subparagraph (A)(ii) and shall update the borrower's contact information as necessary to ensure that the information remains accurate."; and

(5) by adding at the end the following:

"(n) ADDITIONAL NOTIFICATIONS AND COUNSELING FOR BORROWERS.—

1 "(1) ANNUAL NOTIFICATIONS.—Each eligible
2 institution shall, not less than once every year while
3 a student is enrolled in the institution, carry out the
4 notification requirements described in subparagraphs
5 (A) through (G) with respect to a borrower of a loan
6 made, insured, or guaranteed under part B (other
7 than a loan made pursuant to section 428C) or
8 made under part D (other than a Federal Direct
9 Consolidation Loan). Such notification requirements
10 may be fulfilled by notifications provided at the
11 same time as existing methods of communication,
12 such as by accompanying the annual financial aid
13 award letter, subject to subparagraph (E).
14 "(A) STUDENT LOAN BALANCE; LOAN
15 TERMS.—The eligible institution shall provide
16 the borrower with a written notification of—
17 "(i) the borrower's outstanding bal-
18 ance of principal and interest owing on any
19 loan made, insured, or guaranteed under
20 this title;
21 "(ii) the borrower's repayment op-
22 tions;
23 "(iii) a disclosure that Federal stu-
24 dent loans offer generally more favorable
25 terms and beneficial repayment options

than private education loans, an explanation of the difference and relevance between student loans with a fixed interest rate as compared to student loans with a variable interest rate, and a recommendation that students examine available Federal student loan options before applying for private education loans; and

"(iv) the explanation of the benefits provided under Federal student loans developed by the Secretary under section 483A(b).

"(B) FEDERAL DIRECT STAFFORD LOAN ELIGIBILITY.—In addition to the notifications under subparagraph (A) and under subparagraph (C), if applicable, in the case of a borrower described in paragraph (1) who qualifies for a Federal Direct Stafford Loan and who was a new borrower on or after July 1, 2013, the institution shall provide—

"(i) a written notification of the period of time that the borrower has remaining before the borrower will not be eligible for a Federal Direct Stafford Loan in accordance with section 455(q) because the

period of time for which the borrower has received Federal Direct Stafford Loans, in the aggregate, exceeds the period of enrollment described in section 455(q)(3); and

"(ii) a written notification to such student when the period of time for which the borrower has received Federal Direct Stafford Loans, in the aggregate, reaches—

"(I) except as provided in subclause (II) or (III), a period equal to 100 percent of the published length of the educational program in which the student is enrolled;

"(II) in the case of a borrower who was previously enrolled in 1 or more other educational programs that began on or after July 1, 2013, a period equivalent to ⅔ of the maximum period of time that the borrower is eligible to receive a Federal Direct Stafford Loan, as calculated in accordance with section 455(q)(3)(A)(ii); or

"(III) in the case of a borrower who was or is enrolled on less than a

full-time basis or in the case of a borrower whose course of study or program is described in paragraph (3)(B) or (4)(B) of section 484(b), a period equivalent to ⅔ of the maximum period of time that the borrower is eligible to receive a Federal Direct Stafford Loan, as calculated in accordance with section 455(q)(3)(B).

"(C) FEDERAL PELL GRANT ELIGIBILITY.—In addition to the notifications under subparagraph (A) and under subparagraph (B), if applicable, in the case of a borrower described in paragraph (1) who is receiving a Federal Pell Grant, the institution shall provide a written notification to such borrower of the student's remaining period of eligibility for a Federal Pell Grant in accordance with section 401(c)(5).

"(D) CONFIRMATION OF RECEIPT OF NOTIFICATION.—Each eligible institution shall require the borrower, for each applicable notification described in this paragraph, to provide written confirmation (including through electronic means) that the borrower has received

the notification and understands the information contained in that notification.

"(E) NOTIFICATIONS BY CERTAIN INSTITUTIONS.—In the case of an institution described in paragraph (2), the notification requirements under this paragraph (including the confirmation of notification described in subparagraph (D)) shall be carried out annually during the interim in-school counseling described in paragraph (2).

"(F) ADDITIONAL LOAN COUNSELING REQUIREMENTS FOR CERTAIN STUDENT BORROWERS.—

"(i) BORROWERS IN NEED OF ADDITIONAL LOAN COUNSELING.—A borrower shall be subject to the requirements described in clause (iii) if—

"(I) the borrower has a loan made, insured, or guaranteed under part B (other than a loan made pursuant to section 428C or a loan made on behalf of a student pursuant to section 428B) or made under part D (other than a Federal Direct Consolidation Loan or a Federal Direct

PLUS loan made on behalf of a student); and

"(II)(aa) the borrower has transferred to the institution from another institution of higher education; or

"(bb) the borrower meets certain criteria that may place a borrower at greater risk of defaulting on student loans.

"(ii) DETERMINATION MADE BY SECRETARY.—The Secretary shall determine any appropriate criteria to be used in clause (i)(II)(bb), such as withdrawing prematurely from an educational program or being in danger of failing to meet standards of academic progress. Nothing in this subparagraph shall be construed to allow an institution to select any criteria for purposes of such clause.

"(iii) ADDITIONAL COUNSELING.—Each eligible institution shall require each borrower described in clause (i) to participate in an additional loan counseling session, which shall—

"(I) be coordinated jointly by the student's academic advisor and the financial aid office of the institution;

"(II) include disclosure of the estimated additional cost of attendance that the borrower may incur by failing to progress through the borrower's educational program at a pace that meets the requirements for satisfactory progress, as described in section 484(c); and

"(III) in the case of a borrower described in clause (i)(II)(bb), include the development of an institutionally approved academic plan designed to ensure that the borrower will complete the borrower's educational program within a reasonable timeframe.

"(G) COUNSELING FOR PARENT PLUS BORROWERS.—

"(i) IN GENERAL.—Each eligible institution shall, prior to disbursement of a Federal Direct PLUS loan made on behalf of a student, ensure that the borrower receives comprehensive information on the

terms and conditions of the loan and of the responsibilities the borrower has with respect to such loan. Such information—

"(I) shall be provided through the use of interactive programs that use mechanisms to check the borrower's understanding of the terms and conditions of the borrower's loan, using simple and understandable language and clear formatting; and

"(II) shall be provided—

"(aa) during a counseling session conducted in person; or

"(bb) online.

"(ii) INFORMATION TO BE PROVIDED.—The information to be provided to the borrower under clause (i) shall include the following:

"(I) Information on how interest accrues and is capitalized during periods when the interest is not paid by the borrower.

"(II) An explanation of when loan repayment begins, of the options available for a borrower who may need

a deferment, and that interest accrues during a deferment.

"(III) The repayment plans that are available to the borrower, including personalized information showing—

"(aa) estimates of the borrower's anticipated monthly payments under each repayment plan that is available; and

"(bb) the difference in interest paid and total payments under each repayment plan.

"(IV) The obligation of the borrower to repay the full amount of the loan, regardless of whether the student on whose behalf the loan was made completes the program in which the student is enrolled.

"(V) The likely consequences of default on the loan, including adverse credit reports, delinquent debt collection procedures under Federal law, and litigation.

"(VI) A notification that the loan is not eligible for an income-based repayment plan under section 493C.

"(VII) The name and contact information of the individual the borrower may contact if the borrower has any questions about the borrower's rights and responsibilities or the terms and conditions of the loan.

"(2) INTERIM IN-SCHOOL COUNSELING REQUIREMENTS FOR INSTITUTIONS WITH GREATER THAN AVERAGE STUDENT DEFAULT RISK.—Each eligible institution that has a student default risk that is greater than the national average student default risk (as determined by the Secretary), shall require each borrower of a loan made, insured, or guaranteed under part B (other than a loan made pursuant to section 428C or a loan made on behalf of a student pursuant to section 428B) or made under part D (other than a Federal Direct Consolidation Loan or a Federal Direct PLUS loan made on behalf of a student), to undertake not less than 1 online or in-person counseling session at the beginning of each academic year that the borrower is enrolled at such institution, which shall include—

"(A) the applicable notification requirements described in paragraph (1); and

"(B) a statement that student loans must be repaid even if the student does not complete the program in which the student enrolled.

"(o) REQUIRED DATA.—In any case where an institution needs data to comply with subsection (b), (l), or (n) that are not available to the institution but that are available to the Department or a Federal agency, the Secretary or the head of such agency shall provide or make available such information to the institution.

"(p) REPORTS RELATING TO CLINICAL TRAINING PROGRAMS.—

"(1) REPORT ON CLINICAL TRAINING PROGRAM AGREEMENTS.—

"(A) IN GENERAL.—Beginning in the year in which the Higher Education Affordability Act is enacted, an eligible institution that participates in any program under this title shall prepare and submit a report to the Secretary containing the information described in subparagraph (C), for every year in which the eligible institution has an agreement with a hospital or health facility, through which—

"(i) the eligible institution agrees to provide funding or other benefits to the hospital or health facility; and

"(ii) that hospital or health facility provides opportunities for students at the institution to participate in a clinical training program.

"(B) TIMING.—Following the year in which the Higher Education Affordability Act is enacted, the report described in this paragraph shall be submitted not more than 30 days after the end of any year for which a report is required to comply with subparagraph (A).

"(C) CONTENTS OF REPORT.—The report described in this paragraph shall include the following:

"(i) The amount of any payments from the institution of higher education to a hospital or health facility during the period covered by the report, and the precise terms of any agreement under which such amounts are determined.

"(ii) Any conditions associated with the transfer of money or the provision of clinical training program opportunities

that are part of the agreement described in subparagraph (A).

"(iii) Any memorandum of understanding between the institution of higher education, or an alumni association or foundation affiliated with or related to such institution, and a hospital or health facility, that directly or indirectly relates to any aspect of any agreement referred to in subparagraph (A) or controls or directs any obligations or distribution of benefits between or among any such entities.

"(iv) For each hospital or health facility that has an agreement described in subparagraph (A) with the institution, the number of clinical training positions at the hospital or health facility that are reserved for students at that institution.

"(2) REPORT ON CHARITABLE DONATIONS.—

"(A) IN GENERAL.—Beginning in the year in which the Higher Education Affordability Act is enacted, and annually thereafter, an eligible institution shall prepare and submit to the Secretary a report containing the information described in subparagraph (C) if—

"(i) the eligible institution made a charitable donation to a hospital or health facility in any of the previous 3 years; and

"(ii) the number of students from the eligible institution who participate in any clinical training program at the hospital or health facility where such a donation was made increases by more than 5 students or 10 percent, whichever is less, as compared to the number of such students who participated in a clinical training program at that hospital or health facility during the first year in the previous 3-year period.

"(B) TIMING.—Following the year in which the Higher Education Affordability Act is enacted, the report described in subparagraph (A) shall be submitted not more than 30 days after the end of any year for which a report is required to comply with subparagraph (A).

"(C) CONTENTS OF REPORT.—The report described in this paragraph shall include the following:

"(i) The amount of each charitable donation that was made in the previous 3-

year period by the eligible institution to a hospital or health facility.

"(ii) The number of students from the eligible institution who participate in any clinical training program at the hospital or health facility where each such donation was made—

"(I) during the year in which the report is submitted; and

"(II) during the first year in the previous 3-year period covered by the report.

"(3) AGGREGATION BY INSTITUTION.—The information required to be reported in this subsection shall include, and shall be aggregated with respect to, each institution of higher education and each alumni association or foundation affiliated with or related to such institution. For any year in which an institution is required to submit a report described under paragraph (1) and a report described under paragraph (2), the institution may submit a single report for that year containing all of the information required under paragraphs (1) and (2).

"(4) REPORT TO CONGRESS.—The Secretary, in conjunction with the Secretary of Health and

1 Human Services, shall submit to Congress, and
2 make available to the public, an annual report that
3 lists the reports submitted to the Secretary by each
4 institution of higher education in accordance with
5 this subsection.

6 "(5) PUBLIC DISCLOSURE.—Each eligible insti-
7 tution described in paragraph (1) or (2) of this sub-
8 section shall make readily available the reports de-
9 scribed in such paragraph (as applicable), through
10 appropriate publications, mailings, and electronic
11 media to the general public.

12 "(6) DEFINITIONS.—In this subsection:

13 "(A) CLINICAL TRAINING PROGRAM.—The
14 term 'clinical training program' means any pro-
15 gram at, or associated or affiliated with, a hos-
16 pital or health facility (or any of a hospital's af-
17 filiates or health facility's affiliates), the com-
18 pletion of which fulfills a requirement that is
19 necessary to receive a license, certificate, spe-
20 cialized accreditation, or other academically re-
21 lated pre-condition necessary under Federal or
22 State law for a health profession.

23 "(B) HEALTH FACILITY.—The term
24 'health facility' has the meaning given that
25 term in section 804(d).

"(C) HOSPITAL.—The term 'hospital' has the meaning given that term in section 1861 of the Social Security Act (42 U.S.C. 1395x).".

(b) EFFECT ON CHANGES TO CAMPUS SAFETY PROVISIONS ON OTHER LAWS.—Nothing in the amendments made by subsection (a)(3), shall be construed to invalidate or limit rights, remedies, procedures, or legal standards available to victims of discrimination under any other Federal law or law of a State or political subdivision of a State, including title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), section 504 or 505 of the Rehabilitation Act of 1973 (29 U.S.C. 794, 794a), or the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.). The obligations imposed by this Act are in addition to those imposed by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.).

(c) EFFECTIVE DATE FOR TERMINATION OF INCOME-SENSITIVE REPAYMENT PLAN REFERENCE.—The amendment made by subsection (a)(2) shall take effect on

the date that is 1 year after the date of enactment of this Act.

SEC. 487. IMPROVEMENTS TO NATIONAL STUDENT LOAN DATA SYSTEM.

(a) AMENDMENTS.—Section 485B (20 U.S.C. 1092b) is amended—

(1) in subsection (a), by inserting ''and loans made or insured under part A of title VII, or part E of title VIII, of the Public Health Service Act (42 U.S.C. 292 et seq., 296 et seq.),'' after ''parts D and E,''; and

(2) by striking subsection (h) and inserting the following:

''(h) INTEGRATION OF DATABASES.—

''(1) IN GENERAL.—The Secretary shall integrate the National Student Loan Data System with the Federal Pell Grant applicant and recipient databases as of January 1, 1994, and any other databases containing information on participation in programs under this title.

''(2) DEPARTMENT OF DEFENSE AND DEPARTMENT OF VETERANS AFFAIRS INFORMATION.—

''(A) IN GENERAL.—In order to incorporate the military and veteran status of borrowers into the National Student Loan Data

System, the Secretary shall integrate the National Student Loan Data System with information from—

"(i) the Department of Defense, including the Defense Manpower Data Center; and

"(ii) the Department of Veterans Affairs, including data about veterans who are eligible for educational assistance under laws administered by the Secretary of Veterans Affairs.

"(B) MEMORANDA OF UNDERSTANDING.—The Secretary shall enter into any memoranda of understanding or other agreements that are necessary to carry out this paragraph."; and

(3) by adding at the end the following:

"(i) PUBLIC HEALTH SERVICE LOANS.—The Secretary shall include in the National Student Loan Data System established pursuant to subsection (a) information regarding loans made under—

"(1) subpart II of part A of title VII of the Public Health Service Act; or

"(2) part E of title VIII of the Public Health Service Act.

"(j) PRIVATE EDUCATION LOAN INFORMATION.—The Secretary shall include in the National Student Loan Data System established pursuant to subsection (a) the information regarding private education loans that is determined necessary by the Director of the Bureau of Consumer Financial Protection, in coordination with the Secretary, to be included pursuant to section 128(e)(13) of the Truth in Lending Act (15 U.S.C. 1638(e)(13)).".

(b) REPORTS.—

(1) PLAN.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Education shall submit to the appropriate committees of Congress a report that includes a plan to implement the Department of Defense and Department of Veterans Affairs data integration provision described under section 485B(h)(2) of the Higher Education Act of 1965, as amended by subsection (a)(2).

(2) FOLLOW-UP REPORT.—If the Secretary of Education has not implemented the Department of Defense and Department of Veterans Affairs data integration provision described under section 485B(h)(2) of the Higher Education Act of 1965, as amended by subsection (a)(2), by the date that is 1 year after the date of enactment of this Act, the

Secretary of Education shall submit, by such date, a report that includes an explanation of why such provision has not been implemented.

SEC. 488. COMPETENCY-BASED EDUCATION DEMONSTRATION PROGRAM.

Part G of title IV (20 U.S.C. 1088 et seq.) is further amended by inserting after section 486A the following:

"SEC. 486B. COMPETENCY-BASED EDUCATION DEMONSTRATION PROGRAM.

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

"(1) to allow a demonstration program that is monitored by the Secretary to explore ways of delivering education and disbursing student financial aid that are based on demonstrating competencies rather than credit hours;

"(2) to potentially lower the cost of postsecondary education and reduce the time needed to attain a postsecondary degree; and

"(3) to help determine—

"(A) the specific statutory and regulatory requirements that should be modified to provide greater access to high-quality competency-based education programs, which may be independent of, or combined with, traditional credit hour or clock hour programs;

"(B) the most effective means of delivering competency-based education; and

"(C) the appropriate level and distribution methodology of Federal assistance for students enrolled in competency-based education.

"(b) DEFINITIONS.—In this section:

"(1) COMPETENCY-BASED EDUCATION.—The term 'competency-based education' means an academic program that—

"(A) uses direct assessment of learning for any of its components as a substitute for traditional coursework measured in credit-hours; and

"(B) upon successful completion, results in the attainment of a 2-year or 4-year postsecondary degree or certificate.

"(2) ELIGIBLE ENTITY.—The term 'eligible entity' means any of the following:

"(A) An institution of higher education, as defined in section 101, that is eligible to participate in programs under this title.

"(B) A consortia of institutions of higher education that meet the requirements in subparagraph (A).

"(c) DEMONSTRATION PROGRAMS AUTHORIZED.—

"(1) IN GENERAL.—The Secretary shall carry out a competency-based education demonstration program under which the Secretary selects, in accordance with subsection (e), eligible entities to participate and receive waivers described in paragraph (2), in order to enable the eligible entities to offer competency-based education programs.

"(2) WAIVERS.—

"(A) IN GENERAL.—The Secretary may waive, for an eligible entity participating in the demonstration program under this section, any requirement of subsections (a) and (f) of section 481 as such subsections relate to requirements under this Act for a minimum number of weeks of instruction (including any regulation promulgated under such subsections).

"(B) ADDITIONAL REQUIREMENTS ELIGIBLE FOR WAIVER.—

"(i) IN GENERAL.—In addition to any waiver authorized under subparagraph (A), the Secretary may waive any requirements described in clause (ii) for an eligible entity that requests such a waiver in the application submitted under subsection (d), if—

"(I) the Secretary determines that the eligible entity has proposed a high-quality plan for competency-based education that requires such waiver;

"(II) the eligibility entity has provided equivalent metrics to each of the requirements described in clause (ii) for which the eligible entity is seeking a waiver; and

"(III) the Secretary has certified that all requirements being waived have such high-quality equivalents.

"(ii) DESCRIPTION OF ADDITIONAL REQUIREMENTS.—Requirements described in this clause are requirements under this part, part F, or title I (including any regulations promulgated under such parts or title) that inhibits the operation of competency-based education, related to—

"(I) minimum weeks of instructional time;

"(II) credit hour or clock hour equivalencies; and

"(III) the definitions of the terms 'academic year', 'full-time student', 'standard term', 'non-term', 'non-standard term', 'term', 'satisfactory academic progress', 'educational activity', 'program of study', and 'payment period'.

"(d) APPLICATION.—

"(1) IN GENERAL.—Each eligible entity desiring to participate in the demonstration program under this section shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary shall require.

"(2) CONTENTS.—Each application submitted under paragraph (1) shall include—

"(A) a description of the competency-based education to be offered by the eligible entity through the demonstration program;

"(B) a detailed description of the proposed academic delivery, business, and financial models to be used in the program, including brief explanations of how the program's approach would result in the achievement and assessment

of competencies and how the approach would differ from standard credit hour approaches;

"(C)(i) a summary of the evidence-based analysis of the financial impact of the proposed program on the institution, its prospective students, and the Federal government; and

"(ii) a written assurance that—

"(I) the summary presented to the Secretary is a good-faith representation of all the information available to the institution at the time of the application; and

"(II) all material internal analyses and supporting data used in the summary shall be retained and made available to the Secretary upon request for a period of not less than 5 years after the approval of the proposed program;

"(D) a written assurance that the program fully conforms to the institution's academic policies, and that any degrees or certificates conferred through the program shall be equivalent to the institution's traditional degrees or certificates;

"(E) documentation of approval of the competency-based demonstration program from a regional accrediting agency or association;

"(F) a description of the statutory and regulatory requirements described in subsection (c)(2) for which a waiver is sought, the reasons for which each such waiver is sought, and how the institution proposes to mitigate any risks to students or the Federal Government as a result of the waiver;

"(G) a description of the entity's proposal for determining a student's Federal student aid eligibility under this title and awarding and distributing such aid, including safeguards to ensure that students are making satisfactory progress that warrants disbursement of such aid, and an explanation of how the proposal ensures that the program does not require the expenditure of additional Federal funding beyond what the student is eligible for;

"(H) a description of the students to whom competency-based education will be offered, including an assurance that the eligible entity will include a minimum of 100 and a

maximum of 2,000 eligible students as part of the program;

"(I) a description of the goals the entity hopes to achieve through the use of competency-based education, including evidence-based estimates of cost savings to the institution, students, and the Federal Government as a direct result of the delivery method being proposed;

"(J) a description of how the entity plans to maintain program quality and integrity, consistent with part H;

"(K) an assurance that the entity will fully cooperate with the ongoing evaluations of the demonstration program under subsection (f)(3);

"(L) an assurance that the entity will not require the expenditure of additional Federal funding to implement the proposed program;

"(M) an evidence-based estimate of the percentage of students the program would enroll whom the institution estimates will successfully complete the program, satisfy all academic requirements, and attain the academic credential the program is intended to confer;

"(N) a written assurance that the eligible entity will comply with section 444 of the General Education Provisions Act (commonly referred to as the 'Family Educational Rights and Privacy Act of 1974') by agreeing to obtain a signed consent form from each student who will participate in the program, before the student enrolls in the program or receives Federal student financial aid under this title for the program, that will allow the Secretary to conduct an evaluation of the program's effectiveness, including its impact on post-enrollment earnings through matching data with other Federal agencies, as long as—

"(i) no information from the student's education record would be permanently stored with any other Federal agency; and

"(ii) no student's personally identifiable information would be publicly disclosed; and

"(O) such other information as the Secretary may require.

"(e) SELECTION.—

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

Affordability Act, the Secretary shall select not more than 15 eligible entities to participate in the demonstration program under this section.

"(2) CONSIDERATIONS.—In selecting eligible entities to participate in the demonstration program under this section, the Secretary shall—

"(A) not select any eligible entity for which the estimated percentage of students in the proposed program expected to complete their degree, as provided in the application under subsection (d)(2)(O), is lower than the percentage of students enrolled in traditional academic programs at the institution that complete their degree or program of study;

"(B) consider the number and quality of applications received;

"(C) consider the eligible entity's—

"(i) demonstrated quality, as measured through outcome-based metrics of student success;

"(ii) financial responsibility;

"(iii) administrative capability, including the ability to successfully execute the program as described;

"(iv) commitment and ability to effectively finance a demonstration program as proposed;

"(v) demonstrated administrative capability and expertise to evaluate learning based on measures other than credit hours or clock hours;

"(vi) commitment to allow random assignment and collection of school records of eligible program applicants, in full compliance with section 444 of the General Education Provisions Act (commonly referred to as the 'Family Educational Rights and Privacy Act of 1974'), if necessary, in order to allow for the evaluation of program impacts described in subsection (f)(2)(B); and

"(vii) ability to translate competencies to traditional credit hours to help facilitate the ability of students participating in the demonstration project to transfer to another institution of higher education if the student so desires;

"(D) ability to offer a financial guarantee to assume all Federal loans made under part D

to students who demonstrate that the education received did not lead to improved employment prospects;

"(E) consider the Department's capacity to oversee and monitor each eligible institution's participation; and

"(F) ensure the participation of a diverse group of institutions of higher education (including institutions within eligible entities described in subparagraph (B) or (C) of subsection (b)(2)) with respect to size, mission, and geographic distribution of the institutions.

"(3) NOTIFICATION.—Not later than 180 days after the date of enactment of the Higher Education Affordability Act, the Secretary shall make available to the authorizing committees, and to the public through the Department's website, a list of the eligible entities selected to participate in the demonstration program under this section. Such list shall include, for each such eligible entity, the specific statutory and regulatory requirements that the Secretary is waiving for the program and a description of the competency-based education courses to be offered.

"(f) EVALUATIONS AND REPORTS.—

"(1) ELIGIBLE ENTITY REPORT.—Each eligible entity that participates in the demonstration program under this section shall prepare and submit to the Secretary an annual report that includes all of the following:

"(A) For each student participating in the competency-based education program offered by the eligible entity—

"(i) the number of postsecondary credit hours the student had earned prior to enrollment in the program;

"(ii) the period of time between the admission of the student in the program and the first assessment of the student's learning;

"(iii) the number of credits or competencies and progress towards completion that the student acquired through the program and the period of time during which the student acquired such credits, competencies, and made such progress;

"(iv) an identification of whether the student is participating in the program and only receiving competency-based education or participating in the program

while also taking courses offered in credit or clock hours;

"(v) the percentage of assessments of student learning that the student passed on the first attempt, during the period of the student's participation in the program; and

"(vi) the percentage of assessments of student learning that the student passed on the second attempt, and the average period of time between the student's first and second attempts, during the period of the student's participation in the program.

"(B) The rates of retention in the program for participating students, for each 6-month period of the program.

"(C) Graduation rates for participating students and the average period of time for degree completion by a student participating in the program, disaggregated based on student status as a first-year, second-year, third-year, or fourth-year student when the student enrolled in the program and status with respect to participating in courses offered in credit or

clock hours while also participating in competency-based education.

"(D) Issues related to awarding and disbursing student financial assistance for competency-based education.

"(E) The job placement rates of all students who participated in the program, as measured in the second fiscal year after the completion of the program. The Secretary may offer guidance for the purposes of making this calculation.

"(F) An analysis of the mean debt to earnings ratio, and the mean debt to discretionary earnings ratio, of the students who participated in the program, as measured in the second fiscal year after the completion of the program—

"(i) in the aggregate and disaggregated for students who earned the degree or credential and students who did not earn the degree or credential; and

"(ii) calculated for each quintile of students, based on the salary of the students after participation in the program.

"(G) A compilation of quality reviews by students who participated in the program.

"(H) Such other information as the Secretary may require.

"(2) EVALUATION.—The Secretary shall—

"(A) in the aggregate, annually evaluate the program offered by each eligible entity participating in the demonstration program under this section to review—

"(i) the extent to which the eligible entity has met the goals set forth in its application under subsection (d), including the progress of the eligible entity based on the measures of program quality assurance;

"(ii) the number and types of students participating in the competency-based education programs offered, including the progress of participating students toward recognized degrees and the extent to which participation, postsecondary education retention, postsecondary education completion, employment after graduation, and debt repayment increased or decreased for participating students as compared to the general postsecondary education student population;

"(iii) obstacles related to student financial assistance for competency-based education; and

"(iv) the extent to which statutory or regulatory requirements not waived under the demonstration program present difficulties for students or institutions of higher education; and

"(B) acting through the Director of the Institute of Education Sciences—

"(i) evaluate the implementation and impact of the activities allowed under this section; and

"(ii) identify promising practices regarding competency-based education and disseminate research on these practices.

"(3) ANNUAL REPORT.—The Secretary shall annually prepare and submit to the authorizing committees a report that includes the following:

"(A) The evaluations of the demonstration programs required under paragraph (3).

"(B) The number and types of students receiving assistance under this title who participate in competency-based education programs supported under this section.

"(C) The postsecondary education retention and completion rates of students participating in such programs.

"(D) The job placement rates of participating students, as measured 2 fiscal years after the completion of such programs.

"(E) An analysis of the mean debt to earnings ratio, and the mean debt to discretionary earnings ratio of the students who participated in the program, as measured in the second fiscal year after the completion of the program—

"(i) in the aggregate and disaggregated for students who earned the degree or credential and students who did not the degree or credential; and

"(ii) calculated for each quintile of students, based on the salary of the students after participation in the program.

"(F) Any statutory changes the Secretary would recommend that are designed to support and enhance the expansion of competency-based education.

"(G) Other such measures as determined by the Secretary.

"(g) OVERSIGHT.—In conducting the demonstration program under this section, the Secretary shall, on a continuing basis—

"(1) ensure that eligible entities participating in the program comply with the requirements of this title (other than the requirements that are waived under subsection (c)(2));

"(2) provide technical assistance;

"(3) monitor fluctuations in the student population enrolled in the participating eligible entities; and

"(4) consult with appropriate accrediting agencies or associations and appropriate State regulatory authorities regarding the program.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2015 and each of the five succeeding fiscal years.".

SEC. 489. PROGRAM PARTICIPATION AGREEMENTS.

(a) SENSE OF THE SENATE REGARDING INCENTIVE COMPENSATION.—It is the sense of the Senate that—

(1) incentive compensation is an inappropriate mechanism in the delivery of higher education for institutions of higher education wishing to participate

in programs under title IV of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.); and

(2) the ban on incentive compensation under section 487(a)(20) of the Higher Education Act of 1965 (20 U.S.C. 1094(a)(20)), as amended by subsection (b), is intended to preclude its use by institutions wishing to participate in such programs, at any point in the recruitment, enrollment, education, or employment placement of students.

(b) AMENDMENTS.—Section 487 (20 U.S.C. 1094) is amended—

(1) in subsection (a)—

(A) in paragraph (19), by inserting ''housing facilities,'' after ''libraries,''; and

(B) by striking paragraph (20) and inserting the following:

''(20)(A)(i) The institution or any third party acting on the institution's behalf, including an institution affiliate or service provider to the institution, will not provide any commission, bonus, or other incentive payment to any person or entity at any phase of the academic process based directly or indirectly on success in—

''(I) securing enrollments or securing or awarding financial aid;

"(II) performance in educational coursework;

"(III) graduation;

"(IV) job placement; or

"(V) any other academic facet of a student's enrollment in an institution of higher education.

"(ii) The requirements of subparagraph (A) shall not apply to the recruitment of foreign students residing in foreign countries who are not eligible to receive Federal student assistance.

"(B) The institution affirmatively acknowledges that the provision of incentive compensation to employees of institutions, institution affiliates, or service providers retained by the institution at any point in the recruitment, enrollment, education, or employment placement of students is a prohibited activity under subparagraph (A)(i).

"(C) The institution will provide, upon hiring an employee or contracting with a service provider, and not less than once per calendar year, official notice, on a form developed by the Secretary, to employees and service providers (and employees of service providers) contracted by the institution of the

statutory and regulatory requirements pursuant to this section.

"(D) The institution will not enter into any contract with a third party acting on its behalf, including institution affiliates or service providers, that contains a revenue-sharing component premised in full or in any part on any practice described in subparagraph (A)(i).";

(C) by striking paragraph (24) and inserting the following:

"(24) The institution certifies that the institution—

"(A) has designated an appropriate staff person, who may also be a coordinator for other programs, as a single point of contact to assist homeless children and youths (as such term is defined in section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a)) and foster care children and youth in accessing and completing postsecondary education;

"(B) posts public notice about student financial assistance and other assistance available to homeless children and youths and foster care children and youth, including their eligibility as

independent students under subparagraphs (B) and (H) of sections 480(d)(1);

"(C) has developed a plan for how homeless children and youths and foster care children and youth can access housing resources during and between academic terms, through means that may include access to on-campus housing during school breaks and a list of housing resources in the community that provide short-term housing; and

"(D) has included in the institution's application for admission questions (to be answered voluntarily) regarding the applicant's status as a homeless child or youth or foster care child or youth, which the applicant can voluntarily choose to answer for the limited purpose of being provided information about financial aid or any other available assistance.";

(i) in paragraph (25)(A)(ii), by striking "subsection (e)" and inserting "subsection (d)";

(ii) in paragraph (27), by striking "subsection (h)" and inserting "subsection (g)";

(D) by striking paragraph (28) and inserting the following:

"(28)(A) The institution shall—

"(i) upon the request of a private educational lender, acting in connection with an application initiated by a borrower for a private education loan in accordance with section 128(e)(3) of the Truth in Lending Act, provide—

"(I) certification to such private educational lender—

"(aa) that the student who initiated the application for the private education loan, or on whose behalf the application was initiated, is enrolled or is accepted for enrollment at the institution;

"(bb) of such student's cost of attendance at the institution as determined under part F of this title; and

"(cc) of the difference between—

"(AA) the cost of attendance at the institution; and

"(BB) the student's estimated financial assistance re-

ceived under this title, if the student pursued such assistance, and other assistance known to the institution, as applicable; or

"(II) in the case of a private education loan that the institution may not certify because the private education loan does not meet the requirements described in subsection (D), provide notice to the private educational lender of the institution's refusal to certify the private education loan; and

"(ii) provide the certification described in clause (i)(I), or notice of the refusal to provide certification described in clause (i)(II), as the case may be, or notify the creditor that the institution has received the request for certification and will need additional time to comply with the certification request—

"(I) within 15 business days of receipt of such certification request; and

"(II) only after the institution has completed the activities described in subparagraph (B).

"(B) The institution shall, upon receipt of a certification request described in subparagraph (A)(i), and prior to providing the certification under subparagraph (A)(i)(I) or providing notice of the refusal to provide certification under subparagraph (A)(i)(II)—

"(i) determine whether the student who initiated the application for the private education loan, or on whose behalf the application was initiated, has applied for and exhausted the Federal financial assistance available to such student under this title and inform the student accordingly; and

"(ii) provide the student whose loan application has prompted the certification request by a private education lender, as described in subparagraph (A)(i), with the following information and disclosures:

"(I) The availability of, and the student's potential eligibility for, Federal financial assistance under this title, including the explanation of the benefits provided under Federal student loans developed by the Secretary under section 483A(b).

"(II) The student's ability to select a private educational lender of the student's choice.

"(III) The impact of a proposed private education loan on the student's potential eligibility for other financial assistance, including Federal financial assistance under this title.

"(IV) The student's right to accept or reject a private education loan within the 30-day period following a private educational lender's approval of a student's loan application and the right of a borrower of a private education loan to cancel the loan within a 3-day period, in accordance with paragraphs (6) and (7) of section 128(e) of the Truth in Lending Act.

"(C) For purposes of this paragraph, the term 'private educational lender' has the meaning given such term in section 140 of the Truth in Lending Act (15 U.S.C. 1650).

"(D) In the case of a private education loan that includes a cosigner, the institution shall not provide certification to a private educational lender under this paragraph unless the private educational

lender agrees to send a statement to the borrower's cosigner, annually notifying the cosigner of the terms, conditions, and status of such private education loan.''; and

(E) by adding at the end the following:

''(30)(A) The institution—

''(i) shall not include a predispute arbitration agreement in any contract with a student or prospective student for enrollment at the institution; and

''(ii) shall agree that, in any case where a contract for enrollment at the institution entered into by a student before the date of enactment of the Higher Education Affordability Act included a predispute arbitration agreement, such agreement shall be invalid and unenforceable by the institution.

''(B) In this paragraph, the term 'predispute arbitration agreement' means any agreement to arbitrate a dispute that had not yet arisen at the time of the making of the agreement.

''(31) The institution will provide the Secretary with any information that the Secretary requests in order to meet the default prevention requirements of section 435(a)(7).

"(32)(A) If the institution has a student default risk for a fiscal year, as calculated by the Secretary, of 0.1 or greater, the institution will, for such year—

"(i) provide an individual accepted for enrollment at the institution with a waiting period, beginning on the date that the individual receives notification of the acceptance and lasting for not less than 2 weeks, before the individual is required to enroll in the institution, pay tuition charges, or sign a master promissory note for a loan under this title, in order to give the individual time to consider, and compare among postsecondary options, program costs at the institution and employment prospects upon completion of a program of study;

"(ii) ensure that the receipt of financial aid, incentives, or other benefits is not made contingent on an individual confirming enrollment before the end of the individual's waiting period;

"(iii) inform the individual, in writing and in a manner determined by the Secretary at the time of the acceptance notification, of—

"(I) the individual's right to the 2-week waiting period under clause (i) beginning on the date that the individual receives notification of the acceptance; and

"(II) the reason why the institution is required to provide such waiting period;

"(iv) notify an individual accepted for enrollment at the institution of all financial aid determinations by not less than 1 week before the enrollment confirmation deadline, if all requested application forms are received from the individual on time; and

"(v) disclose to an individual accepted for enrollment, in a manner determined by the Secretary, that the individual may file a complaint through the complaint tracking system established under section 161 if the individual believes that the institution has violated any provision of this paragraph.

"(B) If an institution described in subparagraph (A) fails to meet the requirements of this paragraph, the institution shall be subject to a civil penalty in accordance with section 489A.

"(C) Notwithstanding subparagraph (A), the Secretary may, after providing notice and an oppor-

tunity to comment, elect to replace the use of the student default risk percentage threshold established under subparagraph (A) with a loan repayment rate threshold calculated in accordance with section 483D(b).

"(33) In the case of an institution that enrolls during an academic year more than 100 students who are veterans, the institution shall certify that the institution has developed and implemented a plan to ensure the success of veterans at that institution. To the extent practicable, the institution shall make the plan, and associated policies, public and accessible to students who are veterans. Such plan shall include the following:

"(A) The designation of certain faculty or staff at the institution who will serve as a point of contact for veterans—

"(i) within campus offices, including the admissions office; and

"(ii) during any orientation process for newly enrolled students.

"(B) The establishment of a working group that will be responsible for veterans issues.

"(C) A description of disability services that are available to meet the needs of disabled students who are veterans.

"(D) A plan for how the institution will identify students who are veterans through the application process, or through other processes, to provide better assistance in the receipt of educational assistance under laws administered by the Secretary of Veterans Affairs or the Secretary of Defense.

"(E) A description of how the institution will evaluate and maximize the number of credits students can receive from military training and service.

"(34) The institution, and the officers at the institution, will not make any substantial misrepresentation, as described in section 489A(a)(1)(A).

"(35) The institution will adopt policies regarding academic leaves of absence, readmission, and dismissal for psychiatric reasons that are comparable to such policies for physical health and other medical reasons, including policies that include the same guarantees of due process and appeal.";

(2) in subsection (c)—

(A) in paragraph (1)—

(i) in subparagraph (A)(i), by striking ''available'' and inserting ''made publicly available and provided''.

(ii) by striking subparagraphs (F) and (G);

(iii) by redesignating subparagraphs (H) and (I) as subparagraphs (F) and (G), respectively; and

(iv) in subparagraph (F), as redesignated by clause (iii), by striking ''under paragraph (3)(B)'' and inserting ''on the institution of higher education under section 489A''; and

(B) by striking paragraph (3); and

(C) by redesignating paragraphs (4) through (7) as paragraphs (3) through (6), respectively;

(3) by striking subsection (d);

(4) by redesignating subsections (e) through (j) as subsections (d) through (i), respectively; and

(5) in subsection (f)(1) (as redesignated by paragraph (4)), by striking ''subsection (e)(2)'' and inserting ''subsection (d)(2)''.

(c) EFFECTIVE DATE REGARDING PRIVATE LOAN CERTIFICATION.—The amendment made by subsection

(b)(1)(D) shall take effect on the effective date of the regulations described in section 1012(b).

SEC. 490. CIVIL PENALTIES.

Part G of title IV is further amended by inserting after section 489 the following:

"SEC. 489A. CIVIL PENALTIES AND OTHER REMEDIES.

"(a) DEFINITIONS.—In this section:

"(1) SUBSTANTIAL MISREPRESENTATION OR OTHER SERIOUS VIOLATION.—The term 'substantial misrepresentation or other serious violation' means any of the following:

"(A) A substantial misrepresentation regarding—

"(i) the nature of the educational program of an institution of higher education;

"(ii) the financial charges of the institution;

"(iii) the space availability in a program of the institution for which a student is considering enrollment;

"(iv) the admission requirements of the institution;

"(v) the transferability of credits from the institution;

"(vi) whether a program of the institution meets the necessary standards to qualify students to sit for licensing examinations, or obtain certification required as a precondition for employment, in the State in which the students reside;

"(vii) the passage rates of students at the institution in obtaining certification requirements;

"(viii) the passage rates of students who sit for licensing examinations; or

"(ix) the employability of the graduates of the institution.

"(B) Failure of an institution subject to the requirements of section 487(a)(32) to comply with such section.

"(C) A knowing and willful misuse of Federal student aid from any source.

"(D) A violation of section 487(a)(20).

"(E) A violation of the default manipulation regulations promulgated by the Secretary under section 435(m)(3).

"(F) Failure to comply with the program review process described in section 498A, in-

cluding any disclosure requirement described in paragraph (2)(C) or (5) of section 498A(b).

"(G) A violation of the program integrity regulations promulgated by the Secretary under this Act.

"(H) A violation of this Act that the Secretary has determined, by regulation, to be a serious violation for purposes of this section.

"(2) OFFICER OF AN INSTITUTION OF HIGHER EDUCATION.—The term 'officer of an institution of higher education' includes the president, chief executive officer, and chief financial officer of an institution of higher education or their equivalents.

"(b) SANCTIONS FOR SUBSTANTIAL MISREPRESENTATIONS OR SERIOUS VIOLATIONS.—

"(1) CIVIL PENALTIES.—

"(A) IN GENERAL.—The Secretary may impose a civil penalty upon an eligible institution upon making a determination, after reasonable notice and opportunity for a hearing, that an eligible institution has engaged in a substantial misrepresentation or other serious violation.

"(B) AMOUNT OF CIVIL PENALTIES.—A civil penalty imposed for a violation under sub-

paragraph (A) shall be not less than $100,000 or—

"(i) in the case of a first violation, an amount equal to the product of $1,000,000 multiplied by the institution's student default risk, whichever is larger;

"(ii) in the case of a second violation, an amount equal to the product of $2,000,000 multiplied by the institution's student default risk, whichever is larger; and

"(iii) in the case of a third or subsequent violation, an amount equal to the product of $3,000,000 multiplied by the institution's student default risk, whichever is larger.

"(C) TREATMENT OF MULTIPLE INSTITUTIONS.—For the purpose of determining the number of violations for subparagraph (B), any violation by a particular institution will accrue against all identification codes used by the Office of Postsecondary Education to designate campuses and institutions affiliated with the institution, and within the period of participation for the institution, as defined in section

668.13(b) of title 34, Code of Federal Regulations, or any successor regulation.

"(c) SANCTIONS FOR OTHER VIOLATIONS OF THIS TITLE.—Upon determination, after reasonable notice and opportunity for a hearing, that an eligible institution has engaged in a violation of any other provision of this title, including the failure to carry out any provision of this title, that is not a significant misrepresentation or other serious violation, the Secretary may impose a civil penalty upon such institution of not more than $100,000 (subject to such adjustments for inflation as may be prescribed in regulation) for each such violation.

"(d) CIVIL PENALTIES AND SANCTIONS FOR OFFICERS OF INSTITUTIONS.—Upon determination, after reasonable notice and an opportunity for a hearing on the record, that an officer of an institution of higher education that participates in a program under this title has knowingly and willfully, or with gross negligence, violated a provision of this title, the Secretary may sanction the officer. Such sanctions may include the following:

"(1) Prohibiting the institution of higher education that has employed the officer of an institution of higher education and that participates in a program under this title, or any other institution of higher education that participates in a program

under this title, from employing the officer, except that any such prohibition under this subsection shall not be for a period of more than 5 years from the date of the determination of the violation.

"(2) Assessing a civil penalty against an officer of an institution of higher education who has knowingly and willfully, or with gross negligence, violated a provision of this title, except that any such civil penalty under this subsection shall not be greater than the amount of the officer's compensation for each year for which the violations are determined to have occurred. For purposes of this subparagraph, an officer's compensation shall include proceeds of any sales of stock and any incentive-based compensation (including stock options awarded as compensation) based on information required to be reported to the Secretary or any other Federal agency during the period in which the violations are determined to have occurred.

"(e) LIMITATION, SUSPENSION, OR TERMINATION OF ELIGIBILITY STATUS.—

"(1) IN GENERAL.—Upon determination, after reasonable notice and opportunity for a hearing, that an eligible institution has engaged in a violation of any provision of this title (including the failure to

1 carry out any provision of this title or any regulation
2 prescribed under such provision) or a violation of
3 any applicable special arrangement, agreement, or
4 limitation, the Secretary may limit, suspend, or ter-
5 minate the participation in any program under this
6 title of an eligible institution, subject to the require-
7 ments of paragraph (2).

8 ''(2) SUSPENSION PROCEDURES.—No period of
9 suspension under this section shall exceed 60 days
10 unless the institution and the Secretary agree to an
11 extension or unless limitation or termination pro-
12 ceedings are initiated by the Secretary within that
13 period of time.

14 ''(f) EMERGENCY ACTION.—

15 ''(1) IN GENERAL.—The Secretary may take an
16 emergency action against an institution, under which
17 the Secretary shall, effective on the date on which a
18 notice and statement of the basis of the action is
19 mailed to the institution (by registered mail, return
20 receipt requested), withhold funds from the institu-
21 tion or its students and withdraw the institution's
22 authority to obligate funds under any program
23 under this title, if the Secretary—

24 ''(A) receives information, determined by
25 the Secretary to be reliable, that the institution

is violating any provision of this title, any regulation prescribed under this title, or any applicable special arrangement, agreement, or limitation;

"(B) determines that immediate action is necessary to prevent misuse of Federal funds; and

"(C) determines that the likelihood of loss outweighs the importance of the procedures prescribed in subsection (e) for limitation, suspension, or termination.

"(2) TIME LIMITATION.—An emergency action described in paragraph (1) shall not exceed 30 days unless limitation, suspension, or termination proceedings are initiated by the Secretary against the institution within that period of time.

"(3) OPPORTUNITY TO SHOW CAUSE.—The Secretary shall provide an institution that is the subject of an emergency action under this subsection an opportunity to show cause, if the institution so requests, that the emergency action is unwarranted and should be lifted.

"(g) LIFTING OF SANCTIONS.—Notwithstanding any other provision of this title, an institution of higher education that has been sanctioned by the Secretary under

this section or any other provision of this title may not have such sanctions lifted until the Secretary has conducted a subsequent program review under section 498A and has found the institution to be in compliance with this title.

"(h) SINGLE COURSE OF CONDUCT; COMPROMISE AUTHORITY AND COLLECTION OF PENALTY.—

"(1) SAME COURSE OF CONDUCT.—For purposes of this section, acts and omissions relating to a single course of conduct shall be treated as a single violation.

"(2) COMPROMISE AUTHORITY.—Any civil penalty under this section may be compromised by the Secretary. In determining the amount of such penalty, or the amount agreed upon in compromise, the Secretary shall consider—

"(A) the appropriateness of the penalty to the size of the institution of higher education subject to the determination; and

"(B) the gravity of the violation, failure, or misrepresentation.

"(i) COLLECTION OF PENALTY.—The amount of any penalty under this section may be deducted from any sums owing by the United States to the institution charged.

"(j) DISPOSITION OF AMOUNTS RECOVERED.—

"(1) IN GENERAL.—Amounts collected under this section shall be transferred to the Secretary, who shall determine the distribution of collected amounts, in accordance with paragraphs (2) and (3).

"(2) USE FOR PROGRAM INTEGRITY EFFORTS AND PROGRAM REVIEWS.—

"(A) IN GENERAL.—For each fiscal year, an amount equal to not more than 50 percent of the amounts recovered or collected under this section—

"(i) shall be available to the Secretary to carry out program reviews under section 498A and other efforts by the Secretary related to program integrity under part H; and

"(ii) may be credited, if applicable, for that purpose by the Secretary to any appropriations and funds that are available to the Secretary for obligation at the time of collection.

"(B) SUPPLEMENT NOT SUPPLANT.—Amounts made available under subparagraph (A) shall be used to supplement and not supplant any other amounts available to the Sec-

retary for the purpose described in such subparagraph.

"(C) AVAILABILITY FOR FUNDS.—Any amounts collected under this section that are made available under paragraph (2) shall remain available until expended.

"(3) USE FOR STUDENT RELIEF FUND.—For each fiscal year, an amount equal to not less than 50 percent of the amounts recovered or collected under this section shall be deposited into the Student Relief Fund established under subsection (k).

"(4) REPORT.—The Secretary shall regularly publish, on the website of the Department, a detailed description that includes—

"(A) the amount of funds that were distributed for the purposes described in paragraph (2) and the amount used for the Student Relief Fund under paragraph (3); and

"(B) how funds were distributed among the purposes described in paragraph (2)(A)(i).

"(k) STUDENT RELIEF FUND.—

"(1) ESTABLISHMENT.—The Secretary shall establish a Student Relief Fund (referred to in this subsection as the 'Fund') that shall be used, subject to the availability of funds, to provide financial relief

to any student enrolled in an institution of higher education that—

"(A) has failed to comply with an eligibility requirement under section 101 or 102 or an obligation incurred under the terms of the program participation agreement under section 487; or

"(B) has been sanctioned under subsection (b) or (c).

"(2) DETERMINATION OF RELIEF.—The Secretary, in consultation with Director of the Bureau of Consumer Financial Protection—

"(A) shall determine the manner of relief to be provided under paragraph (1), which may include tuition reimbursement or full or partial loan forgiveness; and

"(B) may issue regulations regarding how the amounts in the Fund will be distributed among students eligible for the funds.

"(3) TREATMENT AND AVAILABILITY OF FUNDS.—

"(A) FUNDS THAT ARE NOT GOVERNMENT FUNDS.—Funds obtained by or transferred to the Fund shall not be construed to be Government funds or appropriated monies.

"(B) AMOUNTS NOT SUBJECT TO APPORTIONMENT.—Notwithstanding any other provision of law, amounts in the Fund shall not be subject to apportionment for purposes of chapter 15 of title 31, United States Code, or under any other authority.

"(C) NO FISCAL YEAR LIMITATION.—Sums deposited in the Fund shall remain in the Fund and be available for expenditure under this chapter without fiscal year limitation.

"(4) INVESTMENTS.—

"(A) AMOUNTS IN FUND MAY BE INVESTED.—The Secretary of Education may request the Secretary of the Treasury to invest the portion of the Fund that is not, in the discretion of the Secretary of Education, required to meet the current needs of the Fund.

"(B) ELIGIBLE INVESTMENTS.—Investments shall be made by the Secretary of the Treasury in obligations of the United States or obligations that are guaranteed as to principal and interest by the United States, with maturities suitable to the needs of the Fund as determined by the Secretary on the record.

"(C) INTEREST AND PROCEEDS CREDITED.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to the Fund.

"(5) REGULATIONS.—The Secretary shall prescribe regulations to implement the requirements of this section within 1 year after the date of enactment of the Higher Education Affordability Act.

"(6) AUTHORIZATION OF APPROPRIATIONS.—In addition to funds derived from financial penalties assessed pursuant to subsection (j), there are authorized to be appropriated such sums as may be necessary to carry out this subsection for fiscal year 2015 and each of the five succeeding fiscal years.

"(l) STATE ENFORCEMENT.—

"(1) IN GENERAL.—Any violation of subsection (b), including the regulations promulgated under such subsection, shall be a cause of action enforceable by the State, through the attorney general (or the equivalent thereof) of the State, in any district court of the United States in that State or in a State court that is located in that State and that has jurisdiction over the defendant. The State may seek any relief provided under paragraph (4)(B) for

such violation, or any remedies otherwise provided under law.

"(2) NOTICE REQUIRED.—

"(A) IN GENERAL.—Before initiating any action in a court or other administrative or regulatory proceeding against any institution of higher education as authorized by paragraph (1) to enforce any provision of this subsection, including any regulation promulgated by the Secretary under this subsection, a State attorney general shall timely provide a copy of the complete complaint to be filed and written notice describing such action or proceeding to the Secretary, except as provided in subparagraph (B).

"(B) EMERGENCY ACTION.—If prior notice is not practicable, the State attorney general shall provide a copy of the complete complaint and the notice to the Secretary immediately upon instituting the action or proceeding.

"(C) CONTENTS OF NOTICE.—The notification required under this subparagraph shall, at a minimum, describe—

"(i) the identity of the parties;

"(ii) the alleged facts underlying the proceeding; and

"(iii) whether there may be a need to coordinate the prosecution of the proceeding so as not to interfere with any action, including any rulemaking, undertaken by the Secretary or another Federal agency.

"(3) REGULATIONS.—The Secretary shall prescribe regulations to implement the requirements of this subsection and periodically provide guidance in order to further coordinate actions with the State attorneys general.

"(4) PRESERVATION OF STATE AUTHORITY.—

"(A) STATE CLAIMS.—Nothing in this subsection shall be construed as altering, limiting, or affecting the authority of a State attorney general or any other regulatory or enforcement agency or authority to bring an action or other regulatory proceeding arising solely under the law in effect in that State.

"(B) RELIEF.—

"(i) IN GENERAL.—Relief under this subsection may include, without limitation—

"(I) rescission or reformation of contracts;

"(II) refund of moneys or return of real property;

"(III) restitution;

"(IV) disgorgement or compensation for unjust enrichment;

"(V) payment of damages or other monetary relief pursuant to the requirements of paragraph (2);

"(VI) public notification regarding the violation, including the costs of notification; and

"(VII) limits on the activities or functions of the person.

"(ii) EXCLUSION.—Relief under this subsection shall not include the ability to suspend or terminate the eligibility status of an institution of higher education for programs under this title.".

SEC. 491. ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE.

Section 491(k) (20 U.S.C. 1098(i)) is amended by striking "2015" and inserting "2020".

SEC. 492. INCOME-BASED REPAYMENT.

(a) IN GENERAL.—Section 493C of the Higher Education Act of 1965 (20 U.S.C. 1098e) is amended to read as follows:

"SEC. 493C. INCOME-BASED REPAYMENT.

"(a) DEFINITIONS.—In this section:

"(1) ELIGIBLE LOAN.—The term 'eligible loan' means any outstanding loan of a borrower that is made, insured, or guaranteed under part B or part D, except that the term does not include—

"(A) any such loan that is in default;

"(B) any PLUS loan made, insured, or guaranteed under section 428, or any Federal Direct PLUS Loan, made to a parent borrower; or

"(C) any consolidation loan made, insured, or guaranteed under section 428C, or any Federal Direct Consolidation Loan, that repaid a loan described in subparagraph (B).

"(2) PARTIAL FINANCIAL HARDSHIP.—The term 'partial financial hardship', when used with respect to a borrower, means that—

"(A) for such borrower—

"(i) the annual amount due on the total amount of eligible loans made to a borrower as calculated under the standard

repayment plan under section 428(b)(9)(A)(i) or 455(d)(1)(A), based on a 10-year repayment period; exceeds

"(ii) 10 percent of the result obtained by calculating, on an annual basis, the amount by which—

"(I) the borrower's, and the borrower's spouse's (if applicable), adjusted gross income; exceeds

"(II) 150 percent of the poverty line; or

"(B) the borrower is considered 150 days or more days delinquent on one or more eligible loans.

"(b) INCOME-BASED REPAYMENT PROGRAM AUTHORIZED.—Notwithstanding any other provision of this Act, the Secretary shall carry out a program under which—

"(1) a borrower of any eligible loan may elect to participate in the income-based repayment plan if the borrower has a partial financial hardship as of the time the borrower makes the election—

"(A) whether or not the borrower's loan has been submitted to a guaranty agency for

default aversion or had been in default previously; and

"(B) whether or not the borrower is, at the time of the election, enrolled in another repayment plan, including the income contingent repayment plan, income-sensitive repayment plan, or another repayment plan based on income eligibility (except that in the case of a borrower who is enrolled in the income contingent repayment plan and has a Federal Direct Consolidation Loan that repaid a Federal Direct PLUS Loan, that Federal Direct Consolidation Loan shall not be an eligible loan for purposes of this section);

"(2) after selection of the income-based repayment plan, and for the remaining period of the borrower's loans unless the borrower elects a different repayment method, the borrower's aggregate monthly payment for all such loans shall not exceed the result described in subsection (a)(2)(A)(ii), as calculated on an annual basis, divided by 12;

"(3) the holder of such a loan shall apply the borrower's monthly payment under this subsection first toward interest due on the loan, next toward

any fees due on the loan, and then toward the principal of the loan;

"(4) any interest due and not paid under paragraph (3) shall accrue but not be capitalized, except that, in the case of loans under section 428, or Federal Direct Stafford Loans for which interest was subsidized, any interest due and not paid under paragraph (3) shall be paid by the Secretary for a period of not more than 3 years after the date of the borrower's election under paragraph (1) (not including any period during which the borrower is in deferment due to an economic hardship described in section 435(o)); and

"(5) any principal due and not paid under paragraph (3) shall be deferred;

"(6) a borrower who elects to participate in an income-based repayment plan under paragraph (1) and whose eligibility for an income-based repayment plan is verified may participate in the income-based repayment plan during the period of the borrower's loans, even if the borrower no longer has a partial financial hardship;

"(7) the amount of time the borrower makes monthly payments under paragraph (2) may exceed 10 years;

"(8) the Secretary shall repay or cancel any outstanding balance of principal and interest due on all eligible loans to a borrower who—

"(A) at any time, elected to participate in income-based repayment under paragraph (1); and

"(B) for a period of time prescribed by the Secretary, not to exceed 20 years, meets 1 or more of the following requirements—

"(i) has made reduced monthly payments under paragraph (2);

"(ii) has made monthly payments of not less than the monthly amount required under paragraph (1) of subsection (b), as such subsection was in effect on the day before the date of enactment of the Higher Education Affordability Act;

"(iii) has made monthly payments of not less than the monthly amount calculated under section 428(b)(9)(A)(i) or 455(d)(1)(A), based on a 10-year repayment period, when the borrower first made the election described in this subsection;

"(iv) has made payments of not less than the payments required under a stand-

ard repayment plan under section 428(b)(9)(A)(i) or 455(d)(1)(A) with a repayment period of 10 years;

"(v) has made payments under an income contingent repayment plan under section 455(d)(1)(D), as in effect on the day before the date that is 1 year after the date of enactment of the Higher Education Affordability Act; or

"(vi) has been in deferment due to an economic hardship described in section 435(o);

"(9) a borrower who is repaying an eligible loan pursuant to income-based repayment may elect, at any time, to terminate repayment pursuant to income-based repayment and repay such loan under another repayment plan; and

"(10) the special allowance payment to a lender calculated under section 438(b)(2)(I), when calculated for a loan in repayment under this section, shall be calculated on the principal balance of the loan and on any accrued interest unpaid by the borrower in accordance with this section.

"(c) MONTHLY LOAN PAYMENT DETERMINATIONS.—

"(1) VERIFICATION PROCESS.—

"(A) IN GENERAL.—The Secretary shall establish procedures for annually determining the borrower's monthly payment amount for income-based repayment, including verification of a borrower's annual income and the annual amount due on the total amount of eligible loans.

"(B) RULE FOR BORROWERS WHO DO NOT PROVIDE THE ADDITIONAL INFORMATION.—In the case of a borrower who has selected the income-based repayment plan and who does not submit the borrower's annual income documentation by such date as required under subparagraph (A)—

"(i) until the borrower submits the required documentation (but in no case for a period greater than 1 year), the borrower's monthly payment amount for an eligible loan shall be the greater of—

"(I) the monthly payment required under a standard repayment plan under section 428(b)(9)(A)(i) or 455(d)(1)(A) with a repayment period of 10 years for the loan; and

"(II) the amount described in subsection (a)(2)(A)(ii), as calculated based on the most recent income documentation provided to the Secretary by the borrower; and

"(ii) no monthly payments made before the borrower has submitted the required information shall be included for purposes of loan repayment or cancellation under subsection (b)(8)(B) or the public service loan forgiveness program under section 455(m).

"(C) ADDITIONAL PROCEDURES TO CONSIDER.—In addition to the procedures established in this section, the Secretary shall consider, but is not limited to, the procedures established in accordance with section 455(e)(1) or in connection with income-sensitive repayment schedules under section 428(b)(9)(A)(iii) or 428C(b)(1)(E), as in effect on the day before the date that is 1 year after the date of enactment of the Higher Education Affordability Act.

"(2) SPECIAL RULE FOR MARRIED BORROWERS FILING SEPARATELY.—In the case of a married bor-

rower who files a separate Federal income tax return, the Secretary shall calculate the amount of the borrower's income-based repayment under this section solely on the basis of the borrower's student loan debt and adjusted gross income.

"(d) AUTOMATIC ENROLLMENT FOR DELINQUENT BORROWERS.—

"(1) IN GENERAL.—The Secretary shall establish procedures for automatically enrolling delinquent borrowers with a partial financial hardship described in subsection (a)(2)(B) into the income-based repayment plan. Such procedures shall include the following requirements:

"(A) Each entity with a contract to service loans under section 456, and each entity that is a lender of loans made, insured, or guaranteed under part B or any entity that provides student loan servicing for such lender, shall—

"(i) identify each delinquent borrower of a loan serviced or held by the entity on the date that such borrower qualifies for a partial financial hardship described in subsection (a)(2)(B); and

"(ii) retrieve for such borrower, using the online income verification system es-

tablished under paragraph (4), the borrower's new monthly payment amount under this section.

"(B) In any case where an entity described in subparagraph (A) is unable to obtain information regarding the borrower's new monthly payment amount under this section, the entity shall notify the Secretary and the Secretary shall provide the entity with a determination of the new monthly payment amount for a borrower not later than 7 days after the entity's request.

"(C) The entity described in subparagraph (A) shall automatically enroll a borrower identified in such subparagraph into the income-based repayment plan as follows:

"(i) In the case of a borrower who filed a return under section 6012(a)(1) of the Internal Revenue Code of 1986 for 1 or both of the immediately preceding tax years—

"(I) if such borrower makes a payment equal to or greater than the new monthly payment amount determined under subparagraph (A)(ii) for

the income-based repayment plan, the entity will automatically enroll the borrower in the income-based repayment program, unless the borrower requests otherwise;

"(II) if such borrower's new monthly payment amount provided under subparagraph (A)(ii) for the income-based repayment plan is determined to be $0, the entity will automatically enroll the borrower in the income-based repayment program, if the borrower provides consent for such enrollment, as determined through either an online agreement or a signed consent form; and

"(III) if such borrower does not make a payment equal to or greater than the new monthly payment amount determined under subparagraph (A)(ii) for the income-based repayment plan, the entity will not automatically enroll the borrower in the income-based repayment program.

"(ii) In the case of a borrower identified under subparagraph (A)(i) who was not required to file a tax return under section 6012(a)(1) of the Internal Revenue Code of 1986 for the 2 consecutive preceding tax years—

"(I) the entity will deem the borrower's monthly payment amount for income-based repayment to be $0 until determined otherwise through additional information; and

"(II) the entity will automatically enroll the borrower in the income-based repayment program if the borrower provides consent for such enrollment, as determined through either an online agreement or a signed consent form.

"(iii) In the case of a borrower identified under paragraph (1)(A) who failed to file a return under section 6012(a)(1) of the Internal Revenue Code of 1986, for the preceding tax year, the entity will carry out the requirements described in paragraph (3)(C), including automatically en-

rolling the borrower in the income-based repayment program if the borrower provides consent and provides additional information, as described in such paragraph.

"(D) The entity described in subparagraph (A) shall provide each borrower identified with a partial financial hardship under subparagraph (A)(i), as part of the borrower's next periodic statement, a personalized statement to the borrower that—

"(i) informs the borrower—

"(I) that the borrower will be automatically enrolled into the income-based repayment plan under this section, in accordance with the procedure described in subparagraph (C) that is applicable to the borrower's case;

"(II) of the key terms and conditions of such repayment plan; and

"(III) what the borrower's new monthly payment amount under the income-based repayment plan will be for the next year;

"(ii) notifies the borrower of the automatic enrollment procedures described in subparagraph (C);

"(iii) provides a clear list of dangers associated with continued delinquency and default on eligible loans;

"(iv) informs the borrower that the borrower is eligible for a different monthly payment amount under the standard 10-year plan, and the estimated monthly payment amount under the standard 10-year plan;

"(v) informs the borrower that paying the minimum monthly payment amount under the income-based repayment plan under this section may lead to negative amortization such that if a borrower's monthly payment does not fully cover the amount of interest owed, then the principal amount owed may increase over time and cause the borrower's loan balance to increase; and

"(vi) includes any other information determined to be relevant by the Secretary,

in consultation with the Director of the Bureau of Consumer Financial Protection.

"(2) STANDARD NOTIFICATION FORMAT; CONSUMER TESTING.—The Secretary, in consultation with the Director of the Bureau of Consumer Financial Protection, shall—

"(A) develop a standard format for the personalized statement described in paragraph (1)(D); and

"(B) submit for consumer testing under section 483, such standard format and any consent form or online tool required for consent of borrowers with $0 payment to participate in income-based repayment under paragraph (1)(C)(ii)(II) or (3)(B).

"(3) FAILURE TO FILE.—

"(A) MONTHLY PAYMENT AMOUNT TREATED AS $0.—In the case of a borrower identified under paragraph (1)(A) who is required to file a return under section 6012(a)(1) of the Internal Revenue Code of 1986 and fails to file such return, the Secretary of the Treasury shall transmit to the Secretary of Education any such tax information of the individual as may be necessary to determine the appropriate

monthly payment amount. If such information is unavailable or insufficient, then the monthly payment amount shall be treated as $0 until determined otherwise through additional information.

"(B) BORROWER CONTACT REQUIREMENT.—A borrower whose monthly payment amount is treated as $0 due to unavailable or insufficient information, as described in subparagraph (A), shall be automatically enrolled in the income-based repayment plan under this section if the borrower—

"(i) provides consent for such enrollment, as determined through either an online agreement or a signed consent form; and

"(ii) provides the information needed to determine the appropriate monthly payment amount under the income-based repayment plan.

"(C) NOTIFICATION.—The entity described in paragraph (1)(A) shall communicate to a borrower described in this paragraph of the policy described in subparagraph (A) and the requirements that the borrower must fulfill, as

described in subparagraph (B), in order to enroll in the income-based repayment plan under this section if such borrower's monthly payment amount has been treated as $0 due to unavailable or insufficient information, as determined by the Secretary. Such policy and requirements shall be communicated to the borrower in plain and simple language in the next periodic statement described under paragraph (1)(D).

"(4) CREATION OF ONLINE INCOME VERIFICATION SYSTEM.—

"(A) IN GENERAL.—By not later than the date that is 1 year after the date of enactment of the Higher Education Affordability Act, the Secretary, in consultation with the Secretary of the Treasury, shall develop and establish a streamlined online income verification system website that allows each entity with a contract to service loans under section 456, and each entity that is an eligible lender of loans made, insured, or guaranteed under part B or another entity that provides student loan servicing for such lender or loan holder, to access and retrieve the monthly payment amount for the income-based repayment program for a borrower

identified under paragraph (1)(A). The website shall provide no additional information relating to a borrower's financial circumstances beyond that needed to determine a monthly payment amount.

"(B) SECURITY.—The Secretary shall ensure that the online income verification system website established under subparagraph (A) is secure and that information regarding a borrower is accessible only to the lender of a loan of such borrower or the entity that is servicing a loan of such borrower. The Secretary shall ensure that no entity shall access the online income verification system website for the purposes of collections with respect to loans.

"(C) PROHIBITION OF INAPPROPRIATE USE.—Any use of the online income verification system that is not for the purpose described in subparagraph (A) is prohibited and may be the basis for a claim of a violation of a contract entered into under section 456, or for an action under subsection (g) or (h) of section 432, as the case may be.

"(5) APPEALS PROCESS.—The Secretary shall establish a clear and accessible process for appealing

the monthly payment amount determined under the online income verification system website for a borrower identified in paragraph (1)(A) in any case where a borrower believes that the monthly payment amount is based on tax information that is incorrect. If a borrower wins such an appeal, then the Secretary shall—

"(A) retroactively credit the overpaid amount towards future payments; or

"(B) apply the overpaid amount towards the principal balance of the borrower's loans, if requested to do so by the borrower.

"(e) CHANGES TO FAFSA.—By not later than 1 year after the date of enactment of the Higher Education Affordability Act, the Secretary shall make changes as needed to the common master promissory note developed under section 432(m)(1)(A) and the Free Application for Federal Student Aid described in section 483 to implement the requirements of this section.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date that is 1 year after the date of enactment of this Act.

SEC. 493. EXTENDING THE PROTECTIONS FOR STUDENT LOANS FOR ACTIVE DUTY BORROWERS.

Section 493D (20 U.S.C. 1098f) is amended—

(1) in the section heading, by inserting ''**AND PROTECTIONS FOR ACTIVE DUTY BORROWERS**'' before the period at the end;

(2) by redesignating subsection (b) as subsection (c); and

(3) by inserting after subsection (a) the following:

''(b) USE OF INFORMATION.—

''(1) IN GENERAL.—The Secretary shall utilize information the Secretary receives regarding the active duty status of borrowers from the Secretary of Defense for any purpose under this title to ensure that the interest rate charged on any loan made under part D of title IV for borrowers who are subject to section 207(a)(1) of the Servicemembers Civil Relief Act (50 U.S.C. App. 527(a)(1)) does not exceed the maximum interest rate set forth in such section.

''(2) SCRA INTEREST RATE LIMITATION NOTICE REQUIREMENTS.—The submittal by the Secretary of Defense to the Secretary of Education of information that informs the Secretary of Education that a member of the Armed Forces with a student loan under part D of title IV has been or is being called to military service (as defined in section 101

of the Servicemembers Civil Relief Act (50 U.S.C. App. 511)), including a member of a reserve unit who is ordered to report for military service as provided for under section 106 of such Act (50 U.S.C. App. 516), shall be considered, for purposes of subjecting such student loan to the provisions of section 207 of the Servicemembers Civil Relief Act (50 U.S.C. App. 527), provision by the borrower to the creditor of written notice and a copy of military orders as described in subsection (b)(1) of such section.

"(3) PROCEDURES.—Not later than 180 days after the date of enactment of the Higher Education Affordability Act, the Secretary, in consultation with the Department of Defense, shall establish a procedure to implement this subsection.".

SEC. 493A. DISBURSEMENT OF CREDIT BALANCE.

Part G of title IV (20 U.S.C. 1088 et seq.) is amended by adding at the end the following:

"SEC. 493E. DISBURSEMENT OF CREDIT BALANCE.

"(a) CREDIT BALANCE.—In this section, the term 'credit balance' means the amount of program funds under this title credited to a student's ledger account at the institution of higher education that exceed the amount as-

1 sessed the student by the institution for allowable institu-
2 tional charges, as defined by the Secretary.

3 "(b) ESTABLISHMENT OF SYSTEM FOR DISBURSE-
4 MENT.—Not later than 3 years after the date of enact-
5 ment of the Higher Education Affordability Act, each in-
6 stitution of higher education that enrolls a student who
7 receives a grant or loan under this title shall establish a
8 system for the disbursement of credit balances in accord-
9 ance with subsection (c).

10 "(c) ELECTRONIC PAYMENT SYSTEM.—

11 "(1) IN GENERAL.—Each institution of higher
12 education described in subsection (b) shall establish
13 a system for disbursement of credit balances
14 through electronic payments to a deposit account or
15 a general use prepaid card with the protections af-
16 forded under the Electronic Fund Transfer Act (15
17 U.S.C. 1693 et seq.).

18 "(2) NO PREFERRED FINANCIAL INSTITUTION
19 OR DENIAL OR DELAY.—In carrying out the system
20 under paragraph (1), an institution of higher edu-
21 cation shall not—

22 "(A) require or encourage a student to se-
23 lect a particular financial institution to which
24 an electronic payment under this section shall
25 be made; or

"(B) deny or cause a delay in the disbursement of credit balances based on the selection by a student of a particular financial institution.

"(3) WAIVER.—A public institution of higher education may seek a waiver from the Secretary of the requirements of paragraph (1) if a State or local governmental entity, or a State or local policy or procedure, prevents compliance with such requirements. The Secretary shall grant the waiver only if such institution ensures that credit balances are provided to students in a manner consistent with the goals and purposes of this section, as determined by the Secretary.

"(d) DISTRIBUTION OPTIONS.—

"(1) PILOT PROGRAM.—The Secretary of Education, in consultation with the Secretary of the Treasury and the Director of the Bureau of Consumer Financial Protection, shall conduct a pilot program on providing students with the option of receiving credit balances, through the electronic payment system of the institution of higher education in accordance with subsection (c), by using the Treasury Direct Express system established under section 3336 of title 31, United States Code, or through any

other low-cost alternative as determined by the Secretary.

"(2) IMPLEMENTATION.—If the Secretary of Education, after conducting the pilot program described in paragraph (1), determines that allowing students with credit balances to use any option described in such paragraph is in the best interest of students, the Secretary shall take such actions as are necessary to provide any such option to students, which may include entering into agreements with the Secretary of the Treasury or other entity to implement this paragraph.".

SEC. 493B. DISCLOSURE OF COHORT RATES BASED ON REPAYMENT PLAN AND DEFERMENT STATUS.

Part G of title IV (20 U.S.C. 1088 et seq.), as amended by section 493A, is further amended by adding at the end the following:

"SEC. 493F. DISCLOSURE OF COHORT RATES BASED ON REPAYMENT PLAN AND DEFERMENT STATUS.

"(a) PREPARATION AND PUBLICATION OF ADDITIONAL COHORT RATES.—

"(1) IN GENERAL.—Not less often than once every fiscal year, the Secretary shall prepare and publish a report that includes—

"(A) all of the cohort rates calculated under subsections (a) and (c) for each eligible institution participating in any program under this title; and

"(B) the underlying numbers and data used to calculate the cohort rates described in paragraph (1).

"(2) TIMING AND METHOD OF PUBLICATION.—The Secretary shall publish the report described in paragraph (1)—

"(A) on, or as close as practicable to, the date on which the cohort default rates under section 435(m) are made available to the public; and

"(B) in the same report, or in a nearby location on the same website, as the report on cohort default rates required under section 435(m)(4).

"(b) CALCULATION OF COHORT RATES FOR STAFFORD AND UNSUBSIDIZED STAFFORD COHORT BORROWERS.—

"(1) IDENTIFICATION OF COHORT.—For each fiscal year, the Secretary shall use, as the cohort for purposes of calculating the rates described in paragraph (3), the borrowers of the loans that are in-

cluded in the institution's cohort for purposes of the cohort default rate calculation under section 435(m), except that a borrower of multiple loans in such cohort shall only be counted as a single borrower.

"(2) CALCULATION.—Not less often than once every fiscal year, the Secretary shall calculate for each eligible institution participating in any program under this title, the following rates:

"(A) The percentages of borrowers within each cohort in each type of deferment status described—

"(i) sections 427(a)(2)(C) and 428(b)(1)(M); and

"(ii) sections 427(a)(2)(C)(vii) and 428(b)(1)(M)(vii) (as in effect prior to the enactment of the Higher Education Amendments of 1992).

"(B) The percentages of borrowers within each cohort that, as of the date of the determination, have been delinquent on the loan included in the cohort for—

"(i) at least 30 and not more than 59 days;

"(ii) at least 60 and not more than 89 days; and

"(iii) 90 days or more.

"(C) Of the borrowers in the cohort that are in active repayment, the percentages of borrowers in each of the following repayment plans:

"(i) Standard repayment.

"(ii) Extended repayment, for each of the following maximum repayment periods:

"(I) Not more than 10 years.

"(II) More than 10, but not more than 12, years.

"(III) More than 12, but not more than 15, years.

"(IV) More than 15, but not more than 20, years.

"(V) More than 20, but not more than 25, years.

"(VI) More than 25, but not less than 30, years.

"(iii) An income contingent repayment plan authorized under section 455(e).

"(iv) Income-based repayment under section 493C.

"(v) Income-sensitive repayment under section 428(b)(9)(A)(iii) or 428C(b)(1)(E).

"(D) Of the borrowers in each group described in clauses (iii) through (iv) of subparagraph (D), the percentage whose outstanding balance due on the loan at the end of the year is greater than the total outstanding balance due on such loan at the beginning of the year.

"(c) CALCULATION OF COHORT RATES FOR GRADUATE PLUS BORROWERS.—

"(1) IN GENERAL.—Not less often than once every fiscal year, the Secretary shall calculate a cohort rate for Graduate PLUS borrowers for each institution by—

"(A) identifying the cohort of 1 or more borrowers of a loan received for attendance at the institution that—

"(i) is made to a graduate student under section 428B, Federal Direct PLUS Loan, or a loan under section 428C or a Federal Direct Consolidation Loan that is used to repay such loan; and

"(ii) that entered repayment during the second fiscal year preceding the fiscal

year for which the determination is being made; and

"(B) using the cohort described in subparagraph (A) to calculate the graduate PLUS cohort rate under paragraph (2).

"(2) CALCULATION.—The graduate PLUS cohort rate under this subsection for an institution shall be calculated by determining the ratio of—

"(A) the number of borrowers in the cohort described in paragraph (1)(A) for the institution that have defaulted on a loan included in the cohort; to

"(B) the total number of borrowers in such cohort.

"(d) CALCULATION OF COHORT RATES FOR PARENT PLUS BORROWERS.—

"(1) IN GENERAL.—Not less often than once every fiscal year, the Secretary shall calculate a cohort rate for parent PLUS borrowers for each institution by—

"(A) identifying the cohort of borrowers for the fiscal year, in accordance with paragraph (2); and

"(B) using such cohort described in subparagraph (A) to calculate the parent PLUS cohort rate in accordance with paragraph (3).

"(2) COHORT.—

"(A) IN GENERAL.—The cohort for an institution for purposes of this subsection shall be the borrowers of a loan under section 428B, Federal Direct PLUS Loan, or a loan under section 428C or a Federal Direct Consolidation Loan that—

"(i) is made on behalf of a dependent student under section 428B for attendance at the institution; and

"(ii)(I) for determinations made for fiscal years preceding fiscal year 2025, entered repayment during the period beginning in fiscal year 2015 and ending on September 30 of the fiscal year preceding the fiscal year for which the determination is being made; or

"(II) for determinations made for fiscal year 2025 and each subsequent fiscal year, entered repayment during the tenth year preceding the fiscal year for which the determination is being made.

"(3) CALCULATION.—The parent PLUS cohort rate under this subsection for an institution shall be calculated by determining the ratio of—

"(A) the number of borrowers in the cohort described in paragraph (1)(A) for the institution that have defaulted on a loan included in the cohort; to

"(B) the total number of borrowers in such cohort.

"(e) TREATMENT OF BORROWERS WITH MULTIPLE LOANS.—A borrower with multiple loans in the same borrower repayment cohort of an institution shall be counted as a single borrower.

"(f) PROCEDURES.—The Secretary shall carry out this section in a manner that is as similar as practicable to the manner in which the Secretary calculates the cohort default rates under section 435(m), including by using common definitions, timelines, and procedures. Such procedures shall include providing an opportunity for each institution to have a reasonable opportunity (as specified by the Secretary) to review and correct errors in the information required for the purposes of calculating the rates under this section for such institution, prior to the calculation of such rate.".

SEC. 493C. INSTITUTIONAL REPORTING REQUIREMENTS.

Part G of title IV (20 U.S.C. 1088 et seq.), as amended by section 493A and 493B, is further amended by adding at the end the following:

"SEC. 493G. INSTITUTIONAL REPORTING REQUIREMENTS.

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

"(1) to promote better transparency of information to students and their families about postsecondary costs and outcomes while protecting student privacy in data collection;

"(2) to reduce the burden of data collection on institutions of higher education, including duplicative IPEDS reporting;

"(3) to inform institutional and program improvement at institutions of higher education; and

"(4) to help improve laws and policies impacting postsecondary education.

"(b) IPEDS DATA COMPONENTS.—

"(1) SUBMISSION OF DATA.—Each institution of higher education participating in a program under this title shall submit to the Secretary student unit record data that is necessary and sufficient, as determined by the Secretary, to complete all student components of reporting required for the Integrated Postsecondary Education Data System (referred to in this section as 'IPEDS').

"(2) REQUIRED DATA.—The data required to be reported to the Secretary under paragraph (1) shall include the minimum number of data elements necessary and sufficient for the fall enrollment, 12-month enrollment, completions, student financial aid and net price, graduation rates, student charges portions of IPEDS, and portions of IPEDS relating to admissions, test scores, and institutional characteristics surveys, and other surveys, as determined by the Secretary. The Secretary shall undertake data minimization efforts in collecting this data and shall aggregate the data received and report it publicly at the institutional, program-specific, and State-specific level.

"(3) REVIEW.—

"(A) IN GENERAL.—Not later than 6 months after the date of enactment of the Higher Education Affordability Act, the Secretary shall—

"(i) review the data collected pursuant to IPEDS to determine whether it is duplicative of the data required to be collected under this section; and

"(ii) establish a process by which institutions of higher education will transi-

tion to reporting data under this section in a way that reduces duplication and burden.

"(B) UPDATE OF REVIEW.—Beginning 5 years after the date of enactment of the Higher Education Affordability Act, and every 5 years thereafter or as necessary as determined by the Secretary, the Secretary shall review and update, as necessary, the categories of data that shall be submitted pursuant to paragraph (1).

"(4) GUIDANCE.—Not later than 1 year after the date of enactment of the Higher Education Affordability Act, the Secretary shall submit to institutions of higher education—

"(A) guidance related to the submission of data under this section; and

"(B) a reasonable timeframe by which institutions of higher education shall submit the data.

"(5) CONTINUATION OF COLLECTION.—IPEDS data that is required to be collected on the day before the date of enactment of the Higher Education Affordability but is not reported into the student unit record system established under this section shall continue to be collected.

1 "(c) ESTABLISHMENT OF NEW OUTCOME
2 METRICS.—
3 "(1) IN GENERAL.—Data submitted to the Sec-
4 retary under subsection (b) shall be used to calculate
5 student components of IPEDS.
6 "(2) ADDITIONAL MEASURES TO BE CAL-
7 CULATED BY THE SECRETARY.—In addition to the
8 IPEDS student component measures required to be
9 calculated by the Secretary on the day before the
10 date of enactment of the Higher Education Afford-
11 ability Act and the data elements described in sub-
12 section (b)(2), the Secretary shall also collect the
13 student unit record data necessary and sufficient to
14 calculate, beginning not later than 2 years after the
15 date of enactment of the Higher Education Afford-
16 ability Act and at the certificate or degree-level, and
17 institutional, program-specific, and State-specific
18 level, information concerning each of the following:
19 "(A) The dollar amount and number of
20 students receiving Federal, State, institutional
21 and private financial aid, including grants,
22 loans, and cumulative debt that is reported sep-
23 arately for undergraduate and graduate stu-
24 dents and disaggregated by completion status.

"(B) Graduation, persistence, transfer rates, and still enrolled rates for all undergraduate students, reported overall and separately for first-time full-time students at entry, first-time part-time students at entry, transfer full-time students at entry and part-time transfer students at entry within 100 percent, 150 percent, and 200 percent of the normal time to graduation, including transfer rates by level of receiving institution.

"(C) Completion rates for master's, professional, and doctoral level students.

"(D) Earnings data for undergraduate and graduate students, disaggregated by completion status, for each of the following time periods:

"(i) 2 years after program exit.

"(ii) 5 years after program exit.

"(iii) 10 years after program exit.

"(E) Loan repayment rates for undergraduate and graduate students, disaggregated by completion status.

"(F) Enrollment in subsequent postsecondary education for undergraduate and graduate level students.

"(G) Any other measures determined by the Secretary, after consultation with the National Center for Education Statistics and with input from the postsecondary education community, including students, representatives from institutions of higher education, researchers, the public, and other relevant stakeholders.

"(3) REQUIREMENTS FOR THE STUDENT UNIT RECORD DATA SYSTEM.—The Secretary shall establish a student unit record data system under this section that shall—

"(A) establish consistent definitions and directions for institutions to follow in submitting the student unit record data required under this section;

"(B) determine both collection and submission requirements for this section, including the CIP codes to be used for reporting program-specific data;

"(C) be subject to a privacy impact assessment, as described in section 208 of the E-Government Act of 2002, before collecting information;

"(D) streamline and minimize the data required to be submitted under subsection (b)(2)

and paragraph (2), in order to reduce duplication of reporting of information by institutions of higher education and to protect student privacy, which shall be done by working with the National Center for Education Statistics, the Office of Federal Student Aid, other offices within the Department, and other Federal agencies, as determined appropriate by the Secretary;

"(E) prepopulate the student unit record data system with data from existing data sources, including the National Student Loan Data System under section 485B, and ensure that such data is imported into the student unit record data system but data from the student unit record system is not exported back to the National Student Loan Data System or other existing data sources;

"(F) include a process, developed in collaboration with the Social Security Administration, by which—

"(i) the Department submits unit record lists to the Social Security Administration with instructions on how to group and aggregate the data; and

"(ii) the Social Security Administration, consistent with Social Security Administration privacy standards and in a way that does not reveal personally identifiable information—

"(I) returns, to the Department, earnings data for students attending each institution that is provided in the aggregate and disaggregated based on the programs of education attended and by type of certificate or degree earned by the graduates; and

"(II) aggregates the earning data for students attending institutions in order to provide institution-specific and State-specific earnings data needed by the Department for purposes of paragraph (2); and

"(G) allow institutions of higher education to request the system of higher education of which they are a member or the State in which they are located to report student unit record data on their behalf if such reporting fully complies with all the requirements of this section;

"(H) report the outcome metrics required under this subsection, disaggregated, if the number of students in such subgroup or with such status is sufficient to avoid revealing personally identifiable information about an individual student, by—

"(i) race and ethnicity;

"(ii) gender;

"(iii) whether and at what level the student has enrolled in a degree-granting program, certificate-granting program, or developmental education;

"(iv) first-time or transfer status;

"(v) part-time or full-time status;

"(vi) disability status, if applicable;

"(vii) receipt of a Federal Pell Grant;

"(viii) receipt of a loan made, insured, or guaranteed under section 428 or a Federal Direct Stafford Loan;

"(ix) status as a student who has received no Federal Pell Grants, no loans made, insured, or guaranteed under section 428, and no Federal Direct Stafford Loans;

"(x) age ranges, to be determined by the Secretary;

"(xi) military or veteran status; and

"(xii) other categories determined necessary by the Secretary; and

"(I) require that data required under this section be collected for all students, including undergraduate and graduate students but reported separately for undergraduate and graduate students.

"(d) REPORTING OF DATA.—

"(1) IN GENERAL.—The Secretary shall use the data provided by institutions of higher education under subsections (b) and (c) only for the following:

"(A) Publication of such statistical reports and studies as the Secretary determines appropriate, provided that such reports do not disclose personally identifiable information to any party. The Secretary shall specifically provide public statistical reports on access, costs, financial aid, educational needs, and student outcomes that include graduation rates.

"(B) Management, policy planning, and oversight purposes within the Department, in-

cluding research to improve Federal laws impacting postsecondary education.

"(C) Consumer information.

"(D) Providing information to institutions of higher education for institutional and program improvement.

"(E) To fulfill the IPEDS reporting obligations of institutions of higher education and reduce the reporting burden on institutions.

"(2) PUBLIC ACCESS TO INFORMATION.—The IPEDS data components and new outcome metrics collected under this section shall be included in the IPEDS Data Center at the institution and program specific level. Non-personally identifiable data shall also be available to the public and widely disseminated through electronic transfer, or other means, such as posting on the National Center for Education Statistics' website or other relevant place in a way that does not allow for the disclosure or dissemination of any personally identifiable information and shall fully comply with rules and regulations of the National Center for Education Statistics for data access.

"(e) INVOLVEMENT OF STAKEHOLDERS IN DEVELOPING CALCULATION AND REPORTING STANDARDS.—In

carrying out this section, the Secretary shall consult extensively with institutions of higher education, State agencies of higher education, privacy advocates, education researchers, statistical experts, students and their families.

"(f) PRIVACY, SECURITY, AND USE OF STUDENT UNIT RECORD INFORMATION.—

"(1) LIMITATIONS ON DISCLOSURE OF INFORMATION.—Personally identifiable information maintained in the Federal student unit record data system established under this section shall only be disclosed to—

"(A) students whose data is contained in the system, upon request, and in connection with their own personally identifiable information;

"(B) institutions of higher education or their contractors (subject to paragraph (2)), to the extent that such disclosures may be required for purposes of data validation or correction regarding the data that institutions or their contractors already submitted, provided that no student-level data elements from other sources are disclosed to such institutions of higher education or their contractors;

"(C) employees or contractors of the Department to the extent that such disclosure is necessary for the Secretary to carry out the requirements of this section, and, in the case of contractors, subject to paragraph (2); or

"(D) employees or contractors of the Social Security Administration, provided that such disclosures are limited to the minimum number of data elements needed to obtain earnings data specifically authorized in this section, and that no personally identifiable information from the student unit record data system is retained by the Social Security Administration after they have provided earnings data.

"(2) REQUIREMENTS FOR CONTRACTS.—In carrying out the requirements of this section, the Secretary and institutions of higher education may not disclose personally identifiable information from records of students to a contractor, consultant, or other third party to whom the Secretary or institution has delegated data collection and maintenance functions unless that contractor, consultant, or other third party—

"(A) is performing a function or task for which the Department, or institution of higher education would otherwise use employees;

"(B) is under the direct control of the Department or institution with respect to the use and maintenance of education records;

"(C) does not use the education records for any other purposes than those explicitly authorized in its contract and agrees to not re-disclose personally identifiable information to any third party;

"(D) uses applicable Federally mandated or industry-standard encryption technologies;

"(E) has sufficient administrative and technical procedures to maintain safeguards and continuously monitor the security of personally identifiable information in its custody;

"(F) provides training to all employees and responsible individuals, to ensure the security of education records;

"(G) provides to the Department or institution, an acceptable breach remediation plan prior to the initial receipt of education records;

"(H) reports all actual and suspected security breaches to the Department or institution

that provided the education records as soon as detected;

"(I) in the event of a security breach or unauthorized disclosure of personally identifiable information, pay all costs and liabilities incurred by the Department or institution related to the security breach or unauthorized disclosure, including costs related to inquiries, mitigation, notification, and investigation costs; and

"(J) destroys or returns to the Department or institution all such personally identifiable information that has been submitted into the student unit record system upon request of the Department or institution at the termination of the contract.

"(3) DATA AUDIT AND DATA GOVERNANCE SYSTEMS.—In order to ensure compliance with all Federal standards of data quality and individual privacy, the student unit record data system developed under this section shall include—

"(A) a data audit system assessing data quality;

"(B) a breach audit system;

"(C) processes for data safeguarding; and

"(D) a data governance system.

"(4) PROHIBITION AND UNAUTHORIZED USE.—

"(A) IN GENERAL.—Individual data collected under this section shall not be used for any purpose not specifically authorized by this section.

"(B) NO FUTURE ACTION TAKEN AGAINST AN INDIVIDUAL.—

"(i) IN GENERAL.—No action of Federal authority, State authority, or local authority of any kind may be taken against an individual by utilizing the student unit record data system established under this section nor shall the student unit record data system established under this section be used—

"(I) for purposes of—

"(aa) establishing or verifying the eligibility of applicants for, or recipients or beneficiaries of, cash or in-kind assistance or payments under Federal benefit programs; or

"(bb) continuing compliance with statutory and regulatory requirements for such assistance or

payments by such applicants, recipients, or beneficiaries;

"(II) for recouping payments or delinquent debts under such Federal benefit programs; or

"(III) to affect future educational, employment, health, civil, criminal, or other actions against an individual whose information is maintained by the student unit record data system.

"(ii) EXCEPTION.—Any data collected, stored outside of the unit record system prior to enactment of the Higher Education Affordability Act, and used for enforcement actions, including data in the National Student Loan Data System, shall continue to be used for those purposes even when duplicates of the data are included in the unit record system.

"(C) GUIDELINES.—The Secretary shall issue guidelines to institutions regarding the need to amend the institutions' required annual privacy notices to reference the data collection required under this section.

"(D) COMMERCIAL USE PROHIBITED.—No data collected or maintained under this section shall sold to third parties nor used to market any products to individuals whose data is collected under this section.

"(5) INDIVIDUAL PRIVACY AND ACCESS TO DATA.—Prior to implementation of this section, the Secretary shall publish for public comment proposed procedures that ensure—

"(A) the system developed under this section does not disclose any personally identifiable information and complies with the requirements of section 444 of the General Education Provisions Act (20 U.S.C. 1232g) (commonly known as the 'Family Educational Rights and Privacy Act') and other applicable Federal and State privacy laws; and

"(B) there is a policy on the use of data collected under this section that prevents any use of data outside of the purposes of this section.

"(g) PENALTIES FOR UNAUTHORIZED DISCLOSURE OF DATA.—Any individual who willfully discloses any personally identifiable information, including personal identifiers, provided under this section, in any manner to an

entity not authorized to receive such personally identifiable information, shall be charged with a class E felony, punishable by up to 5 years in prison, a fine of $250,000, or both.

''(h) WEBSITE AND HOTLINE.—The Secretary shall establish a website and free hotline number that will provide information to students, their families, and the public about the student unit record data system established under this section to answer any questions the public may have about such system.

''(i) COOPERATION OF OTHER FEDERAL AGENCIES.—The Commissioner of Social Security shall work with the Secretary of Education to establish a process for matching and obtaining the data required under subsection (c)(3)(E).

''(j) DATA SOVEREIGNTY.—The Secretary shall ensure all data maintained in the student unit record system are stored within the boundaries of the United States or in a facility owned and controlled by a contractor subject to the legal jurisdiction of the United States.''.

PART H—PROGRAM INTEGRITY

SEC. 496. PUBLIC DISCLOSURE OF FINALIZED ACCREDITATION DOCUMENTS; PROHIBITION ON PREDISPUTE ARBITRATION MANDATES.

(a) REQUIREMENTS FOR ACCREDITING AGENCIES OR ASSOCIATIONS.—Section 496 (20 U.S.C. 1099b) is amended—

(1) in subsection (a)—

(A) in paragraph (7), by striking ''and'' after the semicolon;

(B) in paragraph (8), by striking the period and inserting a semicolon; and

(C) by adding at the end the following:

''(9) such agency or association does not require any institution to enter into predispute arbitration agreements with the students of the institution; and

''(10) such agency or association shall comply with the requirements of section 444 of the General Education Provisions Act (commonly known as the 'Family Educational Rights and Privacy Act of 1974') (20 U.S.C. 1232g).'';

(2) in subsection (c)—

(A) in paragraph (3)(A), by striking ''section 487(f)'' and inserting ''section 487(e)'';

(B) in paragraph (8), by striking ''and'' after the semicolon;

(C) in paragraph (9)(B), by striking the period at the end and inserting ''; and''; and

(D) by adding at the end the following:

''(10) makes available on the website of the agency or association, for each institution subject to its jurisdiction, the accreditation documents relating to academic and institutional quality, as described in subsection (o), for the most recent accreditation period.'';

(3) by redesignating subsections (o) through (q) as subsections (p) through (r), respectively; and

(4) by inserting after subsection (n) the following:

''(o) FINALIZED ACCREDITATION DOCUMENTS RELATING TO ACADEMIC AND INSTITUTIONAL QUALITY.—

''(1) IN GENERAL.—The finalized accreditation documents relating to academic and institutional quality that are subject to the requirements of subsection (c)(10) and section 487(a)(21) shall be any final report or analysis of the agency or association, as determined by the Secretary in consultation with the National Advisory Committee on Institutional Quality and Integrity, regarding whether an institu-

tion or program is in compliance with the standards of the agency or association, including—

"(A) any finalized self-study report prepared by the institution or program that includes the assessment of educational quality and the institution's or program's continuing efforts to improve educational quality;

"(B) any finalized report by the accrediting agency or association on each on-site review conducted of the institution or program (including any written response by the institution or program to such report);

"(C) any finalized written report by the accrediting agency or association assessing the institution or program's compliance with the accrediting standards and the institution or program's performance with respect to student achievement;

"(D) the documents required under section 496(c)(7) relating to any adverse accrediting agency or association action regarding the institution or program, including any decision of final denial, withdrawal, suspension, or termination of accreditation, placement on probation,

or other adverse action, and all supporting documentation for such action; and

"(E) a summary by the accrediting agency or association that clearly explains to the public the overall assessment, including key concerns, of the relevant institution or program.

"(2) APPEALS PROCESS FOR FINALIZED ACCREDITATION DOCUMENTS.—The Secretary shall establish a clear and accessible process for an institution of higher education to appeal the public release of finalized accreditation documents under paragraph (1).

"(p) SINGLE WEBPAGE TO FINALIZED ACCREDITATION DOCUMENTS.—

"(1) IN GENERAL.—The Secretary shall establish and maintain a webpage on the website of the Department that provides a single point of access to the finalized accreditation documents relating to the academic and institutional quality that institutions of higher education are required to make available under section 487(a)(21).

"(2) PUBLIC EXPLANATION REGARDING REDACTED OR UNAVAILABLE INFORMATION.—If the Secretary makes a decision to delay the release of the finalized accreditation documents, or to redact

information from any such documents, for an institution of higher education, the Secretary shall include a public explanation of such decision on the webpage described in paragraph (1).''.

SEC. 497. IMPROVED TARGETING OF PROGRAM REVIEWS.

Section 498(k)(1) (20 U.S.C. 1099c(k)(1)) is amended by striking ''section 487(f)'' and inserting ''section 487(e)''.

SEC. 498. PROGRAM REVIEW AND DATA.

Section 498A (20 U.S.C. 1099c–1) is amended to read as follows:

''SEC. 498A. PROGRAM REVIEW AND DATA.

''(a) DEFINITIONS.—In this section:

''(1) EXECUTIVE COMPENSATION.—The term 'executive compensation', when used with respect to an institution of higher education, means the wages, salary, fees, commissions, fringe benefits, deferred compensation, retirement contributions, options, bonuses, property, and any other form of remuneration that the Secretary determines is appropriate, given to the 5 percent of employees at the institution who are the highest compensated.

''(2) RELEVANT FEDERAL AGENCY.—The term 'relevant Federal agency' means—

''(A) the Department of Education;

"(B) the Department of Veterans Affairs;

"(C) the Department of Defense;

"(D) the Bureau of Consumer Financial Protection;

"(E) the Federal Trade Commission; or

"(F) any other Federal agency that provides Federal student assistance or that the Secretary determines appropriate.

"(3) RELEVANT STATE ENTITY OR AGENCY.—The term 'relevant State entity or agency' means—

"(A) an appropriate State licensing or authorizing agency;

"(B) the attorney general (or the equivalent thereof) of the State; or

"(C) any other State entity or agency that the Secretary determines appropriate.

"(b) PROGRAM REVIEWS FOR INSTITUTIONS PARTICIPATING UNDER TITLE IV.—

"(1) IN GENERAL.—The Secretary—

"(A) is authorized to conduct program reviews, including on-site visits, of each institution of higher education participating in a program authorized under this title; and

"(B) shall conduct a program review under this subsection of each institution of higher

education that poses a significant risk of failure to comply with this title, as described in paragraphs (2) and (3).

"(2) MANDATORY REVIEWS.—

"(A) IN GENERAL.—The Secretary shall, on an annual basis, conduct program reviews of each institution of higher education participating in a program authorized under this title that meets 1 or more of the following criteria:

"(i) As of the date of the determination—

"(I) more than 15 percent of the students enrolled at the institution have received a Federal Direct Unsubsidized Stafford Loan during the previous year; and

"(II) the institution has a cohort default rate, as defined in section 435(m), that is more than 20 percent.

"(ii) As of the date of the determination—

"(I) the institution has a cohort default rate, as defined in section 435(m), that exceeds the national av-

erage, as determined by the Secretary in accordance with such section; and

"(II) the institution has an aggregate amount of defaulted loans, as determined by the Secretary, that places the institution in the highest 1 percent of institutions participating in programs authorized under this title in terms of the aggregate amount of defaulted loans.

"(iii) In the case of proprietary institutions of higher education, the institution received more than 80 percent of the institution's revenues from Federal funds as defined in section 102(b)(2)(B), during the 2 most recent years for which data is available.

"(iv) The institution is among the top 1 percent of institutions participating in programs authorized under this title in terms of numbers or rates of complaints related to Federal student financial aid, educational practices and services, or recruiting and marketing practices, as re-

ported in the complaint tracking system established under section 161.

"(v) As of the date of the determination, the institution is among the top 1 percent of institutions in terms of low graduation rates, as determined by the Secretary, of all institutions participating in programs authorized under this title.

"(vi) The institution spends more than 20 percent of the institution's revenues on recruiting and marketing activities and executive compensation.

"(vii) In the fiscal year immediately following the most recent cohort default rate period—

"(I) the institution's loan defaults increased by 50 percent or more as compared to the preceding period; and

"(II) more than 50 percent of the students attending the institution received loans under this title.

"(viii) The institution has been put on probation by, or is subject to a show cause order from, a nationally recognized accred-

iting agency or association that is recognized by the Secretary pursuant to part H of title IV;

"(ix) The institution, or an executive of the institution, has publicly acknowledged or disclosed that the institution—

"(I) is in violation or noncompliance with any provision of law administered by a relevant Federal agency or relevant State entity or agency; or

"(II) is being investigated regarding a potential violation of such provision of law.

"(x) The institution—

"(I) is a proprietary institution of higher education that has acquired a nonprofit institution of higher education at any point during the 1-year period preceding the date of the determination; or

"(II) was a proprietary institution of higher education and has become a nonprofit institution of higher education at any time during the 1-

year period preceding the date of the determination.

"(B) PUBLICATION OF INSTITUTIONS REVIEWED.—The Secretary shall—

"(i) post, on a publicly available website, the name of each institution of higher education that is reviewed under subparagraph (A);

"(ii) indicate, on such website, with respect to each such institution, which of the mandatory review criteria, as described in subparagraph (A), such institution met; and

"(iii) indicate on the College Navigator website of the Department, or any successor website, the name of each institution of higher education that is reviewed under subparagraph (A).

"(C) INSTITUTIONAL DISCLOSURE OF REVIEW.—Each institution of higher education that is reviewed under subparagraph (A) shall—

"(i) post on the home page of the institution's website that the institution will be subject to a mandatory program review

and why the institution is being reviewed and shall maintain such posting and explanation for 1 year or until the Secretary has issued its final program review report under subsection (c)(5)(C), whichever occurs sooner;

"(ii) provide a clear, conspicuous disclosure of the information described in clause (i) to students who inquire about admission to the institution or submit an application for admission to the institution prior to the student signing an enrollment agreement with the institution, for 1 year or until the Secretary has issued the final program review report under subsection (c)(6)(C), whichever occurs sooner; and

"(iii) include the information described in clause (i) on materials of acceptance or admission submitted to each student before the student enrolls in the institution, for 1 year or until the Secretary has issued the final program review report under subsection (c)(6)(C), whichever occurs sooner.

"(3) RISK-BASED REVIEWS.—

"(A) IN GENERAL.—The Secretary shall use a risk-based approach to select, on an annual basis not less than 2 percent of institutions of higher education participating in a program authorized under this title that are not reviewed under paragraph (2), for a program review. This approach shall prioritize program reviews of institutions that—

"(i) have received large increases in funding under this title during the 5-year period preceding the date of the determination;

"(ii) have a large proportion of overall revenue from Federal funds, as defined in section 102(b)(2)(B);

"(iii) have a significant fluctuation in Federal Direct Stafford Loan volume, Federal Pell Grant award volume, or any combination thereof, in the year for which the determination is made, compared to the year prior to such year, that is not accounted for by changes in the Federal Direct Stafford Loan program, the Federal Pell Grant program, or any combination thereof;

"(iv) have experienced sharp increases in enrollment in absolute numbers or rate of growth;

"(v) have high rates of defaults, relative to all other institutions of higher education participating in a program authorized under this title, for loans issued under this title over the lifetime of the loans;

"(vi) have a large aggregate dollar amount of loans under this title in default, or a high cohort default rate as described in section 435(m);

"(vii) have a high student default risk, as compared to the student default risk for all institutions participating in a program under this title;

"(viii) have a high proportion or high rate of complaints related to Federal student financial aid, educational practices and services, or recruiting and marketing practices, as reported in the complaint tracking system established under section 161;

"(ix) have extremely low graduation rates, as determined by the Secretary;

"(x) are in poor financial health according to financial responsibility standards described in section 498(c);

"(xi) are spending a large percentage of the institution's revenues on recruiting and marketing activities and executive compensation;

"(xii) in the case of proprietary institutions of higher education, have large profit margins and profit growth;

"(xiii) have been put on notice or warning by its accrediting agency;

"(xiv) has been found to have compliance problems under this title, or is at significant risk of failing to comply with applicable Federal or State laws, by a relevant Federal agency or a relevant State entity or agency, including the Comptroller General of the United States;

"(xv) has had a large amount of funds returned under section 484B; or

"(xvi) in the case of proprietary institutions of higher education, have experienced a change in ownership or control of the institution, including a buyout.

"(B) CRITERIA FOR RISK-BASED REVIEWS.—The Secretary shall publish, and update as necessary, the specific criteria that the Secretary will use to determine which institutions of higher education are selected for risk-based reviews under subparagraph (A).

"(4) PUBLIC DISCLOSURE OF VIOLATIONS.—The Secretary shall—

"(A) post on the College Navigator website, or any successor website, of the Department, the name of each institution of higher education that is found to have violated a provision of this title knowingly and willfully or with gross negligence;

"(B) indicate on such website, with respect to each such institution, which of the provisions of this title the institution violated; and

"(C) maintain such posting until the date the institution of higher education rectifies the violation or the date that is 1 year after the date the Secretary issues the final program review report under subsection (c)(6)(C) with respect to such institution, whichever date is later.

"(5) INSTITUTIONAL DISCLOSURE OF VIOLATIONS.—Each institution of higher education that is found to have violated a provision of this title knowingly and willfully or with gross negligence shall—

"(A) not later than 15 days after the date of issuance of the final program review report containing the finding, post on the home page of the institution's website that the institution has been found to have violated a provision of this title knowingly and willfully or with gross negligence, including the provision the institution was found to have violated;

"(B) maintain such posting until the date the institution rectifies the violation or the date that is 1 year after the date the Secretary issues the final program review report under subsection (c)(6)(C) with respect to such institution, whichever date is later; and

"(C) include the information described in subparagraph (A) on materials of acceptance or admission submitted to each student before the student enrolls in the institution until the date the institution rectifies the violation or the date that is 1 year after the date the Secretary issues the final program review report under

subsection (c)(6)(C) with respect to such institution, whichever date is later.

"(c) CHARACTERISTICS OF PROGRAM REVIEWS.—

"(1) NOTICE.—The Secretary may give not more than 72 hours notice to an institution of higher education that will undergo a program review pursuant to subsection (b) of such review.

"(2) SHARING OF INFORMATION.—The Secretary shall share all final program review determinations conducted under this section with relevant Federal agencies and relevant State entities or agencies, and appropriate accrediting agencies and associations, to enable such agencies, entities, and associations to determine the eligibility of institutions for funds or accreditation.

"(3) INTERACTION WITH OTHER FEDERAL AGENCIES AND LAWS.—To the extent practicable, the Secretary shall coordinate program reviews conducted under this section with other reviews and audits conducted by the Department, and with relevant Federal agencies and relevant State entities or agencies.

"(4) VIOLATIONS DISCOVERED THROUGH PROGRAM REVIEW.—

"(A) VIOLATIONS OF THIS TITLE.—If, in the course of conducting a program review, the Secretary obtains evidence that any institution of higher education or person has engaged in conduct that may constitute a violation of this title, including a failure to fully comply with the program review process and reporting requirements under this section, the Secretary may sanction such institution or person, pursuant to section 489A.

"(B) VIOLATIONS OF OTHER FEDERAL LAWS.—If, in the course of conducting a program review, the Secretary obtains evidence that any institution of higher education or person has engaged in conduct that may constitute a violation of Federal law, the Secretary shall transmit such evidence to the Attorney General of the United States, the Director of the Bureau of Consumer Financial Protection, the Commissioner of the Federal Trade Commission, or the head of any other appropriate Federal agency who may institute proceedings under appropriate law.

"(C) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be constructed to affect

any other authority of the Secretary to disclose information.

"(5) CONDUCT OF REVIEWS.—When conducting program reviews under this section, the Secretary shall assess the institution of higher education's compliance with the provisions of this title. Each program review shall include, at a minimum, the following:

"(A) With regard to the institutional information, the Secretary shall assess financial capability, administrative capability, and program integrity, including whether the institution—

"(i) knowingly and willfully misused Federal student aid from any source;

"(ii) violated section 487(a)(20);

"(iii) engaged in any substantial misrepresentation or other serious violation, as defined in section 489A; or

"(iv) violated the program integrity regulations promulgated by the Secretary under this Act.

"(B) With regard to student information, the Secretary shall examine—

"(i) graduation rates compared with all other institutions participating in a program authorized under this title;

"(ii) student complaints, including interviews with current and former students, faculty and staff, and accrediting agencies; and

"(iii) information from the complaint data system established under section 161.

"(6) ADMINISTRATIVE PROCESS.—

"(A) TRAINING.—The Secretary shall provide training, including investigative training, to personnel of the Department designed to improve the quality of financial and compliance audits and program reviews conducted under this section, including instruction about appropriately and effectively conducting such audits and reviews for institutions of higher education from different sectors of higher education.

"(B) CARRYING OUT PROGRAM REVIEWS.—In carrying out program reviews under this section, the Secretary shall—

"(i) establish guidelines designed to ensure uniformity of practice in the conduct of such reviews;

"(ii) make available to each institution of higher education participating in a program authorized under this title complete copies of all review guidelines and procedures used in program reviews, except that internal training materials for Department staff related to identifying instances of fraud, misrepresentation, or intentional noncompliance shall not be disclosed;

"(iii) permit an institution of higher education to correct or cure an administrative, accounting, or recordkeeping error within 90 days of the issuance of the final program review report, if the error is not part of a pattern of error and there is no evidence of fraud or misconduct related to the error;

"(iv) without sharing personally identifiable information and in accordance with section 444 of the General Education Provisions Act (20 U.S.C. 1232g, commonly known as the 'Family Educational Rights and Privacy Act of 1974'), inform the relevant Federal agencies and relevant State entities or agencies, and accrediting agency

or association, whenever the Secretary finds a violation of this title or sanctions an institution of higher education under section 432, 489A, or 498; and

"(v) provide to an institution of higher education 90 calendar days to review and respond to any program review report and relevant materials related to the report before any final program review report is issued.

"(C) FINAL PROGRAM REVIEW DETERMINATION.—

"(i) IN GENERAL.—Not later than 180 calendar days after issuing a program review report under this section, the Secretary shall review and consider an institution of higher education's response, and issue a final program review determination or audit determination. The final determination shall include—

"(I) a written statement addressing the institution of higher education's response;

"(II) a written statement of the basis for such determination; and

"(III) a copy of the institution's response.

"(ii) CONFIDENTIALITY.—The Secretary shall maintain and preserve at all times the confidentiality of any program review report until a final program review determination is issued, other than to inform the relevant Federal agencies and relevant State entities or agencies, and accrediting agency or association, as required under this section.

"(D) REPORTS DISCLOSED TO THE INSTITUTION.—The Secretary shall promptly disclose each program review report and each final program review determination to the institution of higher education under review.

"(E) REMOVAL OF PERSONALLY IDENTIFIABLE INFORMATION.—Any personally identifiable information from the education records of students shall be removed from any program review report or final program review determination before the report is shared with any relevant Federal agency, State entity or agency, or accrediting agency or association.

"(7) FOLLOW-UP REVIEWS AFTER VIOLATIONS.—The Secretary shall conduct follow-up reviews of each institution of higher education that has been found in violation of a provision of this title not later than 1 year after the date of such finding. Such follow-up reviews may only assess whether the institution of higher education has corrected violations found in a previous program review or final program review determination.".

PART I—STATE-FEDERAL COLLEGE AFFORDABILITY PARTNERSHIP

SEC. 499. STATE-FEDERAL COLLEGE AFFORDABILITY PARTNERSHIP.

Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) is amended by adding at the end the following:

"PART J—STATE-FEDERAL COLLEGE AFFORDABILITY PARTNERSHIP

"SEC. 499–1. PURPOSE.

"The purpose of this part is to establish a State-Federal partnership that incentivizes State investment in public higher education.

"SEC. 499–2. DEFINITIONS.

"In this part:

"(1) ELIGIBLE STATE.—The term 'eligible State' means a State that provides net State operating support per FTE student in an amount equal to not less than 50 percent of the amount that reflects the maximum Federal Pell Grant award amount.

"(2) FULL-TIME EQUIVALENT STUDENT NUMBER.—The term 'full-time equivalent student number' means a number that reflects the sum of the number of students enrolled full time at a public institution of higher education in the State, plus the full-time equivalent of the number of students enrolled part time (determined on the basis of the quotient of the sum of the credit hours of all part-time students divided by 12) at such institutions. The Secretary may establish a methodology for calculating the full-time equivalent student number and may offer guidance to States in determining the State's full-time equivalent student number for purposes of this part.

"(3) NET STATE OPERATING SUPPORT.—The term 'net State operating support' means an amount that is equal to the amount of State funds and local government appropriations used to support public higher education annual operating expenses in the

State, calculated in accordance with subparagraphs (A) and (B).

"(A) CALCULATION.—A State's net State operating support shall be an amount that is equal to the difference resulting from the gross amount of State funds annually appropriated for public higher education operating expenses in the State; minus—

"(i) such appropriations that are returned to the State;

"(ii) State-appropriated funds derived from Federal sources, including funds provided under this part;

"(iii) local government funds not appropriated for operating support for public higher education;

"(iv) amounts that are portions of multi-year appropriations to be distributed over multiple years;

"(v) tuition charges remitted to the State to offset State appropriations;

"(vi) State funding for students in non-credit continuing or adult education courses and non-credit extension courses;

"(vii) sums appropriated to private nonprofit institutions of higher education, or to proprietary institutions of higher education, for capital outlay or operating expenses; and

"(viii) any other funds excluded under subparagraph (B).

"(B) EXCLUSIONS.—Net State operating support does not include funds for—

"(i) student aid programs that provide grants to students attending in-State private nonprofit institutions of higher education, in-State proprietary institutions of higher education, independent institutions, in-State public institutions, and out-of-State institutions;

"(ii) capital outlay;

"(iii) deferred maintenance;

"(iv) research and development; or

"(v) any other funds that the Secretary may exclude.

"(4) NET STATE OPERATING SUPPORT PER FTE STUDENT.—The term 'Net State Operating Support per FTE student' means, for a fiscal year—

"(A) the net State operating support for the previous fiscal year; divided by

"(B) the full-time equivalent student number for the previous fiscal year.

"(5) PUBLIC INSTITUTION.—The term 'public institution' means an institution of higher education (as defined in section 101) whose liabilities are backed by the full faith and credit of the State or its equivalent, as determined in accordance with section 668.15 of title 34, Code of Federal Regulations, or any successor regulation.

"(6) PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION.—The term 'private nonprofit institution of higher education' means an institution of higher education, as defined in section 102, that is a private nonprofit institution.

"(7) PROPRIETARY INSTITUTION OF HIGHER EDUCATION.—The term 'proprietary institution of higher education' has the meaning given the term in section 102(b).

"SEC. 499–3. AUTHORIZATION; USE OF FUNDS.

"(a) AUTHORIZATION.—The Secretary shall award annual block grants to eligible States to encourage States to provide additional funding for public higher education.

"(b) USE OF FUNDS BY STATES.—An eligible State receiving a block grant under this part shall allocate 100 percent of block grant funding to public institutions for public higher education expenditures in accordance with subsection (c).

"(c) USE OF FUNDS BY PUBLIC INSTITUTIONS.—A public institution that receives funds under this title shall—

"(1) use a portion of such funds to directly reduce tuition costs or mitigate the need to raise tuition and fees for students residing in the State;

"(2) use a portion of such funds to support the enrollment of low-income students (as measured by eligibility for Federal Pell Grants) in the institution; and

"(3) create a publicly available report that documents an institution's efforts to satisfy the requirements described in paragraphs (1) and (2).

"(d) PROHIBITIONS.—

"(1) NO USE FOR ENDOWMENTS.—A public institution may not use funds received under this title to increase its endowment.

"(2) NO USE FOR ATHLETIC OR COMMERCIAL VENUES.—No funds awarded under this title may be used for the modernization, renovation, or repair of

stadiums or other facilities of a public institution primarily used for athletic contests or events for which admission is charged to the general public.

"(e) STATE LIMITATIONS ON INSTITUTIONS.—Nothing in this section shall be construed to prohibit a State from establishing additional requirements for public institutions in the State for the purpose of increasing the affordability of higher education.

"SEC. 499–4. GRANT FORMULA.

"(a) GRANT FORMULA.—The Secretary shall award a block grant to an eligible State for a fiscal year in an amount equal to the product of—

"(1) the marginal Federal match amount, as determined under subsection (b) for the fiscal year and adjusted in accordance with subsection (c); multiplied by

"(2) the full-time equivalent student number for the previous fiscal year.

"(b) FEDERAL MATCH AMOUNT.—The Federal match amount will be determined in accordance with the following table:

"Net State Operating Support Per FTE student	Federal match amount per FTE student
Below $2,865	No match
$2,865 to $4,388	20% of the excess over $2,865
$4,389 to $5,443	$304.6, plus 30% of the excess over $4,389
$5,444 to $6,303	$620.8, plus 40% of the excess over $5,444

"Net State Operating Support Per FTE student	Federal match amount per FTE student
$6,304 to $7,449	$964.4, plus 50% of the excess over $6,304
$7,450 to $8,595	$1,536.9, plus 10% of the excess over $7,450
Above $8,595	No match above $1,651.4.

1 "(c) ADJUSTMENTS BASED ON THE MAXIMUM FED-
2 ERAL PELL GRANT AMOUNT.—For each award year sub-
3 sequent to 2014, the dollar amounts in the table under
4 subsection (b) shall only be increased (rounded to the
5 nearest dollar) by the percentage by which—
6 "(1) the maximum Pell Grant award amount
7 for such award year, exceeds
8 "(2) $5,730.
9 "(d) RATABLE REDUCTION.—If the sums made avail-
10 able under this part for any fiscal year are insufficient
11 to pay the full amounts that all States are eligible to re-
12 ceive in accordance with this section for such year, the
13 Secretary shall establish procedures for ratably reducing
14 each State's award amount.
15 **"SEC. 499–5. ACCOUNTABILITY AND ENFORCEMENT.**
16 "(a) ANNUAL REPORT.—
17 "(1) IN GENERAL.—Beginning for the first fis-
18 cal year after a State receives a block grant under
19 this part, the State shall prepare and submit an an-
20 nual report to the Secretary, which shall include de-
21 tailed information about the State's use of grant
22 funds to increase the affordability of public higher

education and increase the enrollment of low-income students (as measured by eligibility for a Federal Pell Grant).

"(2) CONTENTS.—A report described in paragraph (1) shall—

"(A) describe all actions taken to incentivize public institutions to reduce tuition costs, or mitigate the need to raise tuition and fees for in-State students;

"(B) explain the extent to which public institutions supported the enrollment of low-income students who are eligible for Federal Pell Grants or other need-based financial assistance;

"(C) disclose how the State distributed the allotment provided under this part to all public institutions, and the rationale for such distribution;

"(D) include the aggregated graduation rates for low-income students (based on eligibility for Federal Pell Grants), part-time students, and transfer students, disaggregated by type of degree or credential; and

"(E) be publicly available in a manner that is easily accessible to parents, students, and consumer advocates.

"(b) MAINTAINING NET STATE OPERATING SUPPORT PER FTE STUDENT.—

"(1) IN GENERAL.—Each State receiving an allotment under this part for a fiscal year shall—

"(A) ensure that the amount expended by the State, from funds derived from non-Federal sources, for net State operating support per FTE student for the preceding fiscal year was not less than the amount expended by the State for net State operating support per FTE student for the second preceding fiscal year; and

"(B) demonstrate the State's compliance with subparagraph (A) by providing the Secretary with a written assurance and detailed documentation.

"(2) PENALTY.—If a State does not comply with paragraph (1), the State's grant award under this part shall be reduced by an amount equal to the product of—

"(A) the difference between—

"(i) the net State operating support per FTE student for the second preceding fiscal year; minus

"(ii) the net State operating support per FTE student for the preceding fiscal year; multiplied by

"(B) the full-time equivalent student number for the previous fiscal year.

"(c) MAINTENANCE OF EFFORT FOR STATE-BASED FINANCIAL AID.—Each State receiving an allotment under this part for a fiscal year shall, as a condition of receiving the allotment, maintain the level of State student financial aid support provided for costs associated with postsecondary education at not less than the level of such support provided for the academic year immediately preceding the year for which the State is receiving the allotment.

"(d) AUTHORITY TO COMPROMISE.—Notwithstanding subsections (b) and (c), the Secretary may waive any maintenance of support and effort requirement described in such subsections for a State if there is a clear case of a significant economic downturn in the State. Such determination shall only be made by the Secretary following a written appeal by the State that documents recent and significant decreases in economic activity in the State.

"SEC. 499–6. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this part such sums as may be necessary for fiscal year 2015 and each of the five succeeding fiscal years.''.

TITLE V—DEVELOPING INSTITUTIONS

SEC. 501. RULE OF CONSTRUCTION.

Section 501 (20 U.S.C. 1101) is amended—

(1) in the section heading, by striking ''**AND PROGRAM AUTHORITY**'' and inserting ''**PROGRAM AUTHORITY; RULE OF CONSTRUCTION**''; and

(2) by adding at the end the following:

''(d) RULE OF CONSTRUCTION.—Nothing in this Act shall be construed to restrict an institution from using funds provided under a section of this title for activities and uses that were authorized under such section on the day before the date of enactment of the Higher Education Affordability Act.''.

SEC. 502. AUTHORIZED ACTIVITIES UNDER PART A OF TITLE V.

Section 503 (20 U.S.C. 1101b) is amended—

(1) by striking subsection (b) and inserting the following:

"(b) AUTHORIZED ACTIVITIES.—Grants awarded under this section shall be used for 1 or more of the following activities:

"(1) The purchase, rental, or lease of educational resources.

"(2) The construction, maintenance, renovation, or joint use and improvement of classrooms, libraries, laboratories, or other instructional facilities, including the integration of computer technology into institutional facilities to create smart buildings.

"(3) Support of faculty exchanges, faculty development, and faculty fellowships to assist members of the faculty in attaining advanced degrees in their field of instruction.

"(4) Student support services, including the development and improvement of academic programs, tutoring, counseling, school sanctioned travel, and financial literacy for students and families.

"(5) Improving funds management, administrative management, and the acquisition of equipment for use in strengthening funds management.

"(6) Maintaining financial stability through establishing or developing a contributions development office or endowment fund.

"(7) Other activities proposed in the application submitted pursuant to section 521(b)(1) that—

"(A) contribute to carrying out the purposes of the program assisted under this part; and

"(B) are approved by the Secretary as part of the review and acceptance of such application."; and

(2) in subsection (c)—

(A) in paragraph (2), by inserting "75 percent of" after "equal to or greater than"; and

(B) by adding at the end the following:

"(4) SCHOLARSHIP.—A Hispanic-serving institution that uses grant funds under this title to establish or increase an endowment fund may use the interest proceeds from such endowment to provide scholarships to students for the purposes of attending such institution.".

SEC. 503. DURATION OF GRANTS UNDER TITLE V.

Section 504 (20 U.S.C. 1101c) is amended by adding at the end the following:

"(c) REQUIREMENT FOR FOURTH AND FIFTH YEAR OF FUNDING.—

"(1) IN GENERAL.—Before receiving funding under this title for the fourth or fifth year of the

grant, each Hispanic-serving institution receiving a grant under this title shall demonstrate to the Secretary that the institution is making progress in implementing the activities described in the institution's application under section 521(b)(1) at a rate that the Secretary determines will result in the full implementation of those activities during the remainder of the grant period.

"(2) CONSIDERATION OF DATA AND INFORMATION.—The Secretary shall consider any data or information provided to the Department by grantees for the continued receipt of grants under this title under paragraph (1) that is considered in accordance with regulations issued by the Secretary before the date of enactment of the Higher Education Affordability Act. Any requirements the Secretary develops for institutions in accordance with regulations issued by the Secretary after the date of enactment of the Higher Education Affordability Act to carry out this subsection shall take into account the capacity and resources of institutions to comply with such requirements.".

SEC. 504. AUTHORIZED ACTIVITIES UNDER PART B OF TITLE V.

Section 513 (20 U.S.C. 1102b) is amended to read as follows:

"SEC. 513. AUTHORIZED ACTIVITIES.

''Grants awarded under this part shall be used for 1 or more of the following activities:

''(1) The purchase, rental, or lease of educational resources.

''(2) The construction, maintenance, renovation, or joint use and improvement of classrooms, libraries, laboratories, or other instructional facilities, including the integration of computer technology into institutional facilities to create smart buildings.

''(3) Support of faculty exchanges, faculty development, and faculty fellowships to assist members of the faculty in attaining advanced degrees in their field of instruction.

''(4) Support for low-income postbaccalaureate students, including outreach, academic support services, mentoring, scholarships, fellowships, and other financial assistance to permit the enrollment of low-income students in postbaccalaureate certificate programs and postbaccalaureate degree granting programs.

"(5) Collaboration with other institutions of higher education to expand postbaccalaureate certificate and postbaccalaureate degree offerings.

"(6) Other activities proposed in the applications submitted pursuant to section 514(a) and section 521(b)(1) that—

"(A) contribute to carrying out the purposes of this part; and

"(B) are approved by the Secretary as part of the review and acceptance of such application.".

SEC. 505. DURATION OF GRANTS UNDER PART B OF TITLE V.

Section 514 (20 U.S.C. 1102c) is amended by adding at the end the following:

"(d) REQUIREMENT FOR FOURTH AND FIFTH YEAR OF FUNDING.—

"(1) IN GENERAL.—Before receiving funding under this part for the fourth or fifth year of the grant, each Hispanic-serving institution receiving a grant under this part shall demonstrate to the Secretary that the institution is making progress in implementing the activities described in the institution's applications under subsection (a) and section 521(b)(1) at a rate that the Secretary determines

will result in the full implementation of those activities during the remainder of the grant period.

"(2) CONSIDERATION OF DATA AND INFORMATION.—The Secretary shall consider any data or information provided to the Department by grantees for the continued receipt of grants under this title under paragraph (1) that is considered in accordance with regulations issued by the Secretary before the date of enactment of the Higher Education Affordability Act. Any requirements the Secretary develops for institutions in accordance with regulations issued by the Secretary after the date of enactment of the Higher Education Affordability Act to carry out this subsection shall take into account the capacity and resources of institutions to comply with such requirements.".

SEC. 506. WAIVER AUTHORITY; REPORTING REQUIREMENT; TECHNICAL ASSISTANCE.

Part C of title V (20 U.S.C. 1103 et seq.) is further amended—

(1) by redesignating section 528 as section 529; and

(2) by inserting after section 527 the following:

"SEC. 528. TECHNICAL ASSISTANCE.

"(a) IN GENERAL.—The Secretary shall provide technical assistance, as requested, to institutions that receive grants under part A or B to assist such institutions in the use or development of student data for the purposes of supporting students' progress and completion at such institutions.

"(b) REQUIREMENTS.—In order to provide institutions with the assistance necessary to carry out this section, institutions who receive grants under part A shall report to the Secretary on—

"(1) the number and percentage of undergraduate students who, upon entry into the institution, matriculate into a major field of study or other program leading to a postsecondary certificate, an associate's degree, or a baccalaureate degree;

"(2) student persistence data for the institution's undergraduates, demonstrating how many students are continuously enrolled in the institution, which shall be measured in a manner proposed by the institution and approved by the Secretary; and

"(3) data on the number of undergraduate students making satisfactory academic progress, as defined in regulations promulgated by the Department at the time such data is reported.".

SEC. 507. AUTHORIZATIONS OF APPROPRIATIONS FOR DEVELOPING INSTITUTIONS.

Section 529(a), as redesignated by paragraph (1) of section 506, is amended—

(1) in paragraph (1), by striking ''$175,000,000 for fiscal year 2009 and such sums as may be necessary for each of the five succeeding fiscal years'' and inserting ''such sums as may be necessary for fiscal year 2015 and such sums as may be necessary for each of the five succeeding fiscal years''; and

(2) in paragraph (2), by striking ''$100,000,000 for fiscal year 2009 and such sums as may be necessary for each of the five succeeding fiscal years'' and inserting ''such sums as may be necessary for fiscal year 2015 and such sums as may be necessary for each of the five succeeding fiscal years''.

TITLE VI—INTERNATIONAL EDUCATION PROGRAMS

SEC. 601. TECHNICAL AND CONFORMING AMENDMENT.

Section 631(a)(2) (20 U.S.C. 1132(a)(2)) is amended by striking ''and'' after the semicolon.

SEC. 602. AUTHORIZATION OF APPROPRIATIONS FOR INTERNATIONAL AND FOREIGN LANGUAGE STUDIES.

Section 610 (20 U.S.C. 1128b) is amended by striking ''2009'' and inserting ''2015''.

SEC. 603. AUTHORIZATION OF APPROPRIATIONS FOR BUSINESS AND INTERNATIONAL EDUCATION PROGRAMS.

Section 614 (20 U.S.C. 1130b) is amended—

(1) in subsection (a), by striking ''2009'' and inserting ''2015''; and

(2) in subsection (b), by striking ''2009'' and inserting ''2015''.

SEC. 604. AUTHORIZATION OF APPROPRIATIONS FOR THE INSTITUTE FOR INTERNATIONAL PUBLIC POLICY.

Section 629 (20 U.S.C. 1131f) is amended by striking ''2009'' and inserting ''2015''.

SEC. 605. AUTHORIZATION OF APPROPRIATIONS FOR THE SCIENCE AND TECHNOLOGY ADVANCED FOREIGN LANGUAGE EDUCATION GRANT PROGRAM.

Section 637(f) (20 U.S.C. 1132–6(f)) is amended by striking ''2009'' and inserting ''2015''.

TITLE VII—GRADUATE AND POSTSECONDARY IMPROVEMENT PROGRAMS

SEC. 701. AUTHORIZATION OF APPROPRIATIONS FOR THE JACOB K. JAVITS FELLOWSHIP PROGRAM.

Section 705 (20 U.S.C. 1134d) is amended by striking ''$30,000,000 for fiscal year 2009'' and inserting ''such sums as may be necessary for fiscal year 2015''.

SEC. 702. AUTHORIZATION OF APPROPRIATIONS FOR GRADUATE ASSISTANCE IN AREAS OF NATIONAL NEED.

Section 716 (20 U.S.C. 1135e) is amended by striking ''$35,000,000 for fiscal year 2009'' and inserting ''such sums as may be necessary for fiscal year 2015''.

SEC. 703. AUTHORIZATION OF APPROPRIATIONS FOR THE THURGOOD MARSHALL LEGAL EDUCATIONAL OPPORTUNITY PROGRAM.

Section 721(h) (20 U.S.C. 1136(h)) is amended by striking ''$5,000,000 for fiscal year 2009'' and inserting ''such sums as may be necessary for fiscal year 2015''.

SEC. 704. AUTHORIZATION OF APPROPRIATIONS FOR MASTERS DEGREE PROGRAMS AT HISTORICALLY BLACK COLLEGES AND UNIVERSITIES AND PREDOMINANTLY BLACK INSTITUTIONS.

Section 725 (20 U.S.C. 1136c) is amended—

(1) in subsection (a), by striking ''2009'' and inserting ''2015''; and

(2) in subsection (b), by striking ''2009'' and inserting ''2015''.

SEC. 705. AUTHORIZATION OF APPROPRIATIONS FOR THE FUND FOR IMPROVEMENT OF POSTSECONDARY EDUCATION.

Section 745 (20 U.S.C. 1138d) is amended by striking ''2009'' and inserting ''2015''.

SEC. 706. CORRECTLY RECOGNIZING EDUCATIONAL ACHIEVEMENTS TO EMPOWER GRADUATES.

Title VII (20 U.S.C. 1133 et seq.) is amended by inserting after part B the following:

''PART C—CORRECTLY RECOGNIZING EDUCATIONAL ACHIEVEMENTS TO EMPOWER GRADUATES

''SEC. 751. PURPOSE.

''The purpose of this part is to award grants to States to support efforts at institutions of higher education, or within systems of higher education, to increase postsecondary degree attainment by—

''(1) locating, and conferring degrees to, students who have accumulated sufficient applicable postsecondary credits and maintained satisfactory

1 academic progress to earn an associate's degree but
2 did not receive one;
3 ''(2) providing outreach to those students who
4 are within 12 credits of earning an associate's de-
5 gree; and
6 ''(3) establishing partnerships between 2-year
7 and 4-year institutions of higher education in States,
8 in order to strengthen the transition pathways into
9 4-year institutions of higher education for transfer
10 students.

11 **"SEC. 752. GRANTS TO INCREASE DEGREE ATTAINMENT.**

12 ''(a) DEFINITION OF INSTITUTION OF HIGHER EDU-
13 CATION.—In this section, the term 'institution of higher
14 education' has the meaning given the term in section
15 101(a).
16 ''(b) PROGRAM AUTHORIZED.—
17 ''(1) IN GENERAL.—From amounts appro-
18 priated under subsection (j), the Secretary shall
19 award grants, on a competitive basis, to States to
20 enable the States to carry out the activities de-
21 scribed in subsections (e) and (f) in order to support
22 efforts at institutions of higher education, or within
23 systems of higher education, to increase degree at-
24 tainment.

"(2) PARTNERSHIPS ALLOWED.—A State may apply for a grant under this section in partnership with a nonprofit organization. In any such partnership, the State higher education agency or other State agency described in subsection (c)(1) shall serve as the fiscal agent for purposes of the grant.

"(3) DURATION.—Grants awarded under this section shall be for a period of 3 years.

"(c) SUBMISSION AND CONTENTS OF APPLICATION.—

"(1) IN GENERAL.—The State, acting through the State higher education agency or other State agency determined appropriate by the Governor or chief executive officer of the State, shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

"(2) CONTENTS.—An application submitted under paragraph (1) shall include the following:

"(A) A description of the State's capacity to administer the grant under this section and report annually to the Secretary on the progress of the activities and services described in subsection (e).

"(B) A description of how the State will meet the purpose of the grant program under this part through outreach and memoranda of understanding with institutions of higher education, including the State's plan for using grant funds to meet the requirements of subsections (e) and (g) and, if the State elects to use grant funds under such subsection to create strong articulation agreements, subsection (f)(2).

"(C) A description of how the State will coordinate with appropriate stakeholders, including institutions of higher education, data-sharing agencies within the State, and other States.

"(D) A description of—

"(i) the structure that the State has in place to administer the activities and services described in subsection (e), including—

"(I) the capacity of the State's longitudinal data system to—

"(aa) be clean of record duplication and ensure alignment of

State and institutional credit completion records;

"(bb) include transfer flags and course and credit data to allow the State to run initial degree audits for institutions;

"(cc) include all postsecondary educational institutions in the State, including public, private nonprofit, and private for-profit institutions; and

"(dd) have in place mechanisms to share data across institutions, systems, and States;

"(II) the capacity of the agency governing the State's longitudinal system to respond to data requests accurately and in a timely manner; and

"(III) the State's plan to protect student privacy with respect to data in the State longitudinal data system and comply with section 444 of the General Education Provisions Act (commonly referred to as the 'Family

Educational Rights and Privacy Act of 1974'); or

"(ii) the State's plan to develop the structure described in clause (i) as part of the activities carried out under the grant.

"(d) AWARD BASIS AND PRIORITY.—The Secretary shall award grants under this section to States based on the quality of the applications submitted under subsection (c). In awarding grants under this section, the Secretary shall give priority to applications from States—

"(1) that do not have, as of the time of the application, statewide policies or statewide initiatives in place to retroactively award associate's degrees to students; or

"(2) that have a commitment to initiatives regarding the retroactive awarding of associate's degrees that will continue after the period of the grant.

"(e) MANDATORY USE OF FUNDS.—

"(1) SUBGRANTS.—A State that receives a grant under this section shall use not less than 80 percent of the grant funds provided to award subgrants, on a competitive basis, to institutions of higher education or systems of higher education. Each institution or system receiving a subgrant shall

carry out all of the following activities and services, pursuant to the conditions under subsection (g):

"(A) Identify the group of current and former students at the institution of higher education or system of higher education that, based on the data held by the institution, meet both of the following requirements:

"(i) Each individual has earned not less than 60 postsecondary credit hours (or the minimum required by the State to earn an associate's degree) at the institution of higher education or at an institution within the system of higher education.

"(ii) Each individual has not had any postsecondary degree, of any kind, issued to the student by the institution of higher education.

"(B) Identify a subset of the current and former students described in subparagraph (A) who have not already earned an associate's or baccalaureate degree elsewhere.

"(C) Perform a degree audit on each student in the subset described in subparagraph (B), and identify each such student as one of the following:

"(i) Eligible to obtain an associate's degree.

"(ii) Eligible to obtain an associate's degree upon the completion of 12 or fewer postsecondary credit hours (or the equivalent).

"(iii) Not eligible under either clause (i) or (ii).

"(D) Provide outreach to each student identified in subparagraph (C)(i), and award the earned associate's degree to such student, unless such student declines through a written or oral declaration.

"(E) Provide outreach to each student identified in subparagraph (C)(ii) that includes information regarding next steps toward degree attainment, including financial aid options.

"(2) APPLICATION PROCESS.—An institution of higher education or a system of higher education desiring a subgrant under this subsection shall submit an application to the State at such time, in such manner, and containing such information as the State may require. Such application shall include a written commitment from the institution or system of higher education that, upon receipt of a grant,

the institution or system of higher education will carry out all of the activities described in paragraph (1).

"(3) PRIORITY.—Each State awarding subgrants under this part shall give priority to applications from institutions of higher education or systems of higher education that—

"(A) use an opt-out, rather than an opt-in, policy to award associate's degrees, if such policy is permissible under applicable accreditation or State standards;

"(B) waive nonacademic barriers to graduation, such as swimming tests, library fines, graduation fees, or parking tickets;

"(C) waive or amend residency and recency requirements to prevent earned credits from expiring, if such action is permissible under accreditation or State standards; and

"(D) commit to, following the conclusion of the activities described in paragraph (1) and continuing after the end of the grant period—

"(i) conducting degree audits for each enrolled student once the student earns 45 credits; and

"(ii) provide information about graduation deadlines to remind students of relevant requirements at least 4 months before the students graduate and again 1 month before graduation.

"(f) PERMISSIVE USE OF FUNDS.—A State receiving a grant under this section may use—

"(1) not more than 15 percent of the total amount received under this section for administrative purposes relating to the grant under this section, including technology needed to carry out the purposes of this part; and

"(2) not more than 5 percent of the total amount received under this section to create strong articulation agreements between 2-year and 4-year institutions of higher education, in order to enhance collaboration and strengthen the transition pathways between such institutions for transfer students.

"(g) SPECIAL CONDITIONS AND PROHIBITIONS.—

"(1) AVAILABILITY TO STUDENTS.—A State, institution of higher education, or system of higher education receiving a grant or subgrant, as the case may be, under this section shall not charge any student an additional fee or charge to participate in the activities or services supported under this section.

"(2) PROHIBITED USES.—A State, institution of higher education, or system of higher education receiving a grant or subgrant, as the case may be, under this section shall not use any grant or subgrant funds for tuition, fees, room and board, or any other purpose outside the goals of the grant.

"(3) FERPA REQUIREMENTS.—Each State, institution of higher education, or system of higher education receiving a grant or subgrant, as the case may be, under this section that enters into a contract or other agreement with any outside entity to assist in carrying out the activities or services under such grant or subgrant, shall ensure that the outside entity complies with all requirements of section 444 of the General Education Provisions Act (commonly referred to as the 'Family Educational Rights and Privacy Act of 1974') that would apply to the State, institution, or system.

"(4) COORDINATION.—A State receiving a grant under this section shall ensure the coordination of the activities and services carried out under this section with any other activities carried out in the State that are similar to the goals of this program, and with any other entities that support the

existing activities in the State, with the goal of minimizing duplication.

"(h) REPORT.—

"(1) IN GENERAL.—A State receiving a grant under this section shall prepare and submit an annual report to the Secretary on the activities and services carried out under this section, and on the implementation of such activities and services. The report shall include, for each institution of higher education or system of higher education receiving a subgrant, the following information:

"(A) The number of students who were first identified in the group described in subsection (e)(1)(A).

"(B) The number of students who were removed from such group because the students had received a degree elsewhere, in accordance with subsection (e)(1)(B).

"(C) The number of degree audits performed under subsection (e)(1)(C).

"(D) The number of students identified under subsection (e)(1)(C)(i) as eligible to obtain an associate's degree.

"(E) The number of students identified under subsection (e)(1)(C)(ii) as eligible to ob-

tain an associate's degree upon the completion of 12 or fewer postsecondary credit hours (or the equivalent).

"(F) The number of students identified under subsection (e)(1)(C)(iii) as ineligible to obtain an associate's degree and ineligible to obtain such a degree upon the completion of 12 or fewer postsecondary credit hours (or the equivalent).

"(G) The number of students awarded an associate's degree under subsection (e)(1)(D).

"(H) The number of students identified in subsection (e)(1)(C)(ii) who are returning to an institution of higher education after receiving outreach described in subsection (e)(1)(E).

"(I) The average amount of credit hours previously earned by students described in subsection (e)(1)(C)(i) when the associate's degrees are awarded.

"(J) The number of students who received outreach described in subsection (e)(1)(D) and who decline to receive the associate's degree.

"(K) The number of students who could not be located or reached as part of the process.

"(L) The reasons why students identified in subsection (e)(1)(C)(ii) did not return to an institution of higher education to receive a degree.

"(M) Details of any policy changes implemented as a result of implementing the activities and services and conducting the required degree audits.

"(2) DISAGGREGATION.—The report shall include the information described in subparagraphs (A) through (L) of paragraph (1) in the aggregate and disaggregated by age, gender, race or ethnicity, status as an individual with a disability, and socioeconomic status (including status as a Federal Pell Grant recipient).

"(i) ENFORCEMENT PROVISIONS.—

"(1) RECOVERY OR WITHHOLDING.—The Secretary may, after notice and an opportunity for a hearing in accordance with chapter 5 of title 5, United States Code—

"(A) withhold funds provided under a grant or subgrant under this section if a State system of higher education or an institution of higher education is failing to comply substantially with the requirements of this section; or

"(B) take actions to recover funds provided under a grant or subgrant under this section, if the State system of higher education or an institution of higher education made an unallowable expense, or otherwise failed to discharge its responsibility to properly account for funds.

"(2) USE OF RECOVERED OR UNUSED FUNDS.—Any funds recovered or withheld under paragraph (1) shall—

"(A) be credited to the appropriations account from which amounts are available to make grants or enter cooperative agreements under this section; and

"(B) remain available until expended for any purpose of that account authorized by law that relates to the program under this section.

"(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2015 and each of the 2 succeeding fiscal years.".

SEC. 707. AUTHORIZATION OF APPROPRIATIONS FOR DEMONSTRATION PROJECTS TO SUPPORT POSTSECONDARY FACULTY, STAFF, AND ADMINISTRATORS IN EDUCATING STUDENTS WITH DISABILITIES.

Section 765 (20 U.S.C. 1140e) is amended by striking ''2009'' and inserting ''2015''.

SEC. 708. AUTHORIZATION OF APPROPRIATIONS FOR TRANSITION PROGRAMS FOR STUDENTS WITH INTELLECTUAL DISABILITIES.

Section 769 (20 U.S.C. 1140i) is amended by striking ''2009'' and inserting ''2015''.

SEC. 709. AUTHORIZATION OF APPROPRIATIONS FOR THE COMMISSION ON ACCESSIBLE MATERIALS AND PROGRAMS TO SUPPORT IMPROVED ACCESS TO MATERIALS.

Section 775 (20 U.S.C. 1140o) is amended by striking ''2009'' and inserting ''2015''.

SEC. 710. AUTHORIZATION OF APPROPRIATIONS FOR THE NATIONAL TECHNICAL ASSISTANCE CENTER; COORDINATING CENTER.

Section 778 (20 U.S.C. 1140r) is amended by striking ''2009'' and inserting ''2015''.

SEC. 711. FIRST IN THE WORLD COMPETITIVE GRANT PROGRAM.

Title VII (20 U.S.C. 1133 et seq.) is amended by adding at the end the following:

"PART F—FIRST IN THE WORLD COMPETITIVE GRANT PROGRAM

"SEC. 783. PURPOSE.

''The purpose of this part is—

''(1) to help institutions of higher education implement innovative strategies and practices shown to be effective in improving educational outcomes and making postsecondary education more affordable for students and families;

''(2) to raise the percentage of individuals in the United States who have a degree from an institution of higher education or another postsecondary credential by 2020; and

''(3) to develop an evidence base of effective practices for ensuring that more students can access, persist in, and complete postsecondary education.

"SEC. 784. PROGRAM AUTHORIZED.

''(a) ELIGIBLE ENTITY DEFINED.—In this part 'eligible entity' means—

''(1) a nonprofit institution of higher education;

"(2) a consortium of nonprofit institutions of higher education; or

"(3) a nonprofit institution described in paragraph (1), or a consortium described in paragraph (2), in partnership with 1 or more public or private organizations.

"(b) PROGRAM AUTHORIZED.—From amounts appropriated under section 791, the Secretary shall award grants, on a competitive basis and in accordance with subsection (d), to eligible entities to enable such eligible entities to support the activities described in section 786.

"(c) DURATION OF GRANTS.—Grants awarded under this part shall be for a period of not more than 5 years.

"(d) LIMITATION.—An eligible entity shall not be awarded more than 1 grant for each grant competition.

"SEC. 785. APPLICATION; STANDARDS OF EVIDENCE; PRIORITY.

"(a) APPLICATION.—Each eligible entity that desires to receive a grant under this part shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require, including, at a minimum—

"(1) a description of—

"(A) the project for which the eligible entity is seeking a grant and how the evidence sup-

porting that project meets the standards of evidence established by the Secretary under subsection (b);

"(B) the student population to be served and how the proposed project will meet the needs of those students;

"(C) the resources and capacity of the eligible entity to carry out the proposed project;

"(D) the replicable and scalable reform strategies the eligible entity will implement;

"(E) the eligible entity's plan for continuing the proposed project after the eligible entity no longer receives funding under this part;

"(F) the eligible entity's plans for independently evaluating the effectiveness of activities carried out under the grant, including evaluating whether the strategies that the eligible entity implements are showing evidence of effectiveness; and

"(G) the eligible entity's data collection plan;

"(2) an estimate of the number of students that the eligible entity plans to serve under the proposed

project, including the percentage of those students who are from low-income families;

"(3) an assurance that the eligible entity will—

"(A) cooperate with evaluations, as requested by the Secretary; and

"(B) make data available to third parties for validation and further study; and

"(4) if applicable, a description of the partnership the eligible entity has established with 1 or more public or private organizations for the purpose of carrying out activities under the grant.

"(b) STANDARDS OF EVIDENCE.—

"(1) IN GENERAL.—The Secretary shall establish standards for the quality of evidence that an applicant shall provide in accordance with subsection (a)(1)(A) in order to demonstrate that the project the applicant proposes to carry out with the funds under this part is likely to succeed in improving student outcomes according to the performance measures described in section 787. These standards shall include the following:

"(A) Strong evidence that the activities proposed by the applicant will have a statistically significant effect on student outcomes, including postsecondary enrollment rates, post-

secondary persistence rates, and postsecondary completion rates.

"(B) Moderate evidence that the activities proposed by the applicant will improve such student outcomes.

"(C) A rationale based on research findings or a reasonable hypothesis that the activities proposed by the applicant will improve such student outcomes.

"(2) SUPPORT FOR NEW STANDARDS.—Subject to paragraph (3), the Secretary shall ensure that not less than one-half of the funds awarded under this part are awarded for projects that—

"(A) meet a standard of evidence described in subparagraph (B) or (C) of paragraph (1); and

"(B) do not meet the evidence standard described in subparagraph (A) of such paragraph.

"(3) EXCEPTION.—The Secretary shall not be required to meet the requirement described in paragraph (2) unless a sufficient number of otherwise high quality applications are received.

"(c) PRIORITY.—In awarding grants under this part, the Secretary shall give priority to applicants that plan to—

"(1) implement interventions that result in measurable increases in the number of low-income students who—

"(A) enroll and persist in postsecondary education; and

"(B) complete a postsecondary degree or certificate;

"(2) implement a systemwide design that would have positive effects on low-income students;

"(3) increase successful transfers of low-income students into higher level programs, such as from a certificate program to an associate's degree program or from an associate's degree program to a bachelor's degree program;

"(4) increase enrollment and completion rates for degrees or certificates in the fields of science, technology, engineering, and mathematics for students from groups that are historically underrepresented in those fields, including minorities and women, by implementing new and substantially different strategies;

"(5) design and implement new and innovative approaches to reduce the time it takes for students to complete a program of study and earn a postsecondary degree or certificate;

"(6) design and implement new and innovative strategies to contain the cost of education for students and families pursuing higher education; and

"(7) develop cross-system partnerships among workforce, adult education, career and technical education, postsecondary education, human service agencies, and others.

"SEC. 786. USES OF FUNDS.

"Each eligible entity that receives funds under this part shall use such funds to carry out 1 or more of the following activities:

"(1) Designing innovative approaches to teaching and learning that are designed to produce better outcomes for postsecondary students.

"(2) Implementing promising practices that accelerate the pace and success rate at which students who need remedial coursework move into credit-bearing coursework and toward a degree or certificate.

"(3) Establishing open postsecondary degree pathways that—

"(A) are offered to students at low cost or no cost;

"(B) are offered in fields that focus on the education and skills employers are seeking; and

"(C) have the potential to deliver high quality learning experiences and outcomes.

"(4) Redesigning courses and programs of study that improve student learning at lower costs than traditional courses.

"(5) Developing innovative student services approaches that address financial barriers to college completion, such as access to comprehensive financial supports (including tax credits and Federal, State, and local benefits programs), financial literacy, workforce development, and legal services.

"(6) Any other innovative program or strategy approved by the Secretary.

"SEC. 787. PERFORMANCE MEASURES.

"(a) ESTABLISHMENT OF PERFORMANCE MEASURES.—The Secretary shall establish performance measures for the programs and activities carried out under this part. These measures, at a minimum, shall track the grantee's progress in improving postsecondary education access, affordability, and completion—

"(1) for all students served by the grantee; and

"(2) for students served by the grantee, disaggregated on the basis of race and ethnicity, gender, and status as a recipient of a Federal Pell Grant.

"(b) PERFORMANCE MEASURES INCLUDED.—The performance measures described in subsection (a) shall include the following:

"(1) Postsecondary enrollment rates.

"(2) Persistence from semester to semester and year to year.

"(3) On-time graduation rates.

"(4) Any other indicator determined by the Secretary or grantee.

"SEC. 788. REPORTING REQUIREMENT.

"Each eligible entity that receives a grant under this part shall submit to the Secretary, at such time and in such manner as the Secretary may require, an annual report that includes—

"(1) information about the eligible entity's progress as measured by the performance measures established under section 787;

"(2) data relating to such performance measures;

"(3) the evaluation required in accordance with section 785(a)(1)(F); and

"(4) any additional information that the Secretary may require.

"SEC. 789. EVALUATION.

"The Secretary shall—

"(1) acting through the Director of the Institute of Education Sciences, evaluate the implementation and impact of activities supported under this part; and

"(2) disseminate research on best practices relating to those activities.

"SEC. 790. SUPPLEMENT, NOT SUPPLANT.

"Funds made available under this part shall be used to supplement, and not supplant, other Federal, State, and local funds that would otherwise be expended to carry out activities under this section.

"SEC. 791. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this part such sums as may be necessary for fiscal year 2015 and each of the 4 succeeding fiscal years.".

SEC. 712. DUAL ENROLLMENT AND EARLY COLLEGE HIGH SCHOOL PROGRAMS.

Title VII (20 U.S.C. 1134 et seq.), as amended by section 711, is further amended by adding at the end the following:

"PART G—DUAL ENROLLMENT AND EARLY COLLEGE HIGH SCHOOL PROGRAMS

"SEC. 793. DUAL ENROLLMENT PROGRAMS AND EARLY COLLEGE HIGH SCHOOL PROGRAMS.

''(a) PURPOSE.—The purpose of this section is to help expand access to, and improve the quality of, dual enrollment programs and early college high school programs.

''(b) DEFINITIONS.—In this section:

''(1) APPLIED LEARNING.—The term 'applied learning' means a strategy that—

''(A) engages students in opportunities to apply rigorous academic content aligned with postsecondary-level expectations to real world experience, through such means as work experience, work-based learning, problem-based learning, or service-learning; and

''(B) develops students' cognitive competencies and pertinent employability skills.

''(2) DUAL ENROLLMENT PROGRAM.—The term 'dual enrollment program' means a program of study provided by an institution of higher education through which a student who has not graduated from secondary school with a regular high school diploma is able to earn secondary school credit and transferable postsecondary credit that is accepted as

1 credit towards a postsecondary degree or certificate
2 at no cost to the participant or the participant's
3 family. A dual enrollment program shall consist of
4 not less than 2 postsecondary credit-bearing courses
5 and support and academic services that help a stu-
6 dent persist and complete such courses.

7 "(3) EARLY COLLEGE HIGH SCHOOL PRO-
8 GRAM.—The term 'early college high school pro-
9 gram' means a formal partnership between at least
10 1 local educational agency and at least 1 institution
11 of higher education that allows students to simulta-
12 neously complete, as part of an organized course of
13 study, requirements towards earning a regular high
14 school diploma and earning not less than 12 trans-
15 ferable postsecondary credits that are accepted as
16 credit towards a postsecondary degree or certificate
17 at no cost to the participant or the participant's
18 family.

19 "(4) ELIGIBLE ENTITY.—The term 'eligible en-
20 tity' means a partnership that—

21 "(A) shall include—

22 "(i) a high-need local educational
23 agency or a high-need high school; and

24 "(ii) an institution of higher education
25 operating in the same State as the high-

need local educational agency or high-need school; and

"(B) may include—

"(i) a consortium of entities described in clauses (i) and (ii) of subparagraph (A); and

"(ii) a nonprofit or community-based organization with demonstrated expertise in serving low-income students and traditionally underrepresented students.

"(5) FOSTER CARE YOUTH.—The term 'foster care youth' means—

"(A) youth whose care and placement is the responsibility of the State or Tribal agency that administers a State plan under part B or E of title IV of the Social Security Act (42 U.S.C. 621 et seq. and 670 et seq.), without regard to whether foster care maintenance payments are made under section 472 of such Act (42 U.S.C. 672) on behalf of the child; and

"(B) includes individuals whose care and placement was the responsibility of the State or Tribal agency that administers a State plan under part B or E of title IV of the Social Security Act (42 U.S.C. 621 et seq. and 670 et

seq.) when they were age 13 or older but who are no longer the under the care of the State or Tribal agency.

"(6) HIGH-NEED LOCAL EDUCATIONAL AGENCY.—The term 'high-need local educational agency' means a local educational agency—

"(A) that serves not fewer than 10,000 children from families with incomes below the poverty line;

"(B) for which not less than 20 percent of the children served by the agency are from families with incomes below the poverty line; or

"(C) that is in the highest quartile of local educational agencies in the State, based on student poverty.

"(7) HIGH-NEED HIGH SCHOOL.—The term 'high-need high school' means a secondary school that serves students not less than 50 percent of whom are either low-income students or traditionally underrepresented students.

"(8) HIGH SCHOOL GRADUATION RATE.—The term 'high school graduation rate' means the term 'four-year adjusted cohort graduation rate' in section 200.19(b)(1)(i)(A) of title 34, Code of Federal Regulations, as such section was in effect on November

28, 2008, and the 'extended-year adjusted cohort graduation rate' as defined in section 200.19(b)(1)(v)(A) of title 34, Code of Federal Regulations, as such section was in effect on November 28, 2008.

"(9) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given the term in section 101.

"(10) LOW-INCOME STUDENT.—The term 'low-income student' means a student who—

"(A) is eligible for a free or reduced priced lunch under the Richard B. Russell National School Lunch Act;

"(B) is eligible for, or is a member of a family eligible for, means tested benefits or public assistance at the Federal, State, or local level; or

"(C) lives in a high-poverty area or attends a secondary school that serves students in a high-poverty area.

"(11) PERSONALIZED GRADUATION AND COLLEGE PLAN.—The term 'personalized graduation and college plan' means a personalized document that is developed in collaboration with a student, the student's family, and school personnel, is updated at

least annually, is informed by labor market information, and does the following:

"(A) Sets postsecondary education and career goals.

"(B) Develops a course-taking schedule to meet graduation requirements.

"(C) As appropriate, outlines academic and non-academic supports that are needed to successfully achieve goals and graduate college and career ready.

"(D) Allows the student and family to track progress toward goals and graduation requirements.

"(12) REGULAR HIGH SCHOOL DIPLOMA.—The term 'regular high school diploma' means the standard secondary school diploma that is awarded to students in the State and that is fully aligned with the State's academic content standards or a higher diploma and does not include an alternative credential, certificate of attendance, or any alternative award.

"(13) TRADITIONALLY UNDERREPRESENTED STUDENT.—The term 'traditionally underrepresented student' means a student who—

"(A)(i) is a low-income student; and

"(ii)(I) is a first generation college student, as defined in section 402A(h);

"(II) has a dependent;

"(III) is employed for not less than 25 hours a week; or

"(IV) left secondary school without a regular high school diploma or its equivalent;

"(B) is or has been a homeless child or youth, as defined in section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);

"(C) is a foster care youth;

"(D) is an individual with a disability, as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102);

"(E) is a child with a disability, as defined in section 602 of the Individuals with Disabilities Education Act; or

"(F) has been adjudicated in the juvenile or criminal justice system.

"(c) PROGRAM AUTHORIZED.—

"(1) IN GENERAL.—The Secretary shall make grants, from allotments determined under paragraph (3), to States to enable the States to award sub-

grants to eligible entities to support dual enrollment programs and early college high school programs.

"(2) RESERVATIONS.—

"(A) TECHNICAL ASSISTANCE.—The Secretary shall reserve not more than 5 percent of the total amount appropriated to carry out this section for each fiscal year to provide technical assistance to States and eligible entities awarded grants and subgrants under this section and to evaluate the grant program established under this section.

"(B) BIE AND OUTLYING AREAS.—The Secretary shall reserve 1 percent of the total amount appropriated to carry out this section for each fiscal year for the Secretary of the Interior for programs under this section in schools operated or funded by the Bureau of Indian Education and for outlying areas (as defined under the Elementary and Secondary Education Act of 1965).

"(C) LIMITATION.—Funds allotted for the Commonwealth of Puerto Rico shall not exceed 0.5 percent of the total amount available to States to carry out this section.

"(3) DETERMINATION OF ALLOTMENT.—From the total amount appropriated to carry out this section for a fiscal year and not reserved under paragraph (2) and except as provided in paragraph (4), the Secretary shall allot to each State the sum of—

"(A) an amount that bears the same relationship to 65 percent of such total amount minus the reserved amount as the number of low-income students in grades 9 through 12 in the State, as determined by the Secretary on the basis of the most recent satisfactory data, bears to the number of such students in all States, as so determined; and

"(B) an amount that bears the same relationship to 35 percent of such total amount minus the reserved amount as the number of students in grades 9 through 12 in the State, as determined by the Secretary on the basis of the most recent satisfactory data, bears to the number of such students in all States, as so determined.

"(4) MINIMUM ALLOTMENT.—The allotment for each State under paragraph (3) for a fiscal year shall be an amount that is not less than 0.5 percent

of the total amount available to States for such fiscal year to carry out this section.

"(5) SUBGRANT DURATION.—A subgrant awarded under this section shall be for a 5-year period.

"(d) APPLICATIONS.—

"(1) IN GENERAL.—A State that desires to receive a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require.

"(2) CONTENTS.—Each application submitted under paragraph (1) shall include the following:

"(A) A description of a comprehensive statewide plan for improving access to dual enrollment programs and early college high school programs, improving the completion rates and quality of such programs, and the level of postsecondary credit earned by participants in such programs among low-income students and traditionally underrepresented students.

"(B) A coherent strategy for using grant funds provided under this section with other Federal, State, and local funds to—

"(i) increase access to dual enrollment programs and early college high school programs among low-income students and traditionally underrepresented students;

"(ii) increase completion rates of dual enrollment programs and early college high school programs among low-income students and traditionally underrepresented students;

"(iii) implement appropriate secondary and postsecondary supports for low-income students and traditionally underrepresented students; and

"(iv) continuously improve the quality of such programs.

"(C) Evidence of collaboration among the State, the State educational agency, local educational agencies in the State, teachers, institutions of higher education in the State, workforce development partners, and other stakeholders in developing and implementing the plan under subparagraph (A).

"(D) How the State and eligible entities receiving subgrants under this section will recruit low-income students and traditionally

underrepresented students to participate in dual enrollment programs and early college high school programs funded under the grant.

"(E) An assurance that the State and eligible entities receiving subgrants under this section will track and report the performance measures described in subsection (g).

"(F) Documentation of the record of the State, or eligible entity, as applicable, in areas to be measured by the performance measures under subsection (g).

"(G) An assurance that the State has taken and will take steps to eliminate statutory, regulatory, procedural, or other barriers to facilitate the full implementation of the State's plan under subparagraph (A).

"(H) A description of how the State and eligible entities receiving subgrants under this section will sustain the activities proposed after the grant period ends.

"(I) An assurance that the State will require each eligible entity, on behalf of a dual enrollment program or early college high school program that receives funds under a grant awarded under this section, to enter into an ar-

ticulation agreement with other public institutions of higher education that are located in the State in which an institution of higher education that is part of an eligible entity is located. Such articulation agreements shall be developed in consultation with educators at institutions of higher education and secondary schools. Such articulation agreement shall guarantee—

"(i) that students who earn postsecondary credit as part of a dual enrollment program or early college high school program will be able to transfer those credits to—

"(I) any public institution of higher education in the State, and that such credits will count toward meeting specific degree or certificate requirements; and

"(II) any private nonprofit institution of higher education that chooses to participate in an articulation agreement;

"(ii) that common course numbering is used to identify substantially similar courses;

"(iii) that credits are recognized throughout the system of higher education in the State and count as credits earned for both a regular high school diploma and credit for a degree or certificate program at a public institution of higher education in the State and at any private nonprofit institution of higher education that chooses to participate; and

"(iv) that if a student earns an associate's degree as part of a dual enrollment program or early college program, that associate's degree, awarded by the participating institution of higher education in the State, shall be fully acceptable in transfer and credited as the first 2 years of a related baccalaureate program at a public institution of higher education in such State.

"(J) An assurance that the State will require all public institutions of higher education in the State to establish credit transfer policies

and articulation agreements with each other so that students can seamlessly transfer among such institutions of higher education and private nonprofit institutions of higher education if such private nonprofit institutions of higher education choose to participate.

"(K) A formal commitment from the institutions of higher education participating in the program that students will not be required to pay tuition and fees, room and board, or fees for books and materials for any courses in dual enrollment programs or early college high school programs.

"(L) A plan to address the unique circumstances facing rural students and students with transportation barriers who wish to participate in dual enrollment programs and early college high school programs, including difficulties in providing such students with the opportunity to participate at campuses of institutions of higher education.

"(M) An assurance that the State will develop a plan to increase enrollment in, persistence through, and completion of postsecondary education among low-income students and tra-

ditionally underrepresented students throughout the State through the use of dual enrollment programs and early college high school programs.

"(N) An assurance that the State has enacted funding models that ensure that local educational agencies and institutions of higher education that participate in dual enrollment programs and early college high school programs do not lose per-pupil or full-time equivalent funding for participating students.

"(3) APPLICATIONS FOR SUBGRANTS.—An eligible entity that desires to receive a subgrant under this section shall submit to a State an application at such time, in such manner, and accompanied by such information as the State may require, including, at a minimum—

"(A) a coherent strategy for using subgrant funds provided under this section with other Federal, State, and local funds to—

"(i) increase access to dual enrollment programs and early college high school programs among low-income students and traditionally underrepresented students;

"(ii) increase completion rates of dual enrollment programs and early college high school programs among low-income students and traditionally underrepresented students; and

"(iii) continuously improve the quality of such programs;

"(B) a description of how the eligible entity will conduct an outreach strategy to ensure that secondary school students, their families, young people who have dropped out of school, low-income students, traditionally underrepresented students, and community members are aware of early college high school programs and dual enrollment programs, which shall include information on—

"(i) deadlines for enrolling in the early college high school program or dual enrollment program for the following school year;

"(ii) the courses that will be available to students;

"(iii) the secondary school and post-secondary credit or credentials that can be earned from available courses;

"(iv) as appropriate, the similarities and differences between early college high school programs and dual enrollment programs;

"(v) after the first year of implementation, achievement outcomes (such as number of course credits earned) of students participating in the early college high school program or dual enrollment program; and

"(vi) as soon as practicable as determined by the Secretary, outcomes on the performance measures described under subsection (g) of students participating in the early college high school program or dual enrollment program;

"(C) a description of the ongoing feedback process between the participating institutions of higher education and the participating local educational agencies, including—

"(i) the provision of academic outcome data, including the disaggregation of such data by student subgroups described in section 1111(b)(2)(C)(v)(II) of the Elementary and Secondary Education Act of

1965, from the institution to the local educational agency, on the remediation needs of incoming students; and

"(ii) a description of how that information is used by the local educational agency to strengthen instruction and reduce the need for postsecondary remediation;

"(D) an assurance that instructors teaching postsecondary courses in dual enrollment programs and early college high school programs meet the same standards for faculty established at the participating institutions of higher education;

"(E) a description of the academic and social support services that will be provided to participating students, including academic counseling and guidance on the financial aid process;

"(F) an assurance that the eligible entity will establish polices that—

"(i) maximize, to the extent practicable and taking into account the geography of the region, the number of dual enrollment program and early college high

school program students on the campuses of institutions of higher education and in classrooms with postsecondary students, and dual enrollment program and early college high school program courses taught by professors of the institutions of higher education; and

''(ii) in any case where providing courses of the dual enrollment program or early college high school program on a campus of an institution of higher education is not practicable, ensure that each course of the dual enrollment program or early college high school program that is taught in secondary schools is—

''(I) developed in collaboration with an institution of higher education;

''(II) fully comparable with the courses offered on the campus of the institution of higher education;

''(III) augmented with campus experiences when reasonably achievable; and

"(IV) taught by a faculty member from the partner institution of higher education, where practicable, or, if not practicable, by an instructor who is selected, supervised, and evaluated by the institution of higher education; and

"(G) an assurance that the eligible entity will provide access to a dual enrollment program or early college high school program to all students, including low-income students and traditionally underrepresented students in the area or school.

"(e) USES OF FUNDS.—

"(1) REQUIRED STATE USES OF FUNDS.—

"(A) IN GENERAL.—The State may reserve not more than 5 percent of the total amount allotted to carry out this section for each fiscal year to carry out the requirements of clauses (ii) through (vi) of subparagraph (B). The remaining amount shall be used to award subgrants to eligible entities in the State.

"(B) STATE USES OF FUNDS.—A State that receives a grant under this section shall carry out the following:

"(i) Award subgrants to eligible entities to enable the entities to support dual enrollment programs and early college high school programs.

"(ii) Design and implement a statewide strategy for dual enrollment programs and early college high school programs for low-income students and traditionally underrepresented students in higher education to ensure such programs are offered free of charge to students.

"(iii) Establish articulation agreements and credit transfer policies.

"(iv) Develop common college success courses for low-income students and traditionally underrepresented students enrolled in dual enrollment programs and early college high school programs.

"(v) Collect data for program improvement and reporting of performance measures as described in subsection (g).

"(vi) Provide technical assistance to dual enrollment programs and early college high school programs, which may include providing such assistance through a non-

profit organization with expertise in such programs.

"(2) REQUIRED LOCAL USES OF FUNDS.—An eligible entity that receives a subgrant under this section shall carry out the following:

"(A) Support dual enrollment programs and early college high school programs in the schools served by the high-need local educational agency.

"(B) Develop a personalized graduation and college plan for each student participating in a dual enrollment program or early college high school program funded by the subgrant.

"(C) Enter into the articulation agreement described in subsection (d)(2)(I).

"(D) Carry out outreach programs to elementary school students, secondary school students, low-income students, traditionally underrepresented students, youth who have dropped out of school, and their parents and families to ensure awareness of dual enrollment programs and early college high school programs and the ability to earn college credit while in secondary school and to reengage dropouts in school. Such programs may be carried out in partnership

with a nonprofit or community-based organization.

"(E) Provide academic and social support services to students, including counseling activities, tutoring, and postsecondary education readiness activities such as assistance with the Federal financial aid application process.

"(F) Collect data for program improvement and reporting of performance measures as described in subsection (g).

"(G) Implement applied learning opportunities.

"(H) Develop coordinated activities between institutions of higher education and local educational agencies, including academic calendars, provision of student services, and curriculum development.

"(I) Pay for tuition and fees, transportation, and fees for books and materials.

"(J) Provide students with information about how the credits they earn through participating in dual enrollment programs and early college high school programs will be transferred to an institution of higher education.

"(3) PERMISSIVE USES OF FUNDS.—A State that receives a grant under this section or an eligible entity that receives a subgrant under this section may provide—

"(A) professional development, including joint professional development, for secondary and postsecondary instructors of courses in a dual enrollment program or early college high school program; or

"(B) extended learning time opportunities for students participating in dual enrollment programs and early college high school programs.

"(4) PRIORITIES.—In awarding subgrants under this subsection, a State—

"(A) shall—

"(i) give priority to eligible entities that include a high-need local educational agency that serves students not less than 60 percent of whom are low-income students or traditionally underrepresented students; or

"(ii) give priority to eligible entities that include a high-need high school that demonstrates sufficient support and aca-

demic services in place to help participating students persist and complete a dual enrollment program or early college high school program; and

"(B) may give a priority to eligible entities that—

"(i) develop innovative strategies for expanding access to dual enrollment programs and early college high school programs for low-income students and traditionally underrepresented students, and increasing the number of those students that complete such programs; and

"(ii) demonstrate how the entity will sustain funding for dual enrollment programs or early college high school programs after the grant period ends.

"(f) MATCHING REQUIREMENTS.—

"(1) STATE MATCHING REQUIREMENT.—A State receiving a grant under this section shall provide, from non-Federal sources, in cash or in-kind, an amount equal to 50 percent of the grant funds awarded under this section.

"(2) ELIGIBLE ENTITY MATCHING REQUIREMENT.—A State receiving a grant under this section

shall require each eligible entity that receives a subgrant under this section to provide, from non-Federal sources, in cash or in-kind, an amount equal to not less than 25 percent of the amount of subgrant funds awarded to that eligible entity.

"(g) PERFORMANCE MEASURES.—

"(1) IN GENERAL.—The Secretary shall, prior to awarding grants under this section, establish performance measures for the programs and activities carried out under grants and subgrants awarded under this section. The Secretary shall ensure that the performance measures are made available to potential applicants prior to seeking applications for grants under this section.

"(2) MONITORING PROGRESS.—The performance measures established under paragraph (1), at a minimum, shall collect data on the progress of grantees and subgrantees in improving the outcomes described in paragraph (3) for all students participating in dual enrollment programs or early college high school programs funded with a grant or subgrant under this section. This data shall be disaggregated according to the categories described in section 1111(b)(2)(C)(v)(II) of the Elementary and Secondary Education Act of 1965.

"(3) OUTCOMES.—The performance measures shall measure the progress of grantees and subgrantees in achieving the following outcomes:

"(A) Increasing high school graduation rates.

"(B) Increasing dropout recovery (re-entry) rates.

"(C) Decreasing the percentage of students with less than a 90 percent attendance rate.

"(D) Increasing the percentage of students who have on-time credit accumulation at the end of each grade.

"(E) Increasing annual, average attendance rates.

"(F) Reducing the need for remediation in postsecondary education.

"(G) Increasing enrollment rates at institutions of higher education.

"(H) Increasing postsecondary education persistence and completion rates.

"(I) Increasing the rate at which students complete postsecondary education.

"(J) Measured increases in enrollment in dual enrollment programs and early college high school programs.

"(K) Increasing the percentage of students who successfully complete and earn a minimum of 12 credits for rigorous postsecondary education courses while attending a secondary school.

"(L) Increasing the percentage of students who earn postsecondary credit and successfully have such credit accepted by an institution of higher education toward a degree or certificate.

"(h) REPORTING.—

"(1) STATE REPORTS.—Each State that receives a grant under this section shall submit to the Secretary, at such time and in such manner as the Secretary may require, an annual report that includes—

"(A) information about the State's progress on the performance measures established under subsection (g) and the data supporting that progress; and

"(B) information submitted to the State from the eligible entities, as described in paragraph (2).

"(2) ELIGIBLE ENTITY REPORTS.—Each eligible entity that receives a subgrant under this section shall submit to the State, at such time and in such

manner as the State may require, an annual report that includes information about the entity's progress on the performance measures established under subsection (g) and the data supporting that progress, at such time and in such manner as the State may require.

''(i) EVALUATION.—The Secretary shall—

''(1) acting through the Director of the Institute of Education Sciences, evaluate the implementation and impact of activities supported under this section; and

''(2) disseminate research on best practices.

''(j) SUPPLEMENT, NOT SUPPLANT.—A State or eligible entity shall use Federal funds received under this section only to supplement the funds that would, in the absence of such Federal funds, be made available from non-Federal sources for activities described in this section, and not to supplant such funds.

''(k) AUTHORIZATION.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2015 through 2019.''.

SEC. 713. MINORITY-SERVING INSTITUTIONS INNOVATION FUND.

Title VII (20 U.S.C. 1134 et seq.), as amended by sections 711 and 712, is further amended by adding at the end the following:

"PART H—MINORITY-SERVING INSTITUTIONS INNOVATION FUND

"SEC. 795. PURPOSE.

''It is the purpose of this part to assist minority-serving institutions in planning, developing, implementing, validating, and replicating innovations that provide solutions to persistent challenges in enabling economically and educationally disadvantaged students to enroll in, persist through, and graduate from minority-serving institutions, including initiatives designed to—

''(1) improve student achievement at minority-serving institutions;

''(2) increase successful recruitment at minority-serving institutions of—

''(A) students from low-income families of all races;

''(B) adults; and

''(C) military-affiliated students;

''(3) increase the rate at which students enrolled in minority-serving institutions make adequate

or accelerated progress towards graduation and successfully graduate from such institutions;

''(4) increase the number of students pursuing and completing degrees in science, technology, engineering, and mathematics at minority-serving institutions and pursuing graduate work in such fields;

''(5) enhance the quality of teacher preparation programs offered by minority-serving institutions;

''(6) redesign course offerings and institutional student aid programs to help students obtain meaningful employment; and

''(7) expand the effective use of technology at minority-serving institutions.

''SEC. 795A. DEFINITIONS.

''In this part the term 'eligible entity' means—

''(1) an institution that is eligible for the receipt of funds under the programs authorized under title III or V of this Act; or

''(2) a consortium that includes an institution described in paragraph (1) and—

''(A) one or more other institutions of higher education;

''(B) one or more nonprofit organizations; or

"(C) one or more local educational agencies.

"SEC. 795B. GRANTS AUTHORIZED.

"(a) IN GENERAL.—From funds made available for this part under section 795F, the Secretary shall award competitive planning and implementation grants, as described in subsections (b) and (c), to eligible entities to enable such entities to plan for the implementation of, in the case of a planning grant, and implement, in the case of an implementation grant, innovations authorized under this part and to support the implementation, validation, scaling up, and replication of such innovations.

"(b) PLANNING GRANTS.—

"(1) DURATION.—A planning grant authorized under this subsection shall be for a 1-year period.

"(2) GRANT AMOUNTS.—Each planning grant authorized under this subsection shall be an amount that is not more than $100,000.

"(c) IMPLEMENTATION GRANTS.—

"(1) IN GENERAL.—From funds made available for this part under section 795F, the Secretary shall award implementation grants to eligible entities to further develop, pilot, field-test, implement, document, validate, and, as applicable, scale up and rep-

licate innovations that address the purpose of this part.

"(2) DURATION.—An implementation grant authorized under this subsection shall be for a 5-year period. Grant funding after the first 3 years shall be conditional upon the eligible entity achieving satisfactory progress towards carrying out the educational innovations, activities, and projects described in section 795E, as determined by the Secretary.

"(3) GRANT AMOUNT.—Each implementation grant authorized under this subsection shall be an amount that is not more than $10,000,000.

"(d) CONSORTIUM ENTITIES.—

"(1) FISCAL AGENT.—In the case of an eligible entity that applies for a grant under this part as a consortium, each member of the consortium comprising the eligible entity shall sign a written agreement designating 1 member of the consortium to serve as the fiscal agent of the eligible entity and act on behalf of the eligible entity in performing the financial duties of the eligible entity.

"(2) SUBGRANTS.—The fiscal agent for an eligible entity (as described in paragraph (1)) may

award subgrants to another member of the consortium that comprises that eligible entity.

"(e) FEDERAL SHARE.—

"(1) PLANNING GRANTS.—The Federal share of the total cost of carrying out a project funded by a planning grant authorized under subsection (b) shall be 100 percent of such total cost.

"(2) IMPLEMENTATION GRANTS.—

"(A) IN GENERAL.—The Federal share of the total cost of carrying out a project funded by an implementation grant authorized under subsection (c) shall be not more than 85 percent of such total cost.

"(B) REMAINING COST.—An eligible entity that receives an implementation grant under subsection (c) shall provide, from non-Federal sources, an amount equal to not less than 15 percent of the total cost of carrying out the project funded by the grant. Such amount may be provided by in cash or in-kind.

"SEC. 795C. APPLICATIONS.

"(a) IN GENERAL.—An eligible entity desiring a grant under this part shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

"(b) CONSORTIUM ENTITIES.—An application under this section for a planning grant or an implementation grant by an eligible entity applying for a grant under this part as a consortium shall include the written agreement described in section 795B(d).

"(c) PLANNING GRANTS.—The Secretary shall ensure that the application requirements under this section for a planning grant authorized under section 795B(b) include, in addition to the requirement under subsection (b), only the minimal requirements that are necessary to review the proposed process of an eligible entity for the planning and development of 1 or more educational innovations that address the purpose of this part as described in section 795.

"(d) IMPLEMENTATION GRANTS.—An application under this section for an implementation grant authorized under section 795B(c) shall include, in addition to the requirement under subsection (b), a description of—

"(1) each educational innovation that the eligible entity will implement using the funds made available by such grant, including a description of the evidence supporting the effectiveness of each such innovation;

"(2) how each educational innovation proposed to be implemented under such grant will address the

purpose of this part, as described in section 795, and how each such innovation will further the institutional or organizational mission of the eligible entity and any institution or organization that is a member of a consortium comprising the eligible entity;

''(3) the specific activities that the eligible entity will carry out with funds made available by such grant, including, for a consortium application a description of the activities that each member of the consortium will carry out and a description of the capacity of each member of the consortium to carry out such activities;

''(4) the performance measures that the eligible entity will use to track the eligible entity's progress in implementing each proposed educational innovation, including a description of how the entity will implement such performance measures and use information on performance to make adjustments and improvements to activities, as needed, over the course of the grant period;

''(5) how the eligible entity will provide the amount required under section 795B(e)(2)(B);

''(6) how the eligible entity will provide for an independent evaluation of the implementation and

impact of the projects funded by such grant that includes—

"(A) an interim report evaluating the progress made in the first 3 years of the grant; and

"(B) a final report to be completed at the end of the grant period; and

"(7) the plan of the eligible entity for continuing each proposed educational innovation after the grant period has ended.

"SEC. 795D. PRIORITY.

"In awarding grants under this part, the Secretary shall give priority—

"(1) first to applications from eligible entities that include institutions—

"(A) that serve a high percentage of students that are eligible to receive a Federal Pell Grant; and

"(B) that have endowment funds the market value of which, per full-time equivalent student, is less than the average current market value of the endowment funds, per full-time equivalent student at other applicant institutions;

"(2) next, to applications that seek to address issues of major national need, including—

"(A) educational innovations designed to increase the rate of postsecondary degree attainment for populations within minority groups that have low relative rates of postsecondary degree attainment, including African-American males who attain a postsecondary degree;

"(B) innovative partnerships between minority-serving institutions and local educational agencies that are designed to increase the enrollment and successful completion of postsecondary education for populations that have been historically underrepresented in higher education;

"(C) educational innovations that bring together the resources of minority-serving institutions and partner institutions in support of economic development, entrepreneurship, and the commercialization of funded research and the development of an innovation ecosystem on postsecondary school campuses;

"(D) educational innovations that support developing programs and initiatives to support undergraduate and graduate programs in

science, technology, engineering, and mathematics; and

"(E) educational innovations described in paragraphs (3) and (6) of section 795E(b).

"SEC. 795E. USE OF FUNDS.

"(a) PLANNING GRANTS.—An eligible entity receiving a planning grant authorized under section 795B(b) shall use funds made available by such grant to conduct a comprehensive institutional planning process that includes—

"(1) an assessment of the needs of the minority-serving institution and, in the case of an eligible entity applying as a consortium, the needs of each member of the consortium;

"(2) research on educational innovations, consistent with the purpose of this part as described in section 795, to meet the needs described in paragraph (1);

"(3) the selection of 1 or more educational innovations to be implemented;

"(4) an assessment of the capacity of the minority-serving institution and, in the case of an eligible entity applying as a consortium, the capacity of each member of the consortium, to implement each such educational innovation; and

"(5) activities to further develop such capacity.

"(b) IMPLEMENTATION GRANTS.—An eligible entity receiving an implementation grant under section 795B(c) shall use the funds made available by such grant to further develop, pilot, field-test, implement, document, validate, and, as applicable, scale up and replicate educational innovations that address the purpose of this part, as described in section 795, such as educational innovations designed to—

"(1) improve student achievement, such as through activities designed to increase the number or percentage of students who successfully complete developmental or remedial coursework (which may be accomplished through the evidence-based redesign of such coursework) and pursue and succeed in postsecondary studies;

"(2) improve and expand institutional recruitment, postsecondary school awareness, and postsecondary school preparation efforts targeting students, including high-achieving students, from low-income families, such as through activities undertaken in partnership with local educational agencies and nonprofit organizations (including the introduction of dual enrollment programs and the implementation of activities designed to enable more students to enter

postsecondary education without the need for remediation);

"(3) increase the number or percentage of students, particularly students who are members of historically underrepresented populations, who enroll in science, technology, engineering, and mathematics courses, graduate with degrees in such fields, and pursue advanced studies in such fields;

"(4) increase (such as through the provision of comprehensive academic and nonacademic student support services) the number or percentage of students who make satisfactory or accelerated progress toward graduation from postsecondary school and the number or percentage of students who graduate from postsecondary school on time;

"(5) implement evidence-based improvements to courses, particularly high-enrollment courses, to improve student outcomes and reduce education costs for students, including costs of remedial courses;

"(6) enhance the quality of teacher preparation programs at minority-serving institutions, to enable teachers at such institutions to be highly effective in the classroom and to enable such programs to meet the demands for accountability in teacher education;

"(7) expand the effective use of technology in higher education, such as through inter-institutional collaboration on implementing competency-based technology-enabled delivery models (including hybrid models) or through the use of open educational resources and digital content; and

"(8) provide a continuum of solutions by incorporating activities that address multiple objectives described in paragraphs (1) through (7).

"SEC. 795F. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated such sums as may be necessary for fiscal years 2015 through 2020 to carry out the activities under this part.".

SEC. 714. STATE COMPETITIVE GRANT PROGRAM FOR REFORMS TO IMPROVE HIGHER EDUCATION PERSISTENCE AND COMPLETION.

Title VII (20 U.S.C. 1133 et seq.), as amended by sections 711, 712, and 713, is further amended by adding at the end the following:

"PART I—STATE COMPETITIVE GRANT PROGRAM FOR REFORMS TO IMPROVE HIGHER EDUCATION PERSISTENCE AND COMPLETION

"SEC. 796. PURPOSE.

''The purpose of this part is to provide incentives for States to implement comprehensive reforms and innovative strategies that are designed to lead to—

''(1) significant improvements in postsecondary outcomes for traditionally underrepresented students, including improvements in postsecondary enrollment, persistence, and completion by 2020;

''(2) reductions in the need for remedial education for postsecondary students;

''(3) increased alignment between elementary and secondary education, postsecondary education, and workforce systems; and

''(4) innovation in postsecondary education.

"SEC. 796A. DEFINITIONS.

''In this part:

''(1) DUAL ENROLLMENT PROGRAM.—The term 'dual enrollment program' means a program of study provided by an institution of higher education through which a student who has not graduated from secondary school with a regular high school diploma is able to earn secondary school credit and transferable postsecondary credit that is accepted as

1 credit toward a postsecondary degree or credential
2 at no cost to the participant or the participant's
3 family. A dual enrollment program shall consist of
4 not less than 2 postsecondary credit-bearing courses
5 and support and academic services that help a stu-
6 dent persist and complete such courses.

7 "(2) EARLY COLLEGE HIGH SCHOOL PRO-
8 GRAM.—The term 'early college high school pro-
9 gram' means a formal partnership between at least
10 1 local educational agency and at least 1 institution
11 of higher education that allows students to simulta-
12 neously complete, as part of an organized course of
13 study, requirements toward earning a regular high
14 school diploma and earning not less than 12 trans-
15 ferable postsecondary credits that are accepted as
16 credit toward a postsecondary degree or credential
17 at no cost to the participant or the participant's
18 family.

19 "(3) LOW INCOME STUDENT.—The term 'low
20 income student' means—

21 "(A) with respect to an elementary school
22 or secondary school student, a student who—

23 "(i) is eligible for a free or reduced
24 priced lunch under the Richard B. Russell

National School Lunch Act (42 U.S.C. 1751 et seq.);

"(ii) is eligible for or is a member of a family eligible for means tested benefits or public assistance at the Federal, State, or local level; or

"(iii) lives in a high-poverty area or attends a secondary school that serves students in a high-poverty area; or

"(B) with respect to a postsecondary student, a student who—

"(i) is eligible for a Federal Pell Grant under section 401; or

"(ii) is eligible for means-tested benefits or public assistance at the Federal, State, or local level.

"(4) PERSIST.—The term 'persist' means to continue enrollment in postsecondary education.

"(5) TRADITIONALLY UNDERREPRESENTED STUDENT.—The term 'traditionally underrepresented student' means a student who—

"(A) is a low-income student and—

"(i) is a first generation college student, as defined in section 402A(h);

"(ii) has a dependent;

"(iii) is employed for not less than 25 hours a week;

"(iv) has taken 2 or more developmental education courses; or

"(v) left high school without a regular high school diploma or its equivalent;

"(B) is or has been a homeless child or youth, as defined in section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);

"(C) is a foster care youth;

"(D) is an individual with a disability, as defined in section 3 of the Americans with Disabilities Act (42 U.S.C. 12102);

"(E) is a child with a disability, as defined in section 602 of the Individuals with Disabilities Education Act; or

"(F) has been adjudicated in the juvenile or criminal justice system.

"SEC. 796B. STATE GRANT PROGRAM AUTHORIZED.

"(a) RESERVATION OF FUNDS.—From amounts made available to carry out this part for a fiscal year, the Secretary may reserve not more than 2 percent to carry out activities in accordance with this part related to technical assistance, evaluation, outreach, and dissemination.

1 "(b) PROGRAM AUTHORIZED.—

2 "(1) IN GENERAL.—From amounts made avail-
3 able to carry out this part and not reserved under
4 subsection (a), the Secretary shall award planning or
5 implementation grants under this part, in such a
6 manner as to achieve an equitable distribution of
7 grant funds throughout the United States, to States
8 to enable the States to plan or implement com-
9 prehensive reforms and innovative strategies to im-
10 prove postsecondary outcomes for all students, espe-
11 cially low-income and traditionally underrepresented
12 students.

13 "(2) PLANNING AND IMPLEMENTATION
14 GRANTS.—As described in paragraph (1), the Sec-
15 retary shall award grants to States for the purpose
16 described in section 796 by—

17 "(A) awarding planning grants, on a com-
18 petitive basis, to States to enable such States to
19 develop the comprehensive State plan described
20 in section 796D to increase postsecondary edu-
21 cation enrollment, persistence, and attainment
22 by 2020; and

23 "(B) awarding implementation grants, on
24 a competitive basis, to States to enable such

States to implement the comprehensive State plan described in section 796D.

"(3) LIMITATIONS.—

"(A) LIMIT ON NUMBER OF GRANTS.—A State may receive only 1 planning grant, and only 1 implementation grant, under this section.

"(B) LIMIT ON NUMBER OF PLANNING GRANTS.—The Secretary may elect to limit the number and amount of planning grants awarded under this section during a grant period, if the Secretary determines it would best promote the purposes of this part.

"(4) DURATION.—

"(A) PLANNING GRANT.—Each planning grant awarded under this part shall be for a period of not more than 24 months.

"(B) IMPLEMENTATION GRANT.—Each implementation grant awarded under this part shall be for a period of not more than 5 years.

"(C) REQUIREMENTS FOR ADDITIONAL FUNDING.—Before receiving funding for an implementation grant for the third or any subsequent year of the grant, the State receiving the grant shall demonstrate to the Secretary that the State is—

"(i) making progress in implementing the State plan described under section 796D at a rate that the Secretary determines will result in full implementation of that plan during the remainder of the grant period; and

"(ii) making progress, as measured by the annual performance measures and targets described in section 796D(b)(2), at a rate that the Secretary determines will result in reaching those targets and achieving the objectives of the grant, during the remainder of the grant period.

"SEC. 796C. APPLICATION PROCESS.

"(a) PLANNING GRANTS.—Each State that desires to receive a planning grant under this part shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require. At a minimum, each such application shall include the following:

"(1) Documentation of the State's record, including demonstrating a need for the grant funds to improve the State's record, as applicable, in the areas to be measured by the performance measures under section 796D(b)(2).

"(2) A coherent strategy for using funds under this part, and other Federal, State, and local funds, to design a State plan as described in section 796D.

"(3) Evidence that there will be collaboration among the State, the State educational agency, institutions of higher education located in the State, postsecondary students, workforce partners, and other stakeholders, in developing and implementing such plan, including evidence of the State's commitment and capacity to implement such plan.

"(4) An assurance of the State's commitment to developing the State plan.

"(5) An assurance of the State's commitment to meeting, before the end of the planning grant period, any requirements that the Secretary may establish.

"(b) IMPLEMENTATION GRANTS.—Each State that desires to receive an implementation grant under this part shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require. At a minimum, each such application shall include the following:

"(1) Documentation of the State's record, including demonstrating a need for the grant funds to improve the State's record, as applicable, in the

areas to be measured by the performance measures under section 796D(b)(2).

"(2) A description of how the implementation grant funds will be used to implement the comprehensive State plan described in section 796D, which may be an existing (as of the date of application) State plan that meets the requirements of such section.

"(3) Evidence of conditions of innovation and reform that the State has established and the State's plan for implementing additional conditions for innovation and reform, including—

"(A) a description of how the State has identified and eliminated ineffective practices in the past, and a plan for doing so in the future;

"(B) a description of how the State has identified and promoted effective practices in the past, and a plan for doing so in the future; and

"(C) steps the State has taken and will take to eliminate statutory, regulatory, procedural, or other barriers to facilitate the full implementation of the State's proposed plan under section 796D.

"(4) The State's annual performance measures and targets, established in accordance with the requirements of section 796D(b)(2).

"(5) A signed assurance from every public institution of higher education in the State that the institution will carry out any activities that the State determines may be necessary to carry out the State plan under section 796D.

"(6) An assurance from the State that the State will provide equitable resources and technical assistance to all public institutions of higher education in the State to implement the reforms described in this section.

"(c) CRITERIA FOR EVALUATING APPLICATIONS.—

"(1) IN GENERAL.—The Secretary shall award grants under this part on a competitive basis to a geographically diverse group of States, based on the quality of the applications submitted by the States.

"(2) PUBLICATION OF EXPLANATION.—The Secretary shall publish an explanation of how the application review process will ensure an equitable, transparent, and objective evaluation of applicants.

"(d) PRIORITY.—In awarding grants under this part, the Secretary shall give priority to a State if—

"(1) the State has a significant percentage of low-income students or traditionally underrepresented students residing within the State;

"(2) the State has a strong record of investment in postsecondary education; or

"(3) the State distributes State postsecondary education aid on the basis of need.

"SEC. 796D. COMPREHENSIVE STATE PLAN.

"(a) ESTABLISHMENT OF PLAN.—Each State receiving a planning or implementation grant under this part shall establish or implement, respectively, a comprehensive State plan described in subsection (b) to increase student access, persistence, and completion in postsecondary education at—

"(1) public institutions of higher education throughout the State; and

"(2) private nonprofit institutions of higher education (as defined in section 101) that agree to participate in and implement the State plan.

"(b) COMPREHENSIVE STATE PLAN.—The comprehensive State plan described in subsection (a) shall contain the following:

"(1) A commitment to implement statewide reforms in the following areas:

"(A) Removing barriers to innovation in postsecondary education by—

"(i) shortening the length of time to a postsecondary degree;

"(ii) promoting efficiencies on campuses that lead to lower net tuition prices for students;

"(iii) promoting the use of technology to increase personalized learning, advising, and support services for students; and

"(iv) developing innovative education delivery models, such as using technology to enhance online and classroom learning, in order to increase participation and retention of students, particularly low-income students and students who are in the first generation in their family to attend an institution of higher education.

"(B) Improving the transition between elementary and secondary education and postsecondary education and the workforce by—

"(i) reforming the process for identifying students for developmental education, offering developmental education examinations while students are in secondary

school to identify knowledge and skills gaps, and reducing the need for developmental education by ensuring that developmental education courses are reserved for students who are substantially underprepared and placing better-prepared students in traditional courses;

''(ii) redesigning and standardizing developmental education requirements and assessments among institutions of higher education;

''(iii) reforming the content, timing, and delivery of developmental education to help academically underprepared students complete college through comprehensive approaches;

''(iv) using technology, academic, and student supports that engage students, align developmental education to students' academic and career goals, and accelerate the students' progression through remediation and credit-bearing coursework;

''(v) increasing access to dual enrollment and early college high schools for low-income students; and

"(vi) establishing clear and transparent policies regarding how completion of dual enrollment and early college high school programs will result in the transfer of credits—

"(I) to public institutions of higher education in the State; and

"(II) to private nonprofit institutions of higher education that choose to participate in such credit transfer policies.

"(C) Increasing persistence in postsecondary education by carrying out all of the following:

"(i) Developing early warning systems to identify students at risk of dropping out of postsecondary education.

"(ii) Providing highly effective and comprehensive academic and student support services at institutions of higher education.

"(iii) Requiring all public institutions of higher education in the State to establish credit transfer policies and articulation agreements, that have been developed in

consultation with educators in institutions of higher education, with each other so that students can seamlessly transfer among all public institutions of higher education in the State. Such articulation agreements shall guarantee—

"(I) that students who earn post-secondary credit at a public institution of higher education will be able to transfer those credits to—

"(aa) any public institution of higher education in the State, and that such credits will count toward meeting specific degree or credential requirements; and

"(bb) any private nonprofit institution of higher education that chooses to participate in an articulation agreement;

"(II) that common course numbering is used to identify substantially similar courses;

"(III) that credits are recognized throughout the system of higher education in the State and count as cred-

its earned for a degree or credential program at a public institution of higher education in the State and at any private nonprofit institution of higher education that chooses to participate, consistent with clause (I)(bb); and

"(IV) that if a student earns an associate's degree, that associate's degree, awarded by the participating institution of higher education in the State, shall be fully acceptable in transfer and credited as the first 2 years of a related baccalaureate program at a public institution of higher education in such State.

"(iv) Including private nonprofit institutions of higher education that choose to participate in the credit transfer policies and articulation agreements described in clause (iii).

"(v) Providing students residing in the State with free degree audits.

"(vi) Providing students with an assurance that if a student receives an asso-

ciate's degree from a public institution of higher education in the State, that associate's degree will translate into upper level status at a receiving public institution of higher education.

''(D) Increasing transparency of information to students and their families by—

''(i) providing financial literacy information to students and families, including information regarding the benefits of postsecondary education, planning for postsecondary education, postsecondary education opportunities, and career planning;

''(ii) providing information on financing options for postsecondary education and activities that promote financial literacy and debt management among students and families, including assistance in completion of the Free Application for Federal Student Aid or other common financial reporting form under section 483(a);

''(iii) reporting workforce outcomes for postsecondary graduates;

"(iv) developing multi-year tuition and fee schedules;

"(v) improving postsecondary data systems and linking those systems to existing State data systems for elementary and secondary education and the workforce; and

"(vi) developing practices for the continuous assessment of student learning and for public reporting of non-personally identifiable student learning outcomes.

"(E) Increasing and improving the use of funding in higher education by—

"(i) awarding State financial aid to students on the basis of need, rather than merit;

"(ii) developing performance funding systems that measure and award funding to institutions of higher education based upon improvement in postsecondary education outcomes for students, including successful transfer from a 2-year institution of higher education to a 4-year institution of higher education and degree attainment; and

"(iii) rewarding institutions that distribute their institutional aid based on need.

"(2) Annual performance measures and targets for the programs and activities carried out under this part, which shall include measures and targets for goals established by the Secretary under section 796G as well as measures and targets developed by the State and approved by the Secretary. The annual performance measures and targets shall, at a minimum, track the State's progress in—

"(A) implementing the plan described in this section;

"(B) increasing the percentage of low income and traditionally underrepresented students who enroll in, persist through, and graduate from higher education, as measured by—

"(i) reducing the need for higher education remediation;

"(ii) increasing higher education enrollment rates;

"(iii) increasing persistence and completion rates in higher education;

"(iv) increasing the rate at which students complete a program at an institution of higher education;

"(v) increasing enrollment in dual enrollment programs and early college high school programs;

"(vi) increasing the percentage of students who successfully complete and earn a minimum of 12 credits for rigorous postsecondary education courses while attending a secondary school; and

"(vii) increasing the percentage of students who earn postsecondary credit and successfully have such credit accepted by an institution of higher education toward a degree or credential; and

"(C) making progress on any other performance measure identified by the Secretary.

"(3) Goals for increasing postsecondary credential attainment by 2020 for traditionally underrepresented students.

"(c) REVIEW AND APPROVAL.—Each State plan developed under this section shall be reviewed and approved by the Secretary.

"SEC. 796E. USE OF FUNDS.

"(a) IN GENERAL.—A State receiving an implementation grant under this part shall use the funds to carry out any purpose included in the State's comprehensive State plan described in section 796D.

"(b) PROHIBITIONS.—Federal funds made available under this part shall not be used—

"(1) to promote any lender's loans;

"(2) to supplement or supplant Federal, State, or institutional financial aid; or

"(3) compensate for a decrease in State appropriations for higher education.

"(c) SUFFICIENT PROGRESS.—If the Secretary determines, by the end of the third year of the grant, that a State receiving an implementation grant under this part is not making substantial progress on meeting the requirements of the comprehensive State plan under section 796D and meeting the performance measures and targets described in section 796D(b)(2), the Secretary—

"(1) shall cancel the grant; and

"(2) may use any funds returned or made available due to a cancellation under paragraph (1) to—

"(A) increase other grant awards under this part; or

"(B) award new grants to other eligible entities under this part.

"SEC. 796F. MATCHING AND OTHER FINANCIAL REQUIREMENTS.

"(a) MATCHING REQUIREMENTS.—

"(1) IN GENERAL.—A State receiving a grant under this part shall provide matching funds toward the costs of the grant in the amount applicable under paragraph (2).

"(2) AMOUNT OF MATCHING FUNDS.—The matching funds required under this paragraph shall be an amount equal to—

"(A) in the case of a planning grant, 20 percent of the amount of the grant for each year of the grant; and

"(B) in the case of an implementation grant—

"(i) 20 percent of such costs for the first year of the grant;

"(ii) 30 percent of such costs for the second year of the grant;

"(iii) 40 percent of such costs for the third year of the grant;

"(iv) 50 percent of such costs for the fourth year the grant; and

"(v) 60 percent of such for the fifth year of the grant.

"(3) IN CASH OR IN-KIND.—Matching funds provided under this subsection shall be from non-Federal sources and may be provided in cash or in-kind.

"(b) SUPPLEMENT NOT SUPPLANT.—Federal funding provided under this part shall be used to supplement and not supplant other Federal, State, or institutional resources that would otherwise be expended to carry out the activities described in this part.

"(c) MAINTENANCE OF EFFORT.—

"(1) IN GENERAL.—With respect to each fiscal year for which a State receives a grant under this part, the State will maintain State support for public institutions of higher education (excluding support for capital projects, for research and development, and for tuition and fees paid by students) at least at the level of such support for the previous fiscal year.

"(2) FINANCIAL HARDSHIP WAIVER.—A State may apply to the Secretary for a waiver of, and the Secretary may waive, the requirements of paragraph (1) if the State is experiencing a financial hardship due to a natural disaster, unforeseen decline in the financial resources of the State, or other exceptional or uncontrollable circumstances.

"SEC. 796G. PERFORMANCE MEASURES.

"The Secretary shall establish performance measures for the programs and activities carried out under grants awarded under this part prior to awarding grants under this part. The Secretary shall ensure that such measures are made available to potential applicants prior to seeking applications for grants under this section.

"SEC. 796H. REPORTS; EVALUATIONS.

"(a) REPORTS.—

"(1) IMPLEMENTATION GRANTS.—A State that receives an implementation grant under this part shall submit to the Secretary, at such time and in such manner as the Secretary may require, an annual report including, at a minimum—

"(A) data on the State's progress in achieving the targets for the annual performance measures established under section 796G; and

"(B) a description of the challenges the State has faced in carrying out the implementation grant under this part, and how the State has addressed, or plans to address, such challenges.

"(2) PLANNING GRANTS.—A State that receives a planning grant under this part shall submit to the Secretary, at such time and in such manner as the

Secretary may require, a report that includes a copy of the State plan developed under the grant.

''(b) EVALUATION.—The Secretary shall—

''(1) acting through the Director of the Institute of Education Sciences, evaluate the implementation and impact of activities supported under this part; and

''(2) disseminate research on best practices.

''SEC. 796I. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this part such sums as may be necessary for fiscal year 2015 and each of the following 4 fiscal years.''.

TITLE VIII—ADDITIONAL PROGRAMS

SEC. 801. REORGANIZATION.

Title VIII (20 U.S.C. 1161 et seq.) is amended—

(1) by striking parts E, H, I, K, M, N, O, R, U, V, X, and Y;

(2) by redesignating parts F, G, J, L, P, Q, S, T, W, Z, and AA as parts E, F, G, H, I, J, K, L, M, N, and O, respectively; and

(3) by redesignating sections 851, 861, 872, 873, 892, 895, 897, and 898 as sections 831, 836, 841, 846, 851, 856, 861, and 862, respectively.

SEC. 802. AUTHORIZATION OF APPROPRIATIONS FOR PROJECT GRAD.

Section 801(i) (20 U.S.C. 1161a(i)) is amended by striking ''2009'' and inserting ''2015''.

SEC. 803. AUTHORIZATION OF APPROPRIATIONS FOR THE MATHEMATICS AND SCIENCE SCHOLARS PROGRAM.

Section 802(f) (20 U.S.C. 1161b(f)) is amended by striking ''2009'' and inserting ''2015''.

SEC. 804. COMMUNITY COLLEGE AND INDUSTRY PARTNERSHIPS PROGRAM.

Part C of title VIII (20 U.S.C. 1161c et seq.) is amended to read as follows:

"PART C—COMMUNITY COLLEGE AND INDUSTRY PARTNERSHIPS PROGRAM

"SEC. 803. DEFINITIONS.

''In this part:

''(1) COMMUNITY COLLEGE.—The term 'community college' means a public institution of higher education as defined in section 102 of the Higher Education Act, where the highest degree offered is predominantly the associate's degree.

''(2) LOCAL BOARD.—The term 'local board' has the meaning given the term in section 3 of the Workforce Innovation and Opportunity Act.

"(3) NONTRADITIONAL STUDENT.—The term 'nontraditional student' means a student who is a low-income student and—

"(A) who is an independent student, as defined in section 480(d), or is an individual with a disability as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102);

"(B) who attends an institution of higher education—

"(i) on less than a full-time basis;

"(ii) via evening, weekend, modular, or compressed courses; or

"(iii) via distance education methods; and

"(C) who—

"(i) enrolled for the first time in an institution of higher education 3 or more years after completing secondary school; or

"(ii) is employed for not less than 25 hours per week.

"(4) RECOGNIZED POSTSECONDARY CREDENTIAL.—The term 'recognized postsecondary credential' means a credential consisting of—

"(A) an industry-recognized certificate or certification;

"(B) a certificate of completion of an apprenticeship registered under the Act of August 16, 1937 (commonly known as the 'National Apprenticeship Act'; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.), referred to as a 'registered apprenticeship' for the purpose of this part;

"(C) a license recognized by the State involved or the Federal Government; or

"(D) an associate's or baccalaureate degree.

"(5) SECRETARIES.—The term 'Secretaries' means the Secretary of Education and the Secretary of Labor.

"(6) STATE BOARD.—The term 'State board' has the meaning given the term in section 3 of the Workforce Innovation and Opportunity Act.

"SEC. 803A. COMMUNITY COLLEGE AND INDUSTRY PARTNERSHIPS PROGRAM.

"(a) GRANTS AUTHORIZED.—From funds appropriated under section 803C, the Secretaries, in accordance with the interagency agreement described in section 803B, shall award competitive grants to eligible entities described

in subsection (b) for the purpose of developing, offering, improving, or providing educational or career training programs.

"(b) ELIGIBLE ENTITY.—

"(1) PARTNERSHIPS WITH EMPLOYERS OR AN EMPLOYER OR INDUSTRY PARTNERSHIP.—In order to be eligible for a grant under this section, an entity shall—

"(A) be—

"(i) a community college that will use funds provided under this section for activities at the certificate and associate's degree levels;

"(ii) a 4-year public institution of higher education that offers 2-year degrees, and that will use funds provided under this section for activities at the certificate and associate's degree levels;

"(iii) a Tribal College or University (as defined in section 316(b));

"(iv) a public or private nonprofit 2-year institution of higher education (as defined in section 102) in the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, American Samoa, the Com-

monwealth of the Northern Mariana Islands, or any of the Freely Associated States; or

"(v) a consortium of entities described in any of clauses (i) through (iv); and

"(B) for purposes of the grant, be in partnership with—

"(i) an employer; or

"(ii) an industry partnership representing multiple employers.

"(2) ADDITIONAL PARTNERS.—

"(A) AUTHORIZATION OF ADDITIONAL PARTNERS.—In addition to partnering with an entity described in paragraph (1)(B), an entity described in paragraph (1)(A) may include in the partnership 1 or more of the following entities:

"(i) An adult education provider or institution of higher education.

"(ii) A community-based organization with demonstrated expertise in serving non-traditional students or providing education and training to workers or disconnected youth.

"(iii) A joint labor-management partnership.

"(iv) A State board or local board.

"(v) Any other organization that the Secretaries consider appropriate.

"(B) COLLABORATION WITH STATE AND LOCAL BOARDS.—An eligible entity shall collaborate with the State board or local board, as appropriate, in the area served by the eligible entity.

"(c) APPLICATION.—An eligible entity seeking a grant under this section shall submit an application to the Secretaries at such time and containing such information as the Secretaries determine is required, including a detailed description of—

"(1) the specific educational or career training program that the eligible entity proposes and how the program meets the criteria established under subsection (d), including the manner in which the grant will be used to develop, offer, improve, or provide the educational or career training program;

"(2) the extent to which the program will meet the educational or career training needs of workers in the area served by the eligible entity;

"(3) the extent to which the program will meet the skill needs of employers in the area for workers in in-demand industry sectors and occupations;

"(4) the extent to which the proposed program fits within any overall strategic plan regarding education and training developed by the eligible entity;

"(5)(A) any previous experience of the eligible entity in providing educational or career training programs, including the use of research-based models to provide such programs; or

"(B) in the case of an eligible entity without previous experience, a detailed description of how the entity will carry out the activities required under the grant, including the research-based model the entity plans to use to provide such programs;

"(6) the recognized postsecondary credentials that participants in the proposed educational or career training program will obtain, and how the program meets quality criteria for programs leading to such credentials, as established by the Governor of a State in which at least 1 of the entities described in subsection (b)(1)(A) that comprise the eligible entity is located;

"(7) how the eligible entity will sustain the educational or career training program after the end of grant period;

"(8) how any educational or career training program developed under this grant will be coordinated with existing education and training programs, as of the date of the application, in the relevant State and region that are supported by Federal, State, or other funds; and

"(9) how the eligible entity will measure the performance of, and evaluate, the educational or career training program to be supported by this grant, including the performance outcomes to be used by the eligible entity and an assurance that such entity will provide the information requested by the Secretaries for evaluations and reports under subsection (f).

"(d) CRITERIA FOR AWARD.—

"(1) IN GENERAL.—Grants under this section shall be awarded based on criteria established by the Secretaries that include the following:

"(A) A determination of the merits of the proposal, in each application, to develop, offer, improve, or provide an educational or career training program. In making such a determina-

tion, the Secretaries shall not automatically disqualify an eligible entity because of the absence of previous experience described in subsection (c)(5)(A).

"(B) An assessment of the current and projected employment opportunities available (as of the date of the application) in the area to individuals who complete an educational or career training program that the eligible entity proposes to develop, offer, improve, or provide.

"(C) An assessment of prior demand for training programs by individuals eligible for training and served by the eligible entity, as well as availability and capacity of existing (as of the date of the assessment) training programs to meet future demand for training programs.

"(2) PRIORITY.—In awarding grants under this section, the Secretaries shall give priority to eligible entities that—

"(A) are in a partnership with an employer or an industry partnership that—

"(i) agrees to pay a portion of the costs for participants of educational or ca-

reer training programs supported under the grant; or

"(ii) agrees to hire individuals who have attained a recognized postsecondary credential resulting from the educational or career training program supported under the grant;

"(B) enter into a partnership with a labor organization, labor-management training program, or registered apprenticeship program, to provide, through the educational or career training program, technical expertise for occupationally specific education necessary for a recognized postsecondary credential leading to a skilled occupation in an in-demand industry sector;

"(C) demonstrate a partnership with a State board or local board, as appropriate;

"(D) are focused on serving individuals with barriers to employment, youth who are out-of-school or not in the workforce, low-income, nontraditional students, students who are dislocated workers, students who are veterans, or students who are long-term unemployed;

"(E) include community colleges serving areas with high unemployment rates, including rural areas and areas with high unemployment rates for youth;

"(F) are eligible entities that include an institution of higher education eligible for assistance under title III or V; or

"(G) are in a partnership, with an employer or industry partnership, that increases domestic production of goods, such as advanced manufacturing or production of clean energy technology.

"(e) USE OF FUNDS.—Grant funds awarded under this section shall be used for 1 or more of the following:

"(1) The development, offering, improvement, or provision of educational or career training programs that—

"(A) provide relevant job training for occupations that will meet the needs of employers in in-demand industry sectors; and

"(B) may include registered apprenticeship programs, on-the-job training programs, and programs that support employers in upgrading the skills of their workforce.

"(2) The development and implementation of policies and programs to expand opportunities for students to earn a recognized postsecondary credential, including a degree, in in-demand industry sectors or occupations, including by—

"(A) facilitating the transfer of academic credits between institutions of higher education in the State, including the transfer of academic credits for courses in the same field of study;

"(B) expanding articulation agreements and policies that guarantee transfers between such institutions, including through common course numbering and use of a general core curriculum; and

"(C) developing or enhancing student support services programs.

"(3) The creation or enhancement of programs that provide a sequence or integration of education and occupational training that leads to a recognized postsecondary credential, including a degree, including programs that—

"(A) provide adult education and literacy activities concurrently and contextually with occupational training, and support services for

1 participants, which may include such activities
2 and services provided along a career pathway;
3 ''(B) facilitate means of transitioning par-
4 ticipants from non-credit occupational, adult
5 education, or developmental coursework to for-
6 credit coursework within and across institu-
7 tions;
8 ''(C) build or enhance linkages, including
9 the development of dual enrollment programs
10 and early college high schools, between sec-
11 ondary education or adult education programs
12 (including programs established under the Carl
13 D. Perkins Career and Technical Education Act
14 of 2006 (20 U.S.C. 2301 et seq.) and the Adult
15 Education and Family Literacy Act (20 U.S.C.
16 9201 et seq.));
17 ''(D) are innovative programs designed to
18 increase the provision of training for students,
19 including students who are members of the Na-
20 tional Guard or Reserves, to enter occupations
21 in in-demand industry sectors; or
22 ''(E) support paid internships that will
23 allow students to simultaneously earn postsec-
24 ondary credit and gain relevant employment ex-
25 perience in an in-demand industry sector or oc-

cupation through work-based learning, which shall include opportunities that transition individuals into employment.

''(4) The support of skills consortia in an in-demand industry sector that will identify pressing workforce needs and develop solutions such as—

''(A) standardizing industry certifications;

''(B) developing new training technologies; and

''(C) collaborating with industry employers to define and describe how specific skills lead to particular jobs and career opportunities.

''(f) EVALUATIONS AND REPORTS.—

''(1) ANNUAL REPORTS TO SECRETARIES.—

''(A) IN GENERAL.—Each eligible entity receiving a grant under this section shall submit to the Secretaries an annual report regarding the activities carried out under the grant, including the progress made by the educational or career training program with respect to the performance outcomes described in subsection (c)(9) and any other information the Secretaries may require.

''(B) DISAGGREGATION.—The data provided to the Secretaries in accordance with this

subsection shall be disaggregated by, at a minimum, race, ethnicity, and eligibility to receive a Federal Pell Grant, except that such disaggregation shall not be required when the number of participants in a category is insufficient to yield statistically reliable information or when the results would reveal personally identifiable information about an individual participant.

"(2) EVALUATIONS.—The Secretaries shall, directly or by contract, conduct an annual evaluation of the grant program carried out under this section, which will include a determination of the progress made by each educational or career training program supported by the grant with respect to the performance outcomes described in subsection (c)(9), using the reports provided by the eligible entities under paragraph (1) and any other information that the Secretaries request from the eligible entities for purposes of the evaluation.

"(3) REPORTS TO CONGRESS.—The Secretaries shall jointly develop and submit a biennial report to the authorizing committees regarding the grants awarded under this section and the outcomes of such grants, including the progress made by each edu-

cational or career training program supported under such grant with respect to the performance outcomes described in subsection (c)(9) and the results of the evaluations described in paragraph (2).

"SEC. 803B. INTERAGENCY AGREEMENT.

"(a) IN GENERAL.—The Secretary of Labor and the Secretary of Education shall jointly develop policies for the administration of this part in accordance with such terms as the Secretaries shall set forth in an interagency agreement. Such interagency agreement, at a minimum, shall include a description of the respective roles and responsibilities of the Secretaries in carrying out this part (both jointly and separately), including—

"(1) how the funds available under this part will be obligated and disbursed and compliance with applicable laws (including regulations) will be ensured, as well as how the recipients of the grants will be selected and monitored;

"(2) how evaluations and research will be conducted on the effectiveness of grants awarded under this part in addressing the education and employment needs of workers, and employers;

"(3) how technical assistance will be provided to applicants and grant recipients;

"(4) how information will be disseminated, including through electronic means, on best practices and effective strategies and service delivery models for activities carried out under this part; and

"(5) how policies and processes critical to the successful achievement of the education, training, and employment goals of this part will be established.

"(b) TRANSFER AUTHORITY.—The Secretary of Labor and the Secretary of Education shall have the authority to transfer funds between the Department of Labor and the Department of Education to carry out this part in accordance with the agreement described in subsection (a).

"SEC. 803C. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated such sums as may be necessary to carry out this part for fiscal year 2015 and each of the 4 succeeding fiscal years.".

SEC. 805. AUTHORIZATION OF APPROPRIATIONS FOR CAPACITY FOR NURSING STUDENTS AND FACULTY.

Section 804(f) (20 U.S.C. 1161d(f)) is amended by striking "2009" and inserting "2015".

SEC. 806. AUTHORIZATION OF APPROPRIATIONS FOR TEACH FOR AMERICA.

Section 806(f) (20 U.S.C. 1161f(f)) is amended by striking paragraph (1) and inserting the following:

"(1) IN GENERAL.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for fiscal year 2015 and each of the five succeeding fiscal years.".

SEC. 807. AUTHORIZATION OF APPROPRIATIONS FOR THE PATSY T. MINK FELLOWSHIP PROGRAM.

Section 807(f) (20 U.S.C. 1161g(f)) is amended by striking "2009" and inserting "2015".

SEC. 808. AUTHORIZATION OF APPROPRIATIONS FOR IMPROVING SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS EDUCATION WITH A FOCUS ON ALASKA NATIVE AND NATIVE HAWAIIAN STUDENTS.

Section 819(i) (20 U.S.C. 1161j(i)) is amended by striking "2009" and inserting "2015".

SEC. 809. AUTHORIZATION OF APPROPRIATIONS FOR STUDENT SAFETY AND CAMPUS EMERGENCY MANAGEMENT.

Section 821(f) (20 U.S.C. 1161l(f)) is amended by striking "2009" and inserting "2015".

SEC. 810. AUTHORIZATION OF APPROPRIATIONS FOR THE EDUCATION DISASTER AND EMERGENCY RELIEF PROGRAM.

Section 824(i) (20 U.S.C. 1161l–3(i)) is amended by striking ''2009'' and inserting ''2015''.

SEC. 811. AUTHORIZATION OF APPROPRIATIONS FOR THE JOBS TO CAREERS PROGRAM.

Section 831(j), as redesignated by paragraph (3) of section 801 (20 U.S.C. 1161p(j)), is amended by striking ''2009'' and inserting ''2015''.

SEC. 812. AUTHORIZATION OF APPROPRIATIONS FOR RURAL DEVELOPMENT GRANTS FOR RURAL-SERVING COLLEGES AND UNIVERSITIES.

Section 861(g), as redesignated by paragraph (3) of section 801 (20 U.S.C. 1161q(g)), is amended by striking ''2009'' and inserting ''2015''.

SEC. 813. AUTHORIZATION OF APPROPRIATIONS FOR TRAINING FOR REALTIME WRITERS.

Section 841(e), as redesignated by paragraph (3) of section 801 (20 U.S.C. 1161s(e)), is amended by striking ''2009'' and inserting ''2015''.

SEC. 814. AUTHORIZATION OF APPROPRIATIONS FOR CENTERS OF EXCELLENCE FOR VETERAN STUDENT SUCCESS.

Section 846(f), as redesignated by paragraph (3) of section 801 (20 U.S.C. 1161t(f)), is amended by striking ''2009'' and inserting ''2015''.

SEC. 815. AUTHORIZATION OF APPROPRIATIONS FOR PATH TO SUCCESS.

Section 851(g), as redesignated by paragraph (3) of section 801 (20 U.S.C. 1161w(g)), is amended by striking ''2009'' and inserting ''2015''.

SEC. 816. AUTHORIZATION OF APPROPRIATIONS FOR THE HENRY KUUALOHA GIUGNI KUPUNA MEMORIAL ARCHIVES.

Section 856(c), as redesignated by paragraph (3) of section 801 (20 U.S.C. 1161z(c)), is amended by striking ''2009'' and inserting ''2015''.

SEC. 817. APPROPRIATIONS FOR MASTERS DEGREE PROGRAMS.

Section 861 as redesignated by paragraph (3) of section 801 (20 U.S.C. 1161aa), is amended by striking ''$11,500,000 for fiscal year 2009'' and inserting ''such sums as may be necessary for fiscal year 2015''.

SEC. 818. APPROPRIATIONS FOR POSTBACCALAUREATE PROGRAMS.

Section 862 as redesignated by paragraph (3) of section 801 (20 U.S.C. 1161aa–1), is amended by striking ''$11,500,000 for fiscal year 2009'' and inserting ''such sums as may be necessary for fiscal year 2015''.

SEC. 819. TYLER CLEMENTI PROGRAM.

Title VIII (20 U.S.C. 1161 et seq.), as amended by section 801, is further amended by adding at the end the following:

''PART P—TYLER CLEMENTI PROGRAM

''SEC. 864. TYLER CLEMENTI PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) ELIGIBLE ENTITY.—The term 'eligible entity' means—

''(A) an institution of higher education, including an institution of higher education in a collaborative partnership with a nonprofit organization; or

''(B) a consortium of institutions of higher education located in the same State.

''(2) HARASSMENT.—The term 'harassment' has the meaning given the term in section 485(f)(6)(A).

''(b) PROGRAM AUTHORIZED.—The Secretary is authorized to award grants, on a competitive basis, to eligible

entities to enable eligible entities to carry out the authorized activities described in subsection (d).

"(c) AMOUNT OF GRANT AWARDS.—The Secretary shall ensure that each grant awarded under this section is of sufficient amount to enable the grantee to meet the purpose of this section.

"(d) AUTHORIZED ACTIVITIES.—An eligible entity that receives a grant under this section shall use the funds made available through the grant to address 1 or more of the types of harassment listed in section 485(f)(6)(A)(vi) by initiating, expanding, or improving programs—

"(1) to prevent the harassment of students at institutions of higher education;

"(2) at institutions of higher education that provide counseling or redress services to students who have suffered such harassment or students who have been accused of subjecting other students to such harassment; or

"(3) that educate or train students, faculty, or staff of institutions of higher education about ways to prevent harassment or ways to address such harassment if it occurs.

"(e) APPLICATION.—To be eligible to receive a grant under this section, an eligible entity shall submit an appli-

1 cation to the Secretary at such time, in such manner, and
2 containing such information, as the Secretary may re-
3 quire.

4 "(f) DURATION; RENEWAL.—A grant under this sec-
5 tion shall be awarded for a period of not more than 3
6 years. The Secretary may renew a grant under this section
7 for 1 additional period of not more than 2 years.

8 "(g) AWARD CONSIDERATIONS.—In awarding a
9 grant under this section, the Secretary shall select eligible
10 entities that demonstrate the greatest need for a grant
11 and the greatest potential benefit from receipt of a grant.

12 "(h) REPORT AND EVALUATION.—

13 "(1) EVALUATION AND REPORT TO THE SEC-
14 RETARY.—Not later than 6 months after the end of
15 the eligible entity's grant period, the eligible entity
16 shall—

17 "(A) evaluate the effectiveness of the ac-
18 tivities carried out with the use of funds award-
19 ed pursuant to this section in decreasing har-
20 assment and improving tolerance; and

21 "(B) prepare and submit to the Secretary
22 a report on the results of the evaluation con-
23 ducted by the entity.

24 "(2) EVALUATION AND REPORT TO CON-
25 GRESS.—Not later than 12 months after the date of

1 receipt of the first report submitted pursuant to
2 paragraph (1) and annually thereafter, the Secretary
3 shall provide to Congress a report that includes the
4 following:
5 ''(A) The number and types of eligible en-
6 tities receiving assistance under this section.
7 ''(B) The anti-harassment programs being
8 implemented with assistance under this section
9 and the costs of such programs.
10 ''(C) Any other information determined by
11 the Secretary to be useful in evaluating the
12 overall effectiveness of the program established
13 under this section in decreasing incidents of
14 harassment at institutions of higher education.
15 ''(3) BEST PRACTICES REPORT.—The Secretary
16 shall use the information provided under paragraph
17 (1) to publish a report of best practices for com-
18 bating harassment at institutions of higher edu-
19 cation. The report shall be made available to all in-
20 stitutions of higher education and other interested
21 parties.
22 ''(i) AUTHORIZATION OF APPROPRIATIONS.—There
23 are authorized to be appropriated to carry out this section
24 such sums as may be necessary for fiscal year 2015 and
25 each of the 4 succeeding fiscal years.''.

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

SEC. 901. HIGHER EDUCATION OPPORTUNITIES AND SUPPORTS FOR STUDENTS WITH DISABILITIES.

The Act (20 U.S.C. 1001 et seq.) is amended by adding at the end the following:

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

"PART A—NATIONAL ACTIVITIES

"SEC. 901. NATIONAL TECHNICAL ASSISTANCE CENTERS FOR HIGHER EDUCATION ACCESS.

''(a) PURPOSE.—It is the purpose of this section to provide technical assistance and information—

''(1) about the rights and responsibilities of postsecondary students with disabilities under the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.); and

''(2) to support the recruitment, enrollment, retention, graduation, and education of such students.

"(b) ADMINISTRATION.—The activities under this section shall be jointly administered by the Office of Postsecondary Education and the Office of Special Education and Rehabilitative Services.

"(c) NATIONAL TECHNICAL ASSISTANCE CENTER FOR COLLEGE STUDENTS WITH DISABILITIES AND THEIR FAMILIES.—

"(1) IN GENERAL.—From amounts appropriated to carry out this section, the Secretary shall award a grant to, or enter into a contract or cooperative agreement with, an eligible entity to provide for the establishment and support of a National Technical Assistance Center for College Students With Disabilities and Their Families (hereafter referred to as the 'National Center for Students With Disabilities'). The National Center for Students With Disabilities shall carry out the duties set forth in paragraph (3).

"(2) ELIGIBLE ENTITY.—In this subsection, the term 'eligible entity' means an institution of higher education, a nonprofit organization, or a partnership of 2 or more such institutions or organizations, with demonstrated expertise in—

"(A) the recruitment, enrollment, retention, graduation, and education of students with

disabilities, including students with autism spectrum disorder and other developmental disabilities, in postsecondary education;

"(B) the technical knowledge necessary for the dissemination of information in accessible formats; and

"(C) creating and disseminating convenient and credible online resources.

"(3) DUTIES.—The National Center for Students With Disabilities shall provide information and technical assistance to postsecondary students with disabilities and the families of postsecondary students with disabilities to support students across the broad spectrum of disabilities, including individuals with autism spectrum disorder and other developmental disabilities, which may include providing—

"(A) information to assist individuals with disabilities who are prospective students of an institution of higher education in planning for postsecondary education while in secondary school, and earlier;

"(B) information and technical assistance—

"(i) including self-advocacy skills, to individualized education program teams (as

defined in section 614(d)(1) of the Individuals with Disabilities Education Act) for secondary school students with disabilities; and

"(ii) to early outreach and student services programs to support students across a broad spectrum of disabilities with the successful transition to postsecondary education;

"(C) information on evidence-based supports, services, and accommodations that are available in postsecondary settings, including services such as vocational rehabilitation that are provided by other agencies, and providing information about how to qualify for those services;

"(D) information on student mentoring and networking opportunities for students with disabilities;

"(E) information on effective recruitment and transition programs at postsecondary educational institutions; and

"(F) information on support (including tuition, as appropriate) for advanced training in a science, technology, engineering, or mathe-

matics (including computer science) field, medicine, law, or business.

"(d) NATIONAL TECHNICAL ASSISTANCE CENTER FOR DISABILITY SUPPORT SERVICES AT INSTITUTIONS OF HIGHER EDUCATION.—

"(1) IN GENERAL.—From amounts appropriated to carry out this section, the Secretary shall award a grant to, or enter into a contract or cooperative agreement with, an eligible entity to provide for the establishment and support of a National Technical Assistance Center for Disability Support Services at Institutions of Higher Education (hereafter referred to as the 'National Center for Institutions of Higher Education'). The National Center for Institutions of Higher Education shall carry out the duties set forth in paragraph (3).

"(2) ELIGIBLE ENTITY.—In this subsection, the term 'eligible entity' means an institution of higher education, a nonprofit organization, or a partnership of 2 or more such institutions or organizations, with demonstrated expertise in—

"(A) the recruitment, enrollment, retention, graduation, and education of students with disabilities in postsecondary education, includ-

ing students with autism spectrum disorder and other developmental disabilities;

"(B) supporting faculty and understanding best practices in working with students with disabilities, including students with autism spectrum disorder and other developmental disabilities;

"(C) technical knowledge necessary for the dissemination of information in accessible formats; and

"(D) identifying instructional strategies that are effective for students with disabilities, including students with autism spectrum disorder and other developmental disabilities.

"(3) DUTIES.—The National Center for Institutions of Higher Education shall provide information and technical assistance to faculty, staff, and administrators of institutions of higher education to improve the services provided to, the accommodations for, the retention rates of, and the completion rates of, students with disabilities, including students with autism spectrum disorder and other developmental disabilities, in higher education settings, which may include—

"(A) collecting, developing, and disseminating quality indicators and best and promising practices and materials for accommodating and supporting students with disabilities;

"(B) training and supporting students with disabilities to enhance and support their self-advocacy skills;

"(C) promoting awareness of, and the use of, assistive technology and augmentative communication in postsecondary education settings;

"(D) developing and providing training modules for higher education faculty and staff on exemplary practices for accommodating and supporting postsecondary students with disabilities across a range of academic fields, which may include universal design for learning;

"(E) developing technology-based tutorials for higher education faculty and staff, including new faculty and graduate students, on evidence-based best and promising practices related to support and retention of students with disabilities in postsecondary education;

"(F) developing and providing training and technical assistance for faculty and staff of institutions of higher education on emerging evi-

dence-based best practices for the selection, production, and timely delivery of high-quality accessible instructional materials to meet the needs of students with disabilities in postsecondary settings;

"(G) developing and disseminating an evidence-based operational model for institutions of higher education to timely provide high-quality accessible instructional materials to students with disabilities; and

"(H) information on providing support (including tuition, as appropriate) for advanced training in a science, technology, engineering, or mathematics (including computer science) field, medicine, law, or business.

"SEC. 902. NATIONAL DATA CENTER ON HIGHER EDUCATION AND DISABILITY.

"(a) PURPOSE.—It is the purpose of this section to collect, maintain, and disseminate data and information about the experiences and outcomes of postsecondary education students with disabilities.

"(b) NATIONAL DATA CENTER.—

"(1) IN GENERAL.—From amounts appropriated to carry out this section, the Secretary shall award a grant to, or enter into a contract or cooper-

ative agreement with, an eligible entity to provide for the establishment and support of a National Data Center on Higher Education and Disability (in this part referred to as the 'National Data Center'). The National Data Center shall carry out the duties set forth in paragraph (4).

"(2) ADMINISTRATION.—The program under this section shall be jointly administered by the Office of Postsecondary Education and the Office of Special Education and Rehabilitative Services.

"(3) ELIGIBLE ENTITY.—In this section, the term 'eligible entity' means an institution of higher education, a nonprofit organization, or a partnership of 2 or more such institutions or organizations, with demonstrated expertise in—

"(A) supporting students with disabilities in postsecondary education;

"(B) technical knowledge necessary for the dissemination of information in accessible formats; and

"(C) working with diverse types of institutions of higher education, including community colleges.

"(4) DUTIES.—The duties of the National Data Center shall include the following:

1 "(A) INFORMATION COLLECTION AND DIS-
2 SEMINATION.—
3 "(i) DATABASE.—The National Data
4 Center shall be responsible for using the
5 data submitted in accordance with section
6 903—
7 "(I) to build, maintain, and up-
8 date a database of information about
9 disability support services provided by
10 institutions of higher education; or
11 "(II) to expand and update any
12 existing database containing such in-
13 formation.
14 "(ii) CONTENTS OF DATABASE.—The
15 database described in clause (i) shall con-
16 tain de-identified, individual student-level
17 data for every student who discloses the
18 student's disability to, and seeks disability
19 accommodations from, the institution of
20 higher education that the student attends,
21 including—
22 "(I) the student's disability cat-
23 egory described in section 903(a);
24 "(II) the supports and accom-
25 modations provided to the student;

"(III) enrollment information, including the student's program of study, progress toward completion of a certificate or degree, and program completion status; and

"(IV) information about the student's employment or further education for the 5 years following completion of the student's program of study.

"(iii) INFORMATION FOR EACH INSTITUTION OF HIGHER EDUCATION.—In addition to the data described in clause (ii), such database shall include, for each institution of higher education required to submit information in accordance with section 903—

"(I) the institution's—

"(aa) disability documentation requirements;

"(bb) support services that are available for students with disabilities;

"(cc) policies on accommodations for students with disabilities; and

"(dd) accessible instructional materials;

"(II) regularly updated reports regarding the students with disabilities who sought disability accommodations through the institution's disability support services office, including information about the services received by such students;

"(III) other information relevant to students with disabilities, as determined by the Secretary; and

"(IV) the information described in subparagraphs (A) through (D) of paragraph (5).

"(iv) WEBSITE.—The National Data Center shall make available to the general public, through a website that is built to high technical standards of accessibility practicable for the broad spectrum of individuals with disabilities—

"(I) the data described in clause (ii), aggregated at the institution level;

"(II) the information described in clause (iii); and

"(III) links to information about student financial aid, including Federal and institutional student aid.

"(B) DISABILITY SUPPORT SERVICES.—The National Data Center shall work with organizations and individuals that have proven expertise related to disability support services for postsecondary students with disabilities to evaluate, improve, and disseminate information related to the delivery of high-quality disability support services at institutions of higher education.

"(5) REVIEW AND REPORT.—Not later than 3 years after the establishment of the National Data Center, and every 2 years thereafter, the National Center shall prepare and disseminate a report to the Secretary and the authorizing committees of Congress analyzing the condition of postsecondary services and success for students with disabilities. Such report shall include—

"(A) a review of the activities and the effectiveness of the programs authorized under this part;

"(B) annual enrollment, retention, and graduation rates of students with disabilities in institutions of higher education that receive funds under title IV, disaggregated by disability according to the categories established under section 903(a) (unless disaggregation results in possible identification of a student);

"(C) recommendations for effective postsecondary supports and services for students with disabilities, and how such supports and services may be widely implemented at institutions of higher education;

"(D) recommendations on reducing barriers to full participation for students with disabilities in higher education; and

"(E) a description of disability support services and strategies with a demonstrated record of effectiveness in improving the success of such students in postsecondary education.

"(6) STAFFING OF THE NATIONAL DATA CENTER.—In hiring employees of the National Data Center, the National Data Center shall consider the

expertise and experience of prospective employees in creating and maintaining high quality national databases focused on the experiences and outcomes of individuals with disabilities.

"SEC. 903. REQUIREMENT FOR SUBMITTING DATA TO THE NATIONAL DATA CENTER.

"(a) DISABILITY CATEGORIES.—The National Data Center, the National Center for Students With Disabilities, and the National Center for Institutions of Higher Education shall adopt the following categories to describe data collected, analyzed, and disseminated about students with disabilities:

"(1) Attention Deficit Hyperactivity Disorder (ADHD).

"(2) Autism, including Asperger Syndrome.

"(3) Blind or visually impaired.

"(4) Brain Injury, including acquired brain injury and traumatic brain injury.

"(5) Deaf or hard of hearing.

"(6) Deaf-blind.

"(7) Intellectual disability.

"(8) Learning disability.

"(9) Long-term health condition.

"(10) Physical or mobility disability.

"(11) Psychiatric disability.

1 "(12) Speech or language disability.

2 "(13) Other disability.

3 "(b) DATA TO BE SUBMITTED.—Each institution of
4 higher education that receives funds under title IV shall
5 collect and submit the following data to the National Data
6 Center:

7 "(1) The institution's disability documentation
8 requirements.

9 "(2) The support services available at the insti-
10 tution.

11 "(3) Links to information about institutional fi-
12 nancial aid.

13 "(4) The institution's accommodations policies.

14 "(5) The institution's accessible instructional
15 materials.

16 "(6) Individual-level, de-identified data describ-
17 ing services and accommodations provided to stu-
18 dents with disabilities, as well as the retention and
19 graduation rates of students with disabilities who
20 sought disability services and accommodations from
21 the institution of higher education.

22 "(7) The institution's annual budget devoted to
23 providing disability supports, services, and accom-
24 modations.

"(8) Other information relevant to students with disabilities, as required by the Secretary.

"(c) DISAGGREGATION OF DATA.—Institutions of higher education submitting the data required under subsection (b) shall collect, organize, and submit such data in a way that supports disaggregation by the disability categories specified in subsection (a).

"(d) PUBLIC AVAILABILITY OF DATA.—All data submitted to the National Data Center by institutions of higher education in accordance with subsection (b) shall be made available to the public not later than 1 year after that data is submitted to the National Data Center.

"PART B—TRANSITION PROGRAMS FOR POSTSECONDARY STUDENTS WITH DISABILITIES

"Subpart 1—Inclusive Higher Education for Students With Intellectual Disabilities

"SEC. 911. PURPOSE; DEFINITIONS.

"(a) PURPOSE.—It is the purpose of this subpart to promote the successful transition of students with intellectual disabilities into higher education that leads to successful employment outcomes in the integrated, competitive workforce.

"(b) DEFINITIONS.—In this subpart:

"(1) INCLUSIVE HIGHER EDUCATION PROGRAM FOR STUDENTS WITH INTELLECTUAL DISABIL-

ITIES.—The term 'inclusive higher education program for students with intellectual disabilities' means a degree, certificate, or non-degree program that—

"(A) is offered by an institution of higher education;

"(B) is designed to support students with intellectual disabilities who are seeking to continue academic, career and technical, or independent living instruction at an institution of higher education in order to prepare for competitive integrated employment;

"(C) includes an advisement component and program of study;

"(D) requires students with intellectual disabilities to participate in work-based training or internships with nondisabled individuals; and

"(E) requires students with intellectual disabilities to participate, on not less than a half-time basis, each academic term (as determined by the institution), with such participation focusing on academic components and occurring through one or more of the following activities:

"(i) Regular enrollment in credit-bearing courses with nondisabled students offered by the institution.

"(ii) Auditing or participating in courses with nondisabled students offered by the institution for which the student does not receive regular academic credit.

"(iii) Enrollment in noncredit-bearing, nondegree courses with nondisabled students.

"(2) STUDENT WITH AN INTELLECTUAL DISABILITY.—The term 'student with an intellectual disability' means a student—

"(A) with a cognitive impairment, characterized by significant limitations in—

"(i) intellectual and cognitive functioning; and

"(ii) adaptive behavior as expressed in conceptual, social, and practical adaptive skills; and

"(B) who is currently, or was formerly, eligible for a free appropriate public education under the Individuals with Disabilities Education Act.

"SEC. 912. INCLUSIVE HIGHER EDUCATION PROGRAM FOR STUDENTS WITH INTELLECTUAL DISABILITIES.

"(a) GRANTS AUTHORIZED.—

"(1) IN GENERAL.—From amounts appropriated to carry out this section, the Secretary shall annually award grants, on a competitive basis, to institutions of higher education (or consortia of institutions of higher education), to enable the institutions or consortia to create or expand high quality, inclusive higher education programs for students with intellectual disabilities. The Secretary shall award grants under this section in a manner that ensures that new 5-year grants are awarded each fiscal year.

"(2) ADMINISTRATION.—The program under this section shall be administered by the Office of Postsecondary Education, in collaboration with the Office of Special Education and Rehabilitative Services.

"(3) DURATION OF GRANTS.—A grant under this section shall be awarded for a period of 5 years. An institution of higher education (or a consortium) is only eligible for one 5-year grant under this section. A recipient institution or consortium shall sustain the program carried out under this section after

the expiration of the grant period using funding from another source.

"(b) APPLICATION.—An institution of higher education (or a consortium) desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

"(c) AWARD BASIS.—In awarding grants under this section, the Secretary shall—

"(1) prohibit grantees from the 2010–2014 grant cycle under this section from competing for the 2014–2018 grant cycle, in order to generate a larger number of self-sustaining inclusive higher education programs for students with intellectual disabilities across the United States;

"(2) provide for an equitable geographic distribution of such grants;

"(3) to the greatest extent possible, provide for an equitable distribution of such grants between 4-year institutions of higher education and 2-year institutions of higher education, including community colleges;

"(4) provide grant funds for inclusive higher education programs for students with intellectual

disabilities that will serve areas that are underserved by programs of this type; and

"(5) give preference to applicants that agree to incorporate into the inclusive higher education programs for students with intellectual disabilities carried out under the grant, 1 or more of the following elements:

"(A) The formation of a partnership with any relevant State or local agency serving students with intellectual disabilities, such as a vocational rehabilitation agency.

"(B) In the case of an institution of higher education that provides institutionally owned or operated housing for students attending the institution, the integration of students with intellectual disabilities into the housing offered to nondisabled students.

"(C) The involvement of students attending the institution of higher education who are studying special education, general education, vocational rehabilitation, assistive technology, or related fields in the program.

"(d) USE OF FUNDS.—An institution of higher education (or a consortium) receiving a grant under this section shall use the grant funds to establish an inclusive

higher education program for students with intellectual disabilities that—

"(1) serves students with intellectual disabilities;

"(2) provides individual supports and services for the academic and social inclusion of students with intellectual disabilities in academic courses, extracurricular activities, and other aspects of the institution of higher education's regular postsecondary program;

"(3) with respect to the students with intellectual disabilities participating in the program, provides a focus on—

"(A) academic enrichment;

"(B) integrated socialization with non-disabled students;

"(C) independent living skills, including self-advocacy skills; and

"(D) integrated work experiences and career skills that lead to competitive integrated employment;

"(4) provides integrated person-centered planning in the development of the course of study for each student with an intellectual disability participating in the program;

"(5) participates with the inclusive higher education programs for students with intellectual disabilities coordinating center established under section 913 (referred to in this part as the 'coordinating center') in the evaluation of the program, including by regularly submitting data on the experiences and outcomes of individual students participating in the program;

"(6) partners with 1 or more local educational agencies to support students with intellectual disabilities participating in the program who are still eligible for special education and related services under the Individuals with Disabilities Education Act, including the use of funds available under part B of such Act to support the participation of such students in the program;

"(7) plans for the sustainability of the program after the end of the grant period;

"(8) offers an existing meaningful credential to students with intellectual disabilities upon completion of the inclusive program, or, if such credentials are not available, creates a meaningful credential that aligns with existing industry or discipline approved credentials to students with intellectual disabilities upon completion of the program; and

"(9) provides for the collection and transmission of data in accordance with subsection (e).

"(e) DATA COLLECTION AND TRANSITION.—

"(1) IN GENERAL.—An institution or consortium receiving a grant under this section shall collect, and transmit to the coordinating center on an annual basis and for each student who is enrolled in the program, student-level information related to the experiences and outcomes of students who participate in the inclusive higher education program for students with intellectual disabilities.

"(2) LONGITUDINAL DATA.—Each grantee shall collect longitudinal outcome data from former students who participated in the program and transmit such data to the coordinating center. Such longitudinal data shall be collected for every student each year for 5 years after the student graduates from, or otherwise exits, the program.

"(3) DATA TO BE COLLECTED.—The program-level information and data and student-level information and data to be collected under this subsection shall include—

"(A) the number and type of postsecondary education courses taken and completed by the student;

"(B) academic outcomes;

"(C) competitive, integrated employment outcomes;

"(D) independent living outcomes; and

"(E) social outcomes.

"(f) MATCHING REQUIREMENT.—An institution of higher education (or consortium) that receives a grant under this section shall provide matching funds toward the costs of the inclusive higher education program for students with intellectual disabilities carried out under the grant. Such matching funds may be provided in cash or in-kind, and shall be in an amount of not less than 25 percent of the amount of such costs.

"(g) REPORT.—Not later than 5 years after the date of the first grant awarded under this section, the Secretary shall prepare and disseminate a report to the authorizing committees and to the public that—

"(1) reviews the activities of the inclusive higher education programs for students with intellectual disabilities funded under this section; and

"(2) provides guidance and recommendations on how effective programs can be replicated.

"(h) RULE OF CONSTRUCTION.—Nothing in this subpart shall be construed to reduce or expand—

"(1) the obligation of a State or local educational agency to provide a free appropriate public education, as defined in section 602 of the Individuals with Disabilities Education Act; or

"(2) eligibility requirements under any Federal, State, or local disability law, including the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.), the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), or the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15001 et seq.).

"(i) AUTHORIZATION OF APPROPRIATIONS AND RESERVATION.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subpart such sums as may be necessary for fiscal year 2015 and each of the 5 succeeding fiscal years.

"(2) RESERVATION OF FUNDS.—For any fiscal year for which appropriations are made for this subpart, the Secretary shall reserve funds to enter into a cooperative agreement to establish the coordinating center under section 913(b), in an amount that is not less than $1,000,000. Not less than 40 percent of this sum shall be used for the administra-

tion of continued collection of data from inclusive higher education programs for students with intellectual disabilities grantees, and the dissemination efforts of such grantees, from earlier grant cycles.

"SEC. 913. COORDINATING CENTER FOR THE INCLUSIVE HIGHER EDUCATION PROGRAMS FOR STUDENTS WITH INTELLECTUAL DISABILITIES.

"(a) DEFINITION OF ELIGIBLE ENTITY.—In this subsection, the term 'eligible entity' means an entity, or a partnership of entities, that has demonstrated expertise in—

"(1) higher education;

"(2) the education of students with intellectual disabilities;

"(3) the development of inclusive higher education programs for students with intellectual disabilities; and

"(4) evaluation and technical assistance.

"(b) IN GENERAL.—From amounts appropriated under section 912(i)(2), the Secretary shall enter into a cooperative agreement with an eligible entity (determined on a competitive basis) for the purpose of establishing a coordinating center for institutions of higher education that offer inclusive higher education programs for students with intellectual disabilities (referred to in this sec-

1 tion as 'inclusive higher education programs'). The coordi-
2 nating center shall carry out the activities described in
3 subsection (e) and shall provide—

4 "(1) recommendations related to the develop-
5 ment of standards for inclusive higher education
6 programs;

7 "(2) technical assistance for such programs;
8 and

9 "(3) evaluations for such programs, including
10 systematic collection of data on the experiences and
11 outcomes of individuals with intellectual disabilities.

12 "(c) ADMINISTRATION.—The program under this sec-
13 tion shall be administered by the Office of Postsecondary
14 Education, in collaboration with the Office of Special Edu-
15 cation and Rehabilitative Services.

16 "(d) DURATION.—The Secretary shall enter into a
17 cooperative agreement, as described in subsection (b) for
18 a period of 5 years.

19 "(e) COORDINATING CENTER ACTIVITIES.—The co-
20 ordinating center established under subsection (b) shall
21 carry out the following activities:

22 "(1) Evaluating participant progress by cre-
23 ating and maintaining a database of student-level in-
24 formation and data related to the experiences and
25 outcomes of youth who participate in each inclusive

higher education program that receives a grant under this subpart. The program and student-level information and data that the coordinating center will collect and maintain in the database shall include the information described in section 912(e)(3).

''(2) Creating and maintaining a mechanism for continuing to collect outcome information from students who participated in inclusive higher education programs that were developed in previous grant award cycles.

''(3) Creating and maintaining a mechanism for collaborating with highly integrated, inclusive higher education programs from earlier grant cycles, with the purpose of disseminating and publicizing best practices for implementing such programs.

''(4) Serving as the technical assistance entity for all inclusive higher education programs for students with intellectual disabilities, including by providing technical assistance regarding the development, evaluation, and continuous improvement of such programs.

''(5) Developing an evaluation protocol for inclusive higher education programs that includes qualitative and quantitative methodologies for meas-

uring student outcomes and program strengths in the areas of—

"(A) inclusive academics;

"(B) socialization;

"(C) independent living; and

"(D) the achievement of competitive, integrated employment.

"(6) Assisting recipients of a grant under this subpart in efforts to consider how to ensure their meaningful credentials align with existing approved credentials and to seek institution of higher education approval for any newly developed credentials.

"(7) Developing recommendations for the necessary components of such programs, such as—

"(A) the development of academic, vocational, social, and independent living skills;

"(B) program administration and evaluation;

"(C) student eligibility; and

"(D) issues regarding the equivalency of a student's participation in such programs to semester, trimester, quarter, credit, or clock hours at an institution of higher education, as the case may be.

"(8) Analyzing possible funding streams for inclusive higher education programs and providing recommendations regarding those funding streams.

"(9) Developing model memoranda of agreement for use between or among institutions of higher education and State and local agencies providing funding for such programs.

"(10) Developing mechanisms for regular communication, outreach, and dissemination of information about inclusive higher education programs receiving a grant under this subpart between or among such programs and to families and prospective students who may wish to participate in such programs.

"(11) Hosting a meeting of all grant recipients not less often than once each year.

"(12) Convening a workgroup to—

"(A) develop and recommend model criteria, standards, and components of such programs, that are appropriate for the development of accreditation standards, that shall include—

"(i) an expert in higher education;

"(ii) an expert in special education;

"(iii) a disability organization that represents students with intellectual disabilities;

"(iv) a representative from the National Advisory Committee on Institutional Quality and Integrity; and

"(v) a representative of a regional or national accreditation agency or association; and

"(B) oversee the coordinating center staff in field testing such model criteria, standards, and components.

"(f) REPORT.—Not later than 2 years after the date of enactment of the Higher Education Affordability Act, the coordinating center shall report to the Secretary, the authorizing committees, and the National Advisory Committee on Institutional Quality and Integrity on the recommendations of the workgroup described in subsection (e)(12).

"Subpart 2—Transition Programs for Students Who Are Deaf-Blind

"SEC. 921. PURPOSE; DEFINITIONS.

"(a) PURPOSE.—It is the purpose of this subpart to support model demonstration programs that promote the successful transition of students who are deaf-blind into higher education and employment outcomes in integrated, competitive settings at the levels expected given their post-secondary education.

1 "(b) DEFINITIONS.—In this subpart:

2 "(1) COMPREHENSIVE TRANSITION AND POST-
3 SECONDARY PROGRAM FOR STUDENTS WHO ARE
4 DEAF-BLIND.—The term 'comprehensive transition
5 and postsecondary program for students who are
6 deaf-blind' means a degree, certificate, or nondegree
7 program of postsecondary education that—

8 "(A) is offered by an institution of higher
9 education;

10 "(B) is designed to support students who
11 are deaf-blind and who are seeking to continue
12 academic, career and technical, and inde-
13 pendent living instruction at an institution of
14 higher education in order to prepare for com-
15 petitive integrated employment;

16 "(C) includes an advising and curriculum
17 structure;

18 "(D) requires students who are deaf-blind
19 to participate in internships or work-based
20 training in competitive, integrated workplace
21 settings with nondisabled individuals; and

22 "(E) requires students who are deaf-blind
23 to participate in the program on not less than
24 a half-time basis, as determined by the institu-
25 tion, with such participation focusing on aca-

demic components and occurring through 1 or more of the following activities:

"(i) Regular enrollment in credit-bearing courses with nondisabled students offered by the institution.

"(ii) Auditing or participating in courses with nondisabled students offered by the institution for which the student does not receive regular academic credit.

"(iii) Enrollment in noncredit-bearing, nondegree courses with nondisabled students.

"(2) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given the term in section 101(a).

"(3) STUDENT WHO IS DEAF-BLIND.—The term 'student who is deaf-blind' means a student—

"(A)(i) who has a central visual acuity of 20/200 or less in the better eye with corrective lenses, or a field defect such that the peripheral diameter of visual field subtends an angular distance no greater than 20 degrees, or a progressive visual loss having a prognosis leading to one or both these conditions;

"(ii) who has a chronic hearing impairment so severe that most speech cannot be understood with optimum amplification, or a progressive hearing loss having a prognosis leading to this condition; and

"(iii) for whom the combination of impairments described in clauses (i) and (ii) cause extreme difficulty in attaining independence in daily life activities, achieving psychosocial adjustment, or obtaining a vocation; or

"(B) who despite the inability to be measured accurately for hearing and vision loss due to cognitive or behavioral constraints, can be determined through functional and performance assessments to have severe hearing and visual disabilities that cause extreme difficulty in attaining independence in daily life activities, achieving psychosocial adjustment, or obtaining a vocation.

"SEC. 922. MODEL COMPREHENSIVE TRANSITION AND POSTSECONDARY PROGRAMS FOR STUDENTS WHO ARE DEAF-BLIND.

"(a) GRANTS AUTHORIZED.—

"(1) IN GENERAL.—From amounts appropriated under section 951 and not reserved under

section 923(c), the Secretary shall annually award grants, on a competitive basis, to institutions of higher education, or consortia of institutions of higher education, to enable the institutions or consortia to create or expand high quality, inclusive model comprehensive transition and postsecondary programs for students who are deaf-blind. The Secretary shall award grants under this section in a manner that ensures that new 5-year grants are awarded each fiscal year.

"(2) ADMINISTRATION.—The program under this section shall be administered by the Office of Postsecondary Education, in collaboration with the Office of Special Education and Rehabilitative Services.

"(3) DURATION OF GRANTS.—A grant under this section shall be awarded for a period of 5 years. An institution of higher education (or a consortium of such institutions) is eligible for only one 5-year grant under this program.

"(b) APPLICATION.—An institution of higher education (or a consortium of such institutions) desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. Such in-

formation shall include a demonstration of how the institution or consortium intends to sustain the program after the end of the grant period, including an identification of other sources of funds for the program.

"(c) AWARD BASIS.—In awarding grants under this section, the Secretary shall—

"(1) provide for an equitable geographic distribution of such grants;

"(2) provide for an equitable distribution of such grants between 4-year degree-granting and 2-year degree-granting institutions of higher education;

"(3) provide grant funds for model comprehensive transition and postsecondary programs for students who are deaf-blind that will serve areas that are underserved by programs of this type; and

"(4) give preference to applications that agree to incorporate, into the model comprehensive transition and postsecondary program for students who are deaf-blind carried out under the grant, 1 or more of the following elements:

"(A) The formation of a partnership with any relevant agency serving students who are deaf-blind, such as a vocational rehabilitation agency.

"(B) In the case of an institution of higher education that provides institutionally owned or operated housing for students attending the institution, the integration of students who are deaf-blind into the housing offered to non-disabled students.

"(C) The involvement of students attending the institution of higher education who are studying special education, general education, vocational rehabilitation, assistive technology, or related fields in the model program.

"(d) USE OF FUNDS.—An institution of higher education (or consortium of such institutions) receiving a grant under this section shall use the grant funds to establish a model comprehensive transition and postsecondary program for students who are deaf-blind that—

"(1) provides individual supports and services for the academic and social inclusion of students who are deaf-blind in academic courses, extracurricular activities, and other aspects of the institution of higher education's regular postsecondary program;

"(2) with respect to the students who are deaf-blind and who are participating in the model program, provides a focus on—

"(A) academic enrichment;

"(B) integrated socialization with non-disabled students;

"(C) independent living skills, including self-advocacy skills; and

"(D) integrated work experiences and career skills that lead to competitive integrated employment;

"(3) provides integrated individual-centered planning in the development of the course of study for each student who is deaf-blind participating in the model program;

"(4) participates with the coordinating center established under section 923 in the evaluation of the model program, including regular submission of data on the experiences and outcomes of individual students participating in the program;

"(5) partners with 1 or more local educational agencies to support students who are deaf-blind participating in the model program who are still eligible for special education and related services under the Individuals with Disabilities Education Act, including the use of funds available under part B of such Act to support the participation of such students in the model program;

"(6) plans for the sustainability of the model program after the end of the grant period;

"(7) creates and offers a meaningful credential for students who are deaf-blind upon the completion of the model program; and

"(8) provides for the collection and transmission of data in accordance with subsection (e).

"(e) DATA COLLECTION.—

"(1) IN GENERAL.—An institution of higher education (or consortium of such institutions) receiving a grant under this section shall collect and transmit to the coordinating center established under section 923, on an annual basis, student information related to the experiences and outcomes of each student who participates in the comprehensive transition and postsecondary program for students who are deaf-blind.

"(2) LONGITUDINAL DATA.—In addition to the requirements of paragraph (1), each institution of higher education (or consortium of such institutions) shall implement a mechanism by which the institution or consortium will collect longitudinal outcomes data from former students who participate in the comprehensive transition and postsecondary program supported under this section, and transmit that data

to the coordinating center established under section 923. Such longitudinal data shall be collected for every student for the 5 years after the student graduates from, or otherwise exits, the program.

"(3) DATA TO BE COLLECTED.—The student information to be collected and transmitted under this subsection shall include—

"(A) the number and type of postsecondary education courses taken and completed by the student;

"(B) academic outcomes;

"(C) competitive, integrated employment outcomes;

"(D) independent living outcomes; and

"(E) social outcomes.

"(f) MATCHING REQUIREMENT.—An institution of higher education (or consortium of such institutions) that receives a grant under this section shall provide matching funds toward the cost of the model comprehensive transition and postsecondary program for students who are deaf-blind carried out under the grant. Such matching funds may be provided in cash or in-kind, and shall be in an amount of not less than 25 percent of the amount of such costs.

1 "(g) REPORT.—Not later than 5 years after the date
2 of the first grant awarded under this section, the Sec-
3 retary shall prepare and disseminate a report to the au-
4 thorizing committees and to the public that—
5 "(1) reviews the activities of the model com-
6 prehensive transition and postsecondary programs
7 for students who are deaf-blind that receive funds
8 under this section; and
9 "(2) provides guidance and recommendations
10 on how effective model programs can be replicated.
11 "(h) RULE OF CONSTRUCTION.—Nothing in this sec-
12 tion shall be construed to reduce or expand—
13 "(1) the obligation of a State or local edu-
14 cational agency to provide a free appropriate public
15 education, as defined in section 602 of the Individ-
16 uals with Disabilities Education Act; or
17 "(2) eligibility requirements under any Federal,
18 State, or local disability law, including the Ameri-
19 cans with Disabilities Act of 1990 (42 U.S.C. 12101
20 et seq.), the Rehabilitation Act of 1973 (29 U.S.C.
21 701 et seq.), or the Developmental Disabilities As-
22 sistance and Bill of Rights Act of 2000 (42 U.S.C.
23 15001 et seq.).

"SEC. 923. COORDINATING CENTER FOR THE MODEL COMPREHENSIVE TRANSITION AND POSTSECONDARY PROGRAMS FOR STUDENTS WHO ARE DEAF-BLIND.

''(a) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term 'eligible entity' means an entity, or a partnership of entities, that has demonstrated expertise in—

''(1) higher education;

''(2) the education of students who are deaf-blind;

''(3) the development of comprehensive transition and postsecondary programs for students who are deaf-blind; and

''(4) evaluation and technical assistance.

''(b) IN GENERAL.—From amounts appropriated to carry out this section that are reserved under subsection (c), the Secretary shall enter into a cooperative agreement, on a competitive basis, with an eligible entity for the purpose of establishing a coordinating center for institutions of higher education that offer inclusive comprehensive transition and postsecondary programs for students who are deaf-blind (referred to in this section as a 'coordinating center'). The coordinating center shall carry out the activities described in subsection (f) and shall provide—

"(1) recommendations related to the development of standards for such programs;

"(2) technical assistance for such programs; and

"(3) evaluations for such programs, including systematic collection of data on the experiences and outcomes of individuals who are deaf-blind.

"(c) RESERVATION OF FUNDS.—For any fiscal year for which appropriations are made for this subpart in an amount greater than $10,000,000, the Secretary shall reserve 4 percent of such funds to carry out this section. For any fiscal year for which appropriations are made for this subpart in an amount that is equal to or less than $10,000,000, the Secretary shall reserve not less than $400,000 to carry out this section. Not less than 40 percent of the amount reserved under this subsection shall be used for the administration of continued collection of data and dissemination of best practices, as described in paragraphs (2) and (3) of subsection (f).

"(d) ADMINISTRATION.—The program under this section shall be administered by the Office of Postsecondary Education, in collaboration with the Office of Special Education and Rehabilitative Services.

"(e) DURATION.—A cooperative agreement under this subsection shall be for a period of 5 years.

"(f) REQUIREMENTS OF COOPERATIVE AGREEMENT.—The coordinating center established under subsection (b) shall carry out the following activities:

"(1) Evaluating student progress by creating and maintaining a database of student-level information related to the experiences and outcomes of youth students who participate in each comprehensive transition and postsecondary program for students who are deaf-blind. The student-level information and data that the coordinating center will collect and maintain in the database shall include the information described in section 922(e)(3).

"(2) Creating and maintaining a mechanism for continuing to collect outcomes information from students participating in comprehensive programs that were developed in previous cycles of the program.

"(3) Creating and maintaining a mechanism for collaborating with highly integrated comprehensive programs with the purpose of disseminating and publicizing best practices for implementing comprehensive transition and postsecondary programs for students who are deaf-blind.

"(4) Serving as the technical assistance entity for all comprehensive transition and postsecondary programs for students who are deaf-blind, including

by providing technical assistance regarding the development, evaluation, and continuous improvement of such comprehensive programs.

"(5) Developing an evaluation protocol for such programs that includes qualitative and quantitative methodologies for measuring student outcomes and program strengths in the areas of—

"(A) academic enrichment;

"(B) socialization;

"(C) independent living, and

"(D) the attainment of competitive or supported employment by students who participate in the program.

"(6) Assisting recipients of grants under this subpart in efforts to award a meaningful credential to students who are deaf-blind upon the completion of a comprehensive program, which credential shall take into consideration unique State factors.

"(7) Developing recommendations for the necessary components of such programs, such as—

"(A) development of academic, career and technical, social, and independent living skills;

"(B) program administration and evaluation;

"(C) student eligibility; and

"(D) issues regarding the equivalency of a student's participation in such programs to semester, trimester, quarter, credit, or clock hours at an institution of higher education, as the case may be.

"(8) Analyzing possible funding streams for such programs and providing recommendations regarding the funding streams.

"(9) Developing model memoranda of agreement for use between or among institutions of higher education and State and local agencies providing funding for such programs.

"(10) Developing mechanisms for regular communication, outreach, and dissemination of information about comprehensive transition and postsecondary programs for students who are deaf-blind that receive funds under section 922 between or among such programs and to families and prospective students.

"(11) Hosting a meeting of all recipients of grants under section 922 not less often than once each year.

"(12) Convening a workgroup to develop and recommend model criteria, standards, and components of such programs that are appropriate for the

development of accreditation standards. The workgroup shall include—

"(A) an expert in higher education;

"(B) an expert in special education;

"(C) a disability organization that represents students who are deaf-blind;

"(D) a representative from the National Advisory Committee on Institutional Quality and Integrity; and

"(E) a representative of a regional or national accreditation agency or association.

"(g) REPORT.—Not later than 2 years after the date of enactment of the Higher Education Affordability Act, the coordinating center shall report to the Secretary, the authorizing committees, and the National Advisory Committee on Institutional Quality and Integrity on the recommendations of the workgroup described in subsection (f)(12).

"PART C—PROVIDING ACCESSIBLE INSTRUCTIONAL MATERIALS TO STUDENTS WITH DISABILITIES ON COLLEGE CAMPUSES

"SEC. 931. GUIDELINES FOR ACCESSIBLE INSTRUCTIONAL MATERIALS.

"(a) PURPOSE.—The purpose of this section is to authorize the Architectural and Transportation Barriers

1 Compliance Board (referred to in this section as the 'Ac-
2 cess Board') to establish guidelines for accessible instruc-
3 tional materials that will be used in postsecondary edu-
4 cation settings.

5 "(b) IN GENERAL.—Not later than 18 months after
6 the date of enactment of Higher Education Affordability
7 Act, the Access Board (established pursuant to section
8 502 of the Rehabilitation Act of 1973 (29 U.S.C. 792))
9 shall establish guidelines for the accessibility of all instruc-
10 tional materials for students who are attending institu-
11 tions of higher education that receive funds under title IV,
12 including electronic instructional materials and related in-
13 formation technologies. Such guidelines shall—

14 "(1) include performance criteria to ensure that
15 such materials and technologies are accessible to
16 students with disabilities, as defined in section 3 of
17 the Americans with Disabilities Act of 1990 (42
18 U.S.C. 12102); and

19 "(2) if applicable, be consistent with the stand-
20 ards for technical and functional performance cri-
21 teria issued pursuant to section 508(a)(2)(A)(ii) of
22 the Rehabilitation Act of 1973 (29 U.S.C.
23 794d(a)(2)(A)(ii)).

24 "(c) HARMONIZATION WITH NATIONAL AND INTER-
25 NATIONAL STANDARDS.—The Access Board shall, to the

extent practicable, ensure that the guidelines established under subsection (b) are consistent with national and international accessibility standards for electronic instructional materials and related information technologies.

"(d) REVIEW AND AMENDMENT.—Not later than 3 years after the effective date of the guidelines described in subsection (b), and every 3 years thereafter, the Access Board shall review and, as appropriate, amend such guidelines to reflect technological advances or changes in instructional materials and related information technologies.

"(e) SAFE HARBOR PROTECTIONS.—An institution of higher education that uses instructional materials that comply with the accessibility guidelines described in subsection (b) shall be deemed to be in compliance with the non-discrimination provisions in section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and titles II and III of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq., 42 U.S.C. 12181 et seq.) with respect to the use of such materials.

"(f) NONCOMPLIANT INSTRUCTIONAL MATERIALS.—Nothing in this section shall be construed to require an institution of higher education to use instructional materials that conform to the accessibility guidelines described in subsection (b). If an institution of higher education chooses not to provide materials that conform to the acces-

sibility guidelines described in subsection (b), such institution of higher education shall provide an assurance to the Secretary that the institution of higher education will provide instructional materials in a manner that is equally effective, integrated, and timely, and provides for a substantially equivalent ease of use, as compared to the manner in which such materials or technologies are provided to non-disabled students.

"SEC. 932. DEMONSTRATION PROGRAM FOR IMPROVED POSTSECONDARY INSTRUCTIONAL MATERIALS IN SPECIALIZED FORMATS.

''(a) PURPOSE.—It is the purpose of this section to support model demonstration programs for the purpose of—

''(1) encouraging the development of systems to improve the quality of postsecondary instructional materials in specialized formats;

''(2) encouraging the timely delivery of such materials to postsecondary students with print disabilities; and

''(3) improving efficiency and reducing duplicative efforts across multiple institutions of higher education relating to the development and delivery of such materials.

1 "(b) DEFINITION OF ELIGIBLE PARTNERSHIP.—In
2 this section, the term 'eligible partnership' means a part-
3 nership that—
4 "(1) shall include—
5 "(A) an institution of higher education
6 with demonstrated expertise in meeting the
7 needs of students with print disabilities, includ-
8 ing the retention of such students in, and such
9 students' completion of, postsecondary edu-
10 cation; and
11 "(B) a public or private entity, other than
12 an institution of higher education, with—
13 "(i) demonstrated expertise in devel-
14 oping accessible instructional materials in
15 specialized formats for postsecondary stu-
16 dents with print disabilities; and
17 "(ii) the technical development exper-
18 tise necessary for the efficient dissemina-
19 tion of such materials, including proce-
20 dures to protect against copyright infringe-
21 ment with respect to the creation, use, and
22 distribution of instructional materials in
23 specialized formats; and
24 "(2) may include representatives of the pub-
25 lishing industry.

"(c) PROGRAM AUTHORIZED.—From amounts appropriated to carry out this section, the Secretary shall award grants or contracts, on a competitive basis, to not less than 1 eligible partnership to enable the eligible partnership to carry out the activities described in subsection (f) and, as applicable, subsection (g).

"(d) APPLICATION.—An eligible partnership that desires a grant or contract under this section shall submit an application at such time, in such manner, and in such format as the Secretary may prescribe. The application shall include information on how the eligible partnership will implement activities under subsection (f) and, as applicable, subsection (g).

"(e) PRIORITY.—In awarding grants or contracts under this section, the Secretary shall give priority to any applications that include a plan for the development and implementation of the procedures and approaches described in paragraphs (2) and (3) of subsection (g).

"(f) REQUIRED ACTIVITIES.—An eligible partnership that receives a grant or contract under this section shall use the grant or contract funds to carry out the following:

"(1) Supporting the development and implementation of the following:

"(A) Processes and systems to help identify, and verify the eligibility of, postsecondary

students with print disabilities in need of instructional materials in specialized formats.

"(B) Procedures and systems to facilitate and simplify the methods through which eligible students described in subparagraph (A) may request accessible instructional materials in specialized formats, which may include a single point-of-entry system.

"(C) Procedures and systems to coordinate among institutions of higher education, publishers of instructional materials, and entities that produce materials in specialized formats, to efficiently facilitate—

"(i) requests for such materials;

"(ii) the responses to such requests; and

"(iii) the delivery of such materials.

"(D) Delivery systems that will ensure the timely provision of instructional materials in specialized formats to eligible students, which may include electronic file distribution.

"(E) Systems to reduce duplicative conversions and improve sharing of the same instructional materials in specialized formats for mul-

tiple eligible students at multiple institutions of higher education.

"(F) Procedures to protect against copyright infringement with respect to the development, use, and distribution of instructional materials in specialized formats while maintaining accessibility for eligible students, which may include digital technologies such as watermarking, fingerprinting, and other emerging approaches.

"(G) Awareness, outreach, and training activities for faculty, staff, and students related to the acquisition and dissemination of instructional materials in specialized formats and instructional materials utilizing universal design.

"(2) Providing recommendations on how effective procedures and systems described in paragraph (1) may be disseminated and implemented on a national basis.

"(g) AUTHORIZED APPROACHES.—An eligible partnership that receives a grant or contract under this section may use the grant or contract funds to support the development and implementation of the following:

"(1) Approaches for the provision of instructional materials in specialized formats limited to instructional materials used in smaller categories of

postsecondary courses, such as introductory, first-year courses, and second-year courses.

"(2) Approaches supporting a unified search for instructional materials in specialized formats across multiple databases or lists of available materials.

"(3) Market-based approaches for making instructional materials in specialized formats directly available to eligible students at prices comparable to standard instructional materials.

"(h) REPORT.—Not later than 3 years after the date that the first grant or contract is awarded under this section, the Secretary shall submit to the authorizing committees a report that includes—

"(1) the number of grants and contracts and the amount of funds distributed under this section;

"(2) a summary of the purposes for which the grants and contracts were provided and an evaluation of the progress made under such grants and contracts;

"(3) a summary of the activities implemented under subsection (f) and, as applicable, subsection (g), including data on the number of postsecondary students with print disabilities served and the number of instructional material requests executed and delivered in specialized formats; and

"(4) an evaluation of the effectiveness of programs funded under this section.

"(i) REQUIREMENT FOR PRODUCERS OF INSTRUCTIONAL MATERIALS.—Producers of instructional materials for the postsecondary education market that are involved in or affecting interstate commerce, produce such materials for institutions of higher education that receive Federal funds, and incorporate synchronized audio and visual formats (including DVDs, CDs, video, web video, and similar formats) shall provide closed captions or subtitles.

"PART D—COMMISSION ON SERVING AND SUPPORTING STUDENTS WITH PSYCHIATRIC DISABILITIES IN INSTITUTIONS OF HIGHER EDUCATION

"SEC. 941. COMMISSION ON SERVING AND SUPPORTING STUDENTS WITH PSYCHIATRIC DISABILITIES IN INSTITUTIONS OF HIGHER EDUCATION.

"(a) ESTABLISHMENT OF ADVISORY COMMISSION ON SERVING AND SUPPORTING STUDENTS WITH PSYCHIATRIC DISABILITIES ON COLLEGE CAMPUSES.—

"(1) IN GENERAL.—The Secretary shall establish a commission to be known as the Advisory Commission on Serving and Supporting Students with Psychiatric Disabilities in Institutions of Higher

Education (referred to in this section as the 'Commission').

"(2) MEMBERSHIP.—

"(A) TOTAL NUMBER OF MEMBERS.—The Commission shall include not more than 15 members, who shall be appointed by the Secretary in accordance with subparagraphs (B) and (C).

"(B) MEMBERS OF THE COMMISSION.—The Commission members shall include 1 representative from each of the following categories:

"(i) The Office of Postsecondary Education of the Department.

"(ii) The Office of Special Education and Rehabilitative Services of the Department.

"(iii) The Office for Civil Rights of the Department.

"(iv) The National Council on Disability.

"(v) The Association on Higher Education and Disability, or a similar organization, as determined by the Secretary.

"(vi) The Protection and Advocacy for Individuals with Mental Illness program of the National Disability Rights Network, or a similar program, as determined by the Secretary.

"(vii) A national organization representing postsecondary education students with psychiatric disabilities.

"(C) ADDITIONAL MEMBERS OF THE COMMISSION.—The Commission members shall include 4 representatives from each of the following categories:

"(i) Staff from institutions of higher education with demonstrated experience in successfully supporting the retention and graduation of students with psychiatric disabilities. With respect to the 4 members appointed under this clause—

"(I) 1 member shall be a staff member of a 2-year degree-granting institution and 1 member shall be a staff member from a 4-year degree-granting institution; and

"(II) the 4 members selected shall represent institutions of differing sizes.

"(ii) Individuals with psychiatric disabilities, including not less than 2 currently enrolled postsecondary education students.

"(D) TIMING.—The Secretary shall establish the Commission and appoint the members of the Commission not later than 120 days after the date of enactment of the Higher Education Affordability Act.

"(3) CHAIRPERSON AND VICE CHAIRPERSON.—The Commission shall select a chairperson and vice chairperson from among the members of the Commission.

"(4) MEETINGS.—

"(A) IN GENERAL.—The Commission shall meet at the call of the Chairperson.

"(B) FIRST MEETING.—Not later than 60 days after the appointment of the members of the Commission under paragraph (2), the Commission shall hold the Commission's first meeting.

"(5) QUORUM.—A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

"(b) DUTIES OF THE COMMISSION.—

"(1) STUDY.—

"(A) IN GENERAL.—The Commission shall conduct a comprehensive study to—

"(i) assess the barriers and systemic issues that may affect, and support- and service-delivery solutions that may improve, the rates of retention and graduation for postsecondary students with psychiatric disabilities; and

"(ii) make recommendations related to the development of a comprehensive approach to improve the opportunities for postsecondary students with psychiatric disabilities to receive services and supports that optimize their rates of retention and graduation.

"(B) EXISTING INFORMATION.—To the extent practicable, in carrying out the study under this paragraph, the Commission shall identify and use existing research, recommenda-

tions, and information, as of the time of the study.

"(C) RECOMMENDATIONS.—Based on the findings of the study under subparagraph (A), the Commission shall develop recommendations—

"(i) to inform Federal regulations and legislation regarding the recruitment, retention, and support of students with psychiatric disabilities at institutions of higher education; and

"(ii) to identify best practices for serving and supporting students with psychiatric disabilities in postsecondary settings, and maintaining the privacy protections provided under the regulations promulgated under section 264(c) of the Health Insurance Portability and Accountability Act of 1996 (Public Law 104–191; 110 Stat. 2033) and section 444 of the General Education Provisions Act (commonly referred to as the 'Family Educational Rights and Privacy Act of 1974').

"(2) REPORT.—Not later than 1 year after the first meeting of the Commission, the Commission

shall submit a report to the Secretary and the authorizing committees describing the findings and recommendations of the study conducted under paragraph (1).

"(3) DISSEMINATION OF INFORMATION.—In carrying out the study under paragraph (1), the Commission shall disseminate a final report through—

"(A) the National Technical Assistance Centers established under sections 901 and 902; and

"(B) other means, as determined by the Commission.

"(c) TERMINATION OF THE COMMISSION.—The Commission shall terminate on the date that is 90 days after the date on which the Commission submits the report under subsection (b)(2) to the Secretary and the authorizing committees.

"PART E—AUTHORIZATION OF APPROPRIATIONS

"SEC. 951. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to carry out this title such sums as may be necessary for fiscal year 2015 and each of the 5 succeeding fiscal years.".

TITLE X—AMENDMENTS TO OTHER LAWS

PART A—TRUTH IN LENDING ACT

Subpart 1—Definitions

SEC. 1010. DEFINITIONS.

In this part—

(1) the terms ''alternative repayment arrangement'', ''billing group'', ''postsecondary education loan'', and ''student loan servicer'' have the meanings given those terms in section 188 of the Truth in Lending Act, as added by section 1016;

(2) the term ''appropriate committees of Congress'' means—

(A) the Committee on Banking, Housing, and Urban Affairs of the Senate;

(B) the Committee on Health, Education, Labor, and Pensions of the Senate;

(C) the Committee on Financial Services of the House of Representatives; and

(D) the Committee on Education and the Workforce of the House of Representatives;

(3) the term ''Bureau'' means the Bureau of Consumer Financial Protection; and

(4) the term ''private education loan'' has the meaning given that term in section 140(a) of the Truth in Lending Act (15 U.S.C. 1650(a)).

Subpart 2—Amendments to Truth in Lending Act

SEC. 1011. EXEMPTED TRANSACTIONS.

Section 104 of the Truth in Lending Act (15 U.S.C. 1603) is amended—

(1) in the matter preceding paragraph (1), by striking ''This title'' and inserting ''(a) IN GENERAL.—This title''; and

(2) by adding at the end the following:

''(b) RULE OF CONSTRUCTION.—Nothing in subsection (a) shall prevent or be construed to prevent the provisions of chapter 6 from applying to any postsecondary education lender, loan holder, or student loan servicer (as those terms are defined in section 188).''.

SEC. 1012. MANDATORY CERTIFICATION.

(a) AMENDMENTS.—Section 128(e) of the Truth in Lending Act (15 U.S.C. 1638(e)) is amended—

(1) by striking paragraph (3) and inserting the following:

''(3) INSTITUTIONAL CERTIFICATION REQUIRED.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), before a creditor may issue

1 any funds with respect to an extension of credit
2 described in this subsection, the creditor shall
3 obtain from the relevant institution of higher
4 education at which such loan is to be used for
5 a student, such institution's certification of—
6 "(i) the enrollment status of the stu-
7 dent;
8 "(ii) the student's cost of attendance
9 at the institution as determined by the in-
10 stitution under part F of title IV of the
11 Higher Education Act of 1965 (20 U.S.C.
12 1087kk et seq.); and
13 "(iii) the difference between—
14 "(I) such cost of attendance; and
15 "(II) the student's estimated fi-
16 nancial assistance, including financial
17 assistance received under title IV of
18 the Higher Education Act of 1965 (20
19 U.S.C. 1070 et seq.) if the student
20 pursued such assistance, and other fi-
21 nancial assistance known to the insti-
22 tution, as applicable.
23 "(B) LIMITATION ON EXTENSION OF
24 CREDIT.—A creditor shall not issue funds with
25 respect to an extension of credit described in

this subsection in an amount that is greater than the amount described in subparagraph (A)(iii).

"(C) EXCEPTION.—Notwithstanding subparagraph (A), a creditor may issue funds with respect to an extension of credit described in this subsection without obtaining from the relevant institution of higher education such institution's certification if such institution fails to provide within 15 business days of the creditor's request for such certification—

"(i) the requested certification;

"(ii) a notification of a refusal to certify pursuant to section 487(a)(28)(A)(i)(II) of the Higher Education Act of 1965 (20 U.S.C. 1094(a)(28)(A)(i)(II)); or

"(iii) notification that the institution has received the request for certification and will need additional time to comply with the certification request.

"(D) LOANS DISBURSED WITHOUT CERTIFICATION.—If a creditor issues funds without obtaining a certification, as described in subparagraph (C), such creditor shall report the

issuance of such funds in a manner determined by the Director of the Bureau.'';

(2) by redesignating paragraphs (9), (10), and (11) as paragraphs (10), (11), and (12), respectively;

(3) by inserting after paragraph (8) the following:

''(9) PROVISION OF INFORMATION.—

''(A) PROVISION OF INFORMATION TO STUDENTS.—

''(i) LOAN STATEMENT.—A creditor that issues any funds with respect to an extension of credit described in this subsection shall send loan statements, where such loan is to be used for a student, to borrowers of such funds not less than once every 3 months during the time that such student is enrolled at an institution of higher education.

''(ii) CONTENTS OF LOAN STATEMENT.—Each statement described in clause (i) shall—

''(I) report the borrower's total remaining principal balance, including

accrued but unpaid interest and capitalized interest;

"(II) report any increases in the principal balance since the last statement; and

"(III) list the current interest rate for each loan.

"(B) NOTIFICATION OF LOANS DISBURSED WITHOUT CERTIFICATION.—On or before the date a creditor issues any funds with respect to an extension of credit described in this subsection, the creditor shall notify the relevant institution of higher education, in writing, of the amount of the extension of credit and the student on whose behalf credit is extended. The form of such written notification shall be subject to the regulations of the Bureau of Consumer Financial Protection.

"(C) ANNUAL REPORT.—

"(i) IN GENERAL.—A creditor that offers to issue funds with respect to an extension of credit described in this subsection shall prepare and submit an annual report to the Bureau of Consumer Financial Protection containing the required in-

formation about private education loans described in clause (ii).

"(ii) INFORMATION TO BE INCLUDED.—Each annual report required under clause (i) shall include the following information:

"(I) The number of borrowers who request a private education loan who have not exhausted the financial assistance available under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

"(II) The number of borrowers who request a private education loan above the cost of attendance.

"(III) The number of borrowers who request a private education loan who have not exhausted their financial assistance available under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) who then after the institutional certification process under section 487(a)(28)(A) of the Higher Education Act of 1965 (20 U.S.C. 1094(a)(28)(A)) is complete,

reduce the amount of their private education loan.

"(IV) The number of borrowers who request a private education loan who have not exhausted their financial assistance available under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) who then after the institutional certification process under section 487(a)(28)(A) of the Higher Education Act of 1965 (20 U.S.C. 1094(a)(28)(A)) is complete, do not take out a private education loan.

"(V) Any other information the Bureau of Consumer Financial Protection, in consultation with the Secretary of Education, requires."; and

(4) by adding at the end the following:

"(13) PRIVATE EDUCATION LOAN INFORMATION IN THE NATIONAL STUDENT LOAN DATA SYSTEM.—

"(A) INFORMATION FROM LENDER.—Each private educational lender shall submit to the Director of the Bureau and the Secretary of Education for inclusion in the National Student

Loan Data System established under section 485B of the Higher Education Act of 1965 (20 U.S.C. 1092b) such information as may be determined necessary by the Director and the Secretary under subparagraph (B).

"(B) PROMULGATION OF REGULATION.—Not later than 1 year after the date of enactment of the Higher Education Affordability Act, the Director, in coordination with the Secretary of Education, shall promulgate a regulation regarding the private education loan information required to be submitted under subparagraph (A), including what private education loan information shall be required to be submitted and the method and format for submission.

"(14) ADDITIONAL ELECTRONIC DISCLOSURES.—

"(A) AVAILABILITY OF AGREEMENTS.—

"(i) IN GENERAL.—Each private educational lender shall establish and maintain an Internet site on which the private educational lender shall post the written agreement between the private educational lender and the borrower for each private

education loan account. Each private educational lender shall also describe the number of private education loans, along with the average loan amount at the time of disbursement, associated with each private education loan of the borrower.

"(ii) PROTECTION OF INDIVIDUAL BORROWER INFORMATION.—A private educational lender may not post individual borrower information on the Internet site established and maintained under clause (i).

"(B) PROVISION OF AGREEMENTS TO BUREAU.—

"(i) IN GENERAL.—Each private educational lender shall provide to the Bureau, in electronic format, the private education loan agreements that it publishes on the Internet site of the private educational lender pursuant to subparagraph (A).

"(ii) RECORD REPOSITORY.—The Bureau shall establish and maintain on the publicly available Internet site of the Bureau a central repository of the private education loan agreements received by the

Bureau pursuant to clause (i), which shall be easily accessible and retrievable by the public.

"(iii) PROTECTION OF INDIVIDUAL BORROWER INFORMATION.—The Bureau may not post individual borrower information on the Internet site described in clause (ii).

"(C) EXCEPTION.—This paragraph does not apply to individually negotiated changes to contractual terms, including individually modified workouts or renegotiations of amounts owed by a borrower under a private educational loan.

"(D) REGULATIONS.—The Bureau may, in consultation with the other Federal banking agencies (as that term is defined in section 603 of the Truth in Lending Act (15 U.S.C. 1681a)), issue regulations to implement this paragraph, including regulations—

"(i) specifying the format in which a private educational lender shall publish private education loan agreements on the Internet site of the private educational lender; and

"(ii) establishing exceptions to subparagraphs (A) and (B)(i) in any case in which the administrative burden outweighs the benefit of increased transparency, including when a postsecondary education loan product has a de minimis number of consumer account holders.

"(15) PREDISPUTE AGREEMENTS AND WAIVERS.—

"(A) IN GENERAL.—A borrower may not waive any right or remedy relating to a private education loan that is available to the borrower against a private educational lender, postsecondary education lender, loan holder, or student loan servicer (as such terms are defined in section 188) before the dispute as to which the right or remedy relates arises. Any such waiver agreed to before, on, or after the date of enactment of the Higher Education Affordability Act shall not be enforceable and shall have no force or effect.

"(B) PREDISPUTE ARBITRATION AGREEMENTS.—An agreement entered before, on, or after the date of enactment of the Higher Education Affordability Act to arbitrate a dispute

relating to a private education loan that had not arisen at the time the agreement was entered shall not be enforceable and shall have no force or effect.

"(16) DISCHARGE OF PRIVATE EDUCATION LOANS IN THE EVENT OF DEATH OR DISABILITY OF THE BORROWER.—Each private education loan shall include terms that provide that the liability to repay the loan shall be cancelled—

"(A) upon the death of the borrower;

"(B) if the borrower becomes permanently and totally disabled, as determined under paragraph (1) or (3) of section 437(a) of the Higher Education Act of 1965 (20 U.S.C. 1087(a)) and the regulations promulgated by the Secretary of Education under that section; and

"(C) if the Secretary of Veterans Affairs or the Secretary of Defense determines that the borrower is unemployable due to a service-connected condition or disability, in accordance with the requirements of section 437(a)(2) of that Act and the regulations promulgated by the Secretary of Education under that section.".

(b) REGULATIONS.—Not later than 1 year after the date of enactment of this Act, the Director of the Bureau of Consumer Financial Protection shall issue final regulations implementing paragraphs (3) and (9) of section 128(e) of the Truth in Lending Act (15 U.S.C. 1638(e)), as amended by subsection (a). Such regulations shall become effective not later than 6 months after their date of issuance.

(c) REPORT ON MANDATORY CERTIFICATION.—Not later than 2 years after the issuance of the regulations required under subsection (b), and at any other time determined appropriate by the Director of the Bureau of Consumer Financial Protection and the Secretary of Education jointly, the Director and the Secretary shall jointly submit to Congress a report on the compliance of institutions of higher education and private educational lenders with section 128(e)(3) of the Truth in Lending Act (15 U.S.C. 1638(e)), as amended by subsection (a), and section 487(a)(28) of the Higher Education Act of 1965 (20 U.S.C. 1094(a)(28)), as amended by section 491(b). Such report shall be based on the annual reports submitted under section 128(e)(9) of the Truth in Lending Act, as amended by subsection (a), and shall include information about the degree to which specific institutions utilize certifications in effectively encouraging the exhaustion of

Federal student loan eligibility and lowering student private education loan debt.

SEC. 1013. CIVIL LIABILITY.

Section 130 of the Truth in Lending Act (15 U.S.C. 1640) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by inserting ''and any postsecondary education lender, loan holder, or student loan servicer (as such terms are defined in section 188) who fails to comply with any requirement imposed under chapter 6 with respect to any person'' before ''is liable to such person'';

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) by striking ''; or (iv)'' and inserting '', or (iv)''; and

(II) by inserting '', or (v) in the case of a postsecondary education lender, loan holder, or student loan servicer (as such terms are defined in section 188) who fails to comply with any requirement imposed under chapter 6, not less than $400 or greater

than $4,000'' before the semicolon; and

(ii) in subparagraph (B), by inserting '', postsecondary education lender, loan holder, or student loan servicer'' after ''creditor'' each place it appears; and

(C) in the matter following paragraph (4)—

(i) in the first sentence—

(I) by inserting '', postsecondary education lender, loan holder, or student loan servicer'' after ''creditor'' each place it appears; and

(II) by striking ''creditor's failure'' and inserting ''failure by the creditor, postsecondary education lender, loan holder, or student loan servicer'';

(ii) in the fourth sentence, by inserting ''other than the disclosures required under section 128(e)(12),'' after ''referred to in section 128,''; and

(iii) in the fifth sentence, by inserting '', postsecondary education lender, loan

holder, or student loan servicer'' after ''creditor'';

(2) in subsection (c), by striking ''creditor or assignee'' each place it appears and inserting ''creditor, assignee, postsecondary education lender, loan holder, or student loan servicer'';

(3) in subsection (e), as amended by sections 1416(b) and 1422 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111–203)—

(A) in the second sentence, by inserting ''or chapter 6'' after ''section 129, 129B, or 129C''; and

(B) in the fourth sentence, by inserting ''or chapter 6'' after ''or 129H''; and

(4) in subsection (h)—

(A) by striking ''creditor or assignee'' and inserting ''creditor, assignee, postsecondary education lender, loan holder, or student loan servicer''; and

(B) by striking ''creditor's or assignee's liability'' and inserting ''liability of the creditor, assignee, postsecondary education lender, loan holder, or student loan servicer''.

SEC. 1014. DEFINITION OF PRIVATE EDUCATION LOAN.

Section 140(a)(7)(A) of the Truth in Lending Act (15 U.S.C. 1650(a)(7)(A)) is amended—

(1) in clause (i), by striking ''and'' after the semicolon;

(2) by redesignating clause (ii) as clause (iii); and

(3) by adding after clause (i) the following:

''(ii) is not made, insured, or guaranteed under title VII or title VIII of the Public Health Service Act (42 U.S.C. 292 et seq. and 296 et seq.); and''.

SEC. 1015. REVENUE SHARING AND DISCLOSURE OF AFFILIATION.

Chapter 2 of title I of the Truth in Lending Act (15 U.S.C. 1631 et seq.) is amended by adding at the end the following:

''SEC. 140B. PREVENTING UNFAIR AND DECEPTIVE MARKETING OF CONSUMER FINANCIAL PRODUCTS AND SERVICES TO STUDENTS OF INSTITUTIONS OF HIGHER EDUCATION.

''(a) DEFINITIONS.—In this section:

''(1) AFFILIATE.—The term 'affiliate' means any person that controls, is controlled by, or is under common control with another person.

''(2) AFFILIATED.—

"(A) IN GENERAL.—The term 'affiliated', when used with respect to a consumer financial product or service and an institution of higher education, means an association between such institution and product or service resulting from—

"(i) the name, emblem, mascot, or logo of the institution being used with respect to such product or service; or

"(ii) some other word, picture, or symbol readily identified with the institution in the marketing of the consumer financial product or service in any way that implies that the institution endorses the consumer financial product or service.

"(B) RULE OF CONSTRUCTION.—Nothing in subparagraph (A) shall be construed to deem an association between an institution of higher education and a consumer financial product or service to be affiliated if such association is solely based on an advertisement by a financial institution that is delivered to a wide and general audience consisting of more than enrolled students at the institution of higher education.

"(3) CONSUMER FINANCIAL PRODUCT OR SERVICE.—The term 'consumer financial product or service' has the meaning given the term in section 1002 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5481).

"(4) FINANCIAL INSTITUTION.—The term 'financial institution' means—

"(A) any person that engages in offering or providing a consumer financial product or service; and

"(B) any affiliate of such person described in subparagraph (A) if such affiliate acts as a service provider to such person.

"(5) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given that term in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002).

"(6) PERSON.—The term 'person' means an individual, partnership, company, corporation, association (incorporated or unincorporated), trust, estate, cooperative organization, or other entity.

"(7) REVENUE-SHARING ARRANGEMENT.—The term 'revenue-sharing arrangement'—

"(A) means an arrangement between an institution of higher education and a financial institution under which—

"(i) a financial institution provides or issues a consumer financial product or service to college students attending the institution of higher education;

"(ii) the institution of higher education recommends, promotes, sponsors, or otherwise endorses the financial institution, or the consumer financial products or services offered by the financial institution; and

"(iii) the financial institution pays a fee or provides other material benefits, including revenue or profit sharing, to the institution of higher education, or to an officer, employee, or agent of the institution of higher education, in connection with the consumer financial products and services provided to college students attending the institution of higher education; and

"(B) does not include an arrangement solely based on a financial institution paying a fair market price to an institution of higher

education for the institution of higher education to advertise or market the financial institution to the general public.

''(8) SERVICE PROVIDER.—The term 'service provider'—

''(A) means any person that provides a material service to another person in connection with the offering or provision by such other person of a consumer financial product or service, including a person that—

''(i) participates in designing, operating, or maintaining the consumer financial product or service; or

''(ii) processes transactions relating to the consumer financial product or service (other than unknowingly or incidentally transmitting or processing financial data in a manner that such data is undifferentiated from other types of data of the same form as the person transmits or processes); and

''(B) does not include a person solely by virtue of such person offering or providing to another person—

"(i) a support service of a type provided to businesses generally or a similar ministerial service; or

"(ii) time or space for an advertisement for a consumer financial product or service through print, newspaper, or electronic media.

"(b) DISCLOSURE OF AFFILIATION.—

"(1) REPORTS BY FINANCIAL INSTITUTIONS.—

"(A) IN GENERAL.—Not later than 180 days after the date of enactment of the Higher Education Affordability Act, and annually thereafter, each financial institution shall submit a report to the Bureau containing the terms and conditions of all business, marketing, and promotional agreements that the financial institution has with any institution of higher education, or an alumni organization or foundation that is an affiliate of or related to an institution of higher education, relating to any consumer financial product or service offered to college students at institutions of higher education.

"(B) DETAILS OF REPORT.—The information required to be reported under subparagraph (A) includes—

"(i) any memorandum of understanding between or among the financial institution and an institution of higher education, alumni association, or foundation that directly or indirectly relates to any aspect of an agreement referred to in subparagraph (A) or controls or directs any obligations or distribution of benefits between or among the entities; and

"(ii) the number and dollar amount outstanding of consumer financial products or services accounts covered by any such agreement that were originated during the period covered by the report, and the total number and dollar amount of consumer financial products or services accounts covered by the agreement that were outstanding at the end of such period.

"(C) AGGREGATION BY INSTITUTION.—The information required to be reported under subparagraph (A) shall be aggregated with respect to each institution of higher education or

alumni organization or foundation that is an affiliate of or related to the institution of higher education.

"(2) REPORTS BY BUREAU.—The Bureau shall submit to Congress, and make available to the public, an annual report that lists the information submitted to the Bureau under paragraph (1).

"(3) ELECTRONIC DISCLOSURES.—

"(A) POSTING AGREEMENTS.—Each financial institution shall establish and maintain an Internet site on which the financial institution shall post the written agreement between the financial institution and the institution of higher education for each affiliated consumer financial product or service.

"(B) FINANCIAL INSTITUTION TO PROVIDE CONTRACTS TO THE BUREAU.—Each financial institution shall provide to the Bureau, in electronic format, the written agreements that it publishes on its Internet site pursuant to this paragraph.

"(C) RECORD REPOSITORY.—The Bureau shall establish and maintain on its publicly available Internet site a central repository of the agreements received from financial institu-

tions pursuant to this paragraph, and such agreements shall be easily accessible and retrievable by the public.

"(D) EXCEPTION.—This paragraph shall not apply to individually negotiated changes to contractual terms, such as individually modified workouts or renegotiations of amounts owed by an institution of higher education.

"(c) PROHIBITION OF REVENUE-SHARING ARRANGEMENT.—A financial institution that offers a consumer financial product or service that is affiliated with an institution of higher education may not enter into a revenue-sharing arrangement with the institution of higher education.

"(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to prohibit a financial institution from establishing a consumer product or service affiliated with an institution of higher education if—

"(1) the consumer product or service will—

"(A) assist college students in reducing costs or fees associated with the use of consumer financial products or services;

"(B) increase consumer choice; and

"(C) enhance consumer protections; and

"(2) the financial institution is in compliance with the requirements of this Act.".

SEC. 1016. IMPROVED CONSUMER PROTECTIONS FOR STUDENT LOAN SERVICING.

(a) IN GENERAL.—The Truth in Lending Act (15 U.S.C. 1601 et seq.) is amended by adding at the end the following new chapter:

"CHAPTER 6—POSTSECONDARY EDUCATION LOANS

"Sec.
"188. Definitions.
"189. Servicing of postsecondary education loans.
"190. Payments and fees.
"191. Authority of Bureau.
"192. State laws unaffected; inconsistent Federal and State provisions.

"§ 188. Definitions

"In this chapter:

"(1) ALTERNATIVE REPAYMENT ARRANGEMENT.—The term 'alternative repayment arrangement' means an agreed upon arrangement between a loan holder (or, for a Federal Direct Loan or a Federal Perkins Loan, the Secretary of Education or the institution of higher education that made such loan, respectively) or student loan servicer and a borrower—

"(A) that is different than the terms under an existing postsecondary education loan; and

"(B) pursuant to which remittance of a monthly payment—

"(i) satisfies the terms of the postsecondary education loan; or

"(ii) is not required for a period of 1 or more months in order to satisfy the terms of the postsecondary education loan.

"(2) BILLING GROUP.—The term 'billing group' means a postsecondary education loan account that—

"(A) is serviced by a student loan servicer; and

"(B) includes 2 or more postsecondary education loans that are in repayment status.

"(3) BUREAU.—The term 'Bureau' has the meaning given that term in section 103.

"(4) EFFECTIVE DATE OF TRANSFER.—The term 'effective date of transfer' means the date on which the first payment is due to a transferee servicer from a borrower under a postsecondary education loan.

"(5) FEDERAL DIRECT LOAN.—The term 'Federal Direct Loan' means a loan made under part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.).

"(6) FEDERAL PERKINS LOAN.—The term 'Federal Perkins Loan' means a loan made under part E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087aa et seq.).

"(7) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given that term in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002).

"(8) LATE FEE.—The term 'late fee' means a late fee, penalty, or adjustment to principal, imposed because of a late payment or delinquency by the borrower under a postsecondary education loan.

"(9) LOAN HOLDER.—The term 'loan holder' means a person who owns the title to or promissory note for a postsecondary education loan (except for a Federal Direct Loan or a Federal Perkins Loan).

"(10) OPEN END CREDIT PLAN.—The term 'open end credit plan' has the meaning given that term in section 103.

"(11) POSTSECONDARY EDUCATION EXPENSE.—The term 'postsecondary education expense' means any expense that is included as part of the cost of attendance (as that term is defined in section 472 of the Higher Education Act of 1965 (20 U.S.C. 1087ll)) of a student.

"(12) POSTSECONDARY EDUCATION LENDER.—The term 'postsecondary education lender'—

"(A) means—

"(i) a financial institution, as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) that solicits, makes, or extends postsecondary education loans;

"(ii) a Federal credit union, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752) that solicits, makes, or extends postsecondary education loans; and

"(iii) any other person engaged in the business of soliciting, making, or extending postsecondary education loans; and

"(B) does not include—

"(i) the Secretary of Education; or

"(ii) an institution of higher education with respect to any Federal Perkins Loan made by the institution.

"(13) POSTSECONDARY EDUCATION LOAN.—The term 'postsecondary education loan'—

"(A) means a loan that is—

"(i) made, insured, or guaranteed under part B, D, or E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq., 1087a et seq., 1087aa et seq.); or

"(ii) issued or made by a postsecondary education lender and is—

"(I) extended to a borrower with the expectation that the amounts extended will be used in whole or in part to pay postsecondary education expenses; or

"(II) extended for the purpose of refinancing or consolidating 1 or more loans described in subclause (I) or clause (i);

"(B) includes a private education loan (as defined in section 140(a)); and

"(C) does not include a loan—

"(i) made under an open-end credit plan; or

"(ii) that is secured by real property.

"(14) QUALIFIED WRITTEN REQUEST.—

"(A) IN GENERAL.—Subject to subparagraph (B), the term 'qualified written request'

means a written correspondence of a borrower (other than notice on a payment medium supplied by the student loan servicer) transmitted by mail, facsimile, or electronically through an email address or website designated by the student loan servicer to receive communications from borrowers that—

"(i) includes, or otherwise enables the student loan servicer to identify, the name and account of the borrower; and

"(ii) includes, to the extent applicable—

"(I) sufficient detail regarding the information sought by the borrower; or

"(II) a statement of the reasons for the belief of the borrower that there is an error regarding the account of the borrower.

"(B) CORRESPONDENCE DELIVERED TO OTHER ADDRESSES.—

"(i) IN GENERAL.—A written correspondence of a borrower is a qualified written request if the written correspondence—

"(I) meets the requirements under clauses (i) and (ii) of subparagraph (A); and

"(II) is transmitted to and received by a student loan servicer at a mailing address, facsimile number, email address, or website address other than the address or number designated by that student loan servicer to receive communications from borrowers.

"(ii) DUTY TO TRANSFER.—A student loan servicer shall, within a reasonable period of time, transfer a written correspondence of a borrower received by the student loan servicer at a mailing address, facsimile number, email address, or website address other than the address or number designated by that student loan servicer to receive communications from borrowers to the correct address or appropriate office or other unit of the student loan servicer.

"(iii) DATE OF RECEIPT.—A written correspondence of a borrower transferred in accordance with clause (ii) shall be

deemed to be received by the student loan servicer on the date on which the written correspondence is transferred to the correct address or appropriate office or other unit of the student loan servicer.

"(15) STUDENT LOAN SERVICER.—The term 'student loan servicer'—

"(A) means a person who performs student loan servicing;

"(B) includes a person performing student loan servicing for a postsecondary education loan on behalf of an institution of higher education or the Secretary of Education under a contract or other agreement;

"(C) does not include the Secretary of Education to the extent the Secretary directly performs student loan servicing for a postsecondary education loan; and

"(D) does not include an institution of higher education, to the extent that the institution directly performs student loan servicing for a Federal Perkins Loan made by the institution.

"(16) STUDENT LOAN SERVICING.—The term 'student loan servicing' includes any of the following activities:

"(A) Receiving any scheduled periodic payments from a borrower under a postsecondary education loan (or notification of such payments).

"(B) Applying payments described in subparagraph (A) to an account of the borrower pursuant to the terms of the postsecondary education loan or of the contract governing the servicing of the postsecondary education loan.

"(C) During a period in which no payment is required on the postsecondary education loan—

"(i) maintaining account records for the postsecondary education loan; and

"(ii) communicating with the borrower on behalf of the loan holder or, with respect to a Federal Direct Loan or Federal Perkins Loan, the Secretary of Education or the institution of higher education that made the loan, respectively.

"(D) Interacting with a borrower to facilitate the activities described in subparagraphs

(A), (B), and (C), including activities to help prevent default by the borrower of the obligations arising from the postsecondary education loan.

"(17) TRANSFER OF SERVICING.—The term 'transfer of servicing' means the assignment, sale, or transfer of any student loan servicing of a postsecondary education loan from a transferor servicer to a transferee servicer.

"(18) TRANSFEREE SERVICER.—The term 'transferee servicer' means the person to whom any student loan servicing of a postsecondary education loan is assigned, sold, or transferred.

"(19) TRANSFEROR SERVICER.—The term 'transferor servicer' means the person who assigns, sells, or transfers any student loan servicing of a postsecondary education loan to another person.

"§ 189. Servicing of postsecondary education loans

"(a) STUDENT LOAN SERVICER REQUIREMENTS.—A student loan servicer may not—

"(1) charge a fee for responding to a qualified written request under this chapter;

"(2) fail to take timely action to respond to a qualified written request from a borrower to correct

an error relating to an allocation of payment or the payoff amount of the postsecondary education loan;

"(3) fail to take reasonable steps to avail the borrower of all possible alternative repayment arrangements to avoid default;

"(4) fail to perform the obligations required under section 493C(d) of the Higher Education Act of 1965 (20 U.S.C. 1098e(d));

"(5) fail to respond within 10 business days to a request from a borrower to provide the name, address, and other relevant contact information of the loan holder of the borrower's postsecondary education loan or, for a Federal Direct Loan or a Federal Perkins Loan, the Secretary of Education or the institution of higher education who made the loan, respectively;

"(6) fail to comply with—

"(A) any applicable requirement of the Servicemembers Civil Relief Act (50 U.S.C. App. 501 et seq.); or

"(B) in the case of a postsecondary education loan made, issued, or guaranteed under part B, D, or E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), part A of title VII of the Public Health Service

Act (42 U.S.C. 292 et seq.), or part E of title VIII of such Act (42 U.S.C. 297a et seq.), any applicable requirement of the Act authorizing the postsecondary education loan;

''(7) fail to comply with any other obligation that the Bureau, by regulation, has determined to be appropriate to carry out the consumer protection purposes of this chapter; or

''(8) fail to perform other standard servicer's duties.

''(b) BORROWER INQUIRIES.—

''(1) DUTY OF STUDENT LOAN SERVICERS TO RESPOND TO BORROWER INQUIRIES.—

''(A) NOTICE OF RECEIPT OF REQUEST.—If a borrower under a postsecondary education loan submits a qualified written request to the student loan servicer for information relating to the student loan servicing of the postsecondary education loan, the student loan servicer shall provide a written response acknowledging receipt of the qualified written request within 5 business days unless any action requested by the borrower is taken within such period.

''(B) ACTION WITH RESPECT TO INQUIRY.—Not later than 30 business days after

the receipt from any borrower of any qualified written request under subparagraph (A) and, if applicable, before taking any action with respect to the qualified written request of the borrower, the student loan servicer shall—

"(i) make appropriate corrections in the account of the borrower, including the crediting of any late fees, and transmit to the borrower a written notification of such correction (which shall include the name and toll-free or collect-call telephone number of a representative of the student loan servicer who can provide assistance to the borrower);

"(ii) after conducting an investigation, provide the borrower with a written explanation or clarification that includes—

"(I) to the extent applicable, a statement of the reasons for which the student loan servicer believes the account of the borrower is correct as determined by the student loan servicer; and

"(II) the name and toll-free or collect-call telephone number of an in-

dividual employed by, or the office or department of, the student loan servicer who can provide assistance to the borrower; or

"(iii) after conducting an investigation, provide the borrower with a written explanation or clarification that includes—

"(I) information requested by the borrower or an explanation of why the information requested is unavailable or cannot be obtained by the student loan servicer; and

"(II) the name and toll-free or collect-call telephone number of an individual employed by, or the office or department of, the student loan servicer who can provide assistance to the borrower.

"(C) LIMITED EXTENSION OF RESPONSE TIME.—

"(i) IN GENERAL.—There may be 1 extension of the 30-day period described in subparagraph (B) of not more than 15 days if, before the end of such 30-day period, the student loan servicer notifies the

borrower of the extension and the reasons for the delay in responding.

"(ii) REPORTS TO BUREAU.—Each student loan servicer shall, on an annual basis, report to the Bureau the aggregate number of extensions sought by the student loan servicer under clause (i).

"(2) PROTECTION OF CREDIT INFORMATION.—During the 60-day period beginning on the date on which a student loan servicer receives a qualified written request from a borrower relating to a dispute regarding payments by the borrower, a student loan servicer may not provide negative credit information to any consumer reporting agency (as defined in section 603 of the Truth in Lending Act (15 U.S.C. 1681a)) relating to the subject of the qualified written request or to such period, including any information relating to a late payment or payment owed by the borrower on the borrower's postsecondary education loan.

"(3) SINGLE POINT OF CONTACT FOR CERTAIN BORROWERS.—A student loan servicer shall designate an office or other unit of the student loan servicer to act as a point of contact regarding postsecondary education loans for—

"(A) a borrower who is not less than 60 days delinquent under the postsecondary education loan;

"(B) a borrower who seeks information regarding, seeks to enter an agreement for, or seeks to resolve an issue under a repayment option that requires subsequent submission of supporting documentation; and

"(C) a borrower under a private education loan (as defined in section 140) who is seeking to modify the terms of the repayment of the postsecondary education loan because of hardship.

"(c) LIAISON FOR MEMBERS OF THE ARMED FORCES AND VETERANS.—

"(1) DEFINITION.—In this subsection, the term 'veteran' has the meaning given that term in section 101 of title 38, United States Code.

"(2) DESIGNATION.—A student loan servicer shall designate 1 or more employees to act as a liaison for members of the Armed Forces, veterans, and spouses and dependents of a member of the Armed Forces or a veteran, who shall be—

"(A) responsible for answering inquiries relating to postsecondary education loans from

members of the Armed Forces, veterans, and spouses and dependents of a member of the Armed Forces or a veteran; and

"(B) specially trained on the benefits available to members of the Armed Forces and veterans under the Servicemembers Civil Relief Act (50 U.S.C. App. 501 et seq.) and other Federal and State laws relating to postsecondary education loans.

"(3) TOLL FREE NUMBER.—A student loan servicer shall establish and maintain a toll-free telephone number that—

"(A) may be used by a member of the Armed Forces, veteran, or spouse or dependent of a member of the Armed Forces or a veteran to connect directly to the liaison designated under paragraph (2); and

"(B) shall be listed on the primary Internet website of the student loan servicer and on monthly billing statements.

"(d) TRANSFER OF SERVICING.—

"(1) DISCLOSURE TO APPLICANT RELATING TO TRANSFER OF SERVICING.—

"(A) IN GENERAL.—A postsecondary education lender shall disclose to each person who

applies for a postsecondary education loan, at the time of application for the postsecondary education loan, whether there may be a transfer of servicing of the postsecondary education loan at any time during which the postsecondary education loan is outstanding.

"(B) NO LIABILITY.—A postsecondary education lender shall not be liable to a borrower for failure to comply with subparagraph (A) if the application for a postsecondary education loan was made before the regulations established under section 191 take effect.

"(2) NOTICE BY TRANSFEROR SERVICER AT TIME OF TRANSFER OF SERVICING.—

"(A) NOTICE REQUIREMENT.—A transferor servicer shall notify the borrower under a postsecondary education loan, in writing, of any transfer of student loan servicing for the postsecondary education loan (with respect to which such notice is made).

"(B) TIME OF NOTICE.—

"(i) IN GENERAL.—Except as provided under clause (ii), the notice required under subparagraph (A) shall be made to the borrower not less than 15 days before

the effective date of transfer of the student loan servicing of the postsecondary education loan.

"(ii) EXCEPTION FOR CERTAIN PROCEEDINGS.—The notice required under subparagraph (A) shall be made to the borrower not more than 30 days after the effective date of transfer of the student loan servicing of the borrower's postsecondary education loan if the transfer of student loan servicing is preceded by—

"(I) termination of the contract for student loan servicing of the postsecondary education loan for cause;

"(II) commencement of bankruptcy proceedings of the transferor servicer; or

"(III) any other situation in which the Bureau determines that such exception is warranted.

"(C) CONTENTS OF NOTICE.—The notice required under subparagraph (A) shall—

"(i) be made in writing and, if the transferor servicer has an email address for the borrower, by email; and

1 ''(ii) include—

2 ''(I) the effective date of the
3 transfer;

4 ''(II) the name, address, website,
5 and toll-free or collect-call telephone
6 number of the transferee servicer;

7 ''(III) a toll-free or collect-call
8 telephone number for an individual
9 employed by the transferor servicer,
10 or the office or department of, the
11 transferor servicer that can be con-
12 tacted by the borrower to answer in-
13 quiries relating to the transfer of serv-
14 icing;

15 ''(IV) the name and toll-free or
16 collect-call telephone number for an
17 individual employed by the transferee
18 servicer, or the office or department
19 of, the transferee servicer that can be
20 contacted by the borrower to answer
21 inquiries relating to the transfer of
22 servicing;

23 ''(V) the date on which the trans-
24 feror servicer will cease to accept pay-
25 ments relating to the borrower's post-

secondary education loan and the date on which the transferee servicer will begin to accept such payments;

''(VI) a statement that the transfer of student loan servicing of the postsecondary education loan does not affect any term or condition of the postsecondary education loan other than terms directly related to the student loan servicing of the postsecondary education loan;

''(VII) a statement disclosing—

''(aa) whether borrower authorization for recurring electronic funds transfers will be transferred to the transferee servicer; and

''(bb) if any such recurring electronic funds transfers cannot be transferred, information as to how the borrower may establish new recurring electronic funds transfers in connection with transfer of servicing to the transferee servicer;

"(VIII) a statement disclosing—

"(aa) the application of all payments and charges relating to the borrower's postsecondary education loan as of the effective date of the transfer, including—

"(AA) the date the last payment of the borrower was received;

"(BB) the date the last late fee, arrearages, or other charge was applied; and

"(CC) the amount of the last payment allocated to principal, interest, and other charges;

"(bb) the status of the borrower's postsecondary education loan as of the effective date of the transfer, including whether the loan is in default;

"(cc) whether any application for an alternative repayment arrangement submitted by the borrower is pending; and

"(dd) an itemization and explanation for all arrearages claimed to be due as of the effective date of the transfer;

"(IX) a detailed description of any benefit, alternative repayment arrangement, or other term or condition arranged between the transferor servicer and the borrower that is not included in the terms of the promissory note;

"(X) a detailed description of any item identified under subclause (VIII) that will cease to apply upon transfer, including an explanation; and

"(XI) information on how to file a complaint with the Bureau.

"(3) NOTICE BY TRANSFEREE SERVICER AT TIME OF TRANSFER OF SERVICING.—

"(A) NOTICE REQUIREMENT.—A transferee servicer shall notify the borrower under a postsecondary education loan, in writing, of any transfer of servicing of the postsecondary education loan.

"(B) TIME OF NOTICE.—

"(i) IN GENERAL.—Except as provided in clause (ii), the notice required under subparagraph (A) shall be made to the borrower not more than 15 days after the effective date of transfer of the student loan servicing of the borrower's postsecondary education loan.

"(ii) EXCEPTION FOR CERTAIN PROCEEDINGS.—The notice required under subparagraph (A) shall be made to the borrower not more than 30 days after the effective date of transfer of the student loan servicing of the student loan servicing of borrower's postsecondary education loan if the transfer of servicing is preceded by—

"(I) termination of the contract for student loan servicing the postsecondary education loan for cause;

"(II) commencement of bankruptcy proceedings of the transferor servicer; or

"(III) any other situation in which the Bureau determines that such exception is warranted.

"(C) CONTENTS OF NOTICE.—The notice required under subparagraph (A) shall be made in the same manner as under paragraph (2)(C) and include the information described in paragraph (2)(C).

"(4) METHOD OF NOTIFICATION.—The notification required under this subsection shall be provided in writing.

"(5) TREATMENT OF LOAN PAYMENTS DURING TRANSFER PERIOD.—

"(A) IN GENERAL.—During the 60-day period beginning on the effective date of transfer relating to a borrower's postsecondary education loan, a late fee may not be imposed on the borrower with respect to any payment on the postsecondary education loan, and no such payment may be treated as late for any other purposes, if the payment is received by the transferor servicer (rather than the transferee servicer who should properly receive payment) before the due date applicable to such payment.

"(B) NOTICE.—To the maximum extent practicable, a transferor servicer shall notify a borrower, both in writing and by telephone, regarding any payment received by the transferor

1 servicer (rather than the transferee servicer
2 who should properly receive payment).
3 "(6) ELECTRONIC FUND TRANSFER AUTHOR-
4 ITY.—A transferee servicer shall make available to a
5 borrower whose student loan servicing is transferred
6 to the transferee servicer a simple, online process
7 through which the borrower may transfer to the
8 transferee servicer any existing authority for an elec-
9 tronic fund transfer that the borrower had provided
10 to the transferor servicer.
11 "(7) SERVICER LIABILITY.—
12 "(A) EFFECTIVE DATE OF REGULA-
13 TIONS.—A student loan servicer shall not be
14 liable to a borrower for failure to comply with
15 paragraph (2) or (3) with respect to a transfer
16 of student loan servicing before the regulations
17 under section 191 take effect.
18 "(B) MITIGATING ACTION.—A student
19 loan servicer or a postsecondary education lend-
20 er shall not be liable to a borrower for failure
21 to comply with a requirement under this section
22 if, not later than 60 days after discovering an
23 error and before the commencement of an ac-
24 tion under section 130 or the receipt of written
25 notice of the error from the borrower, the stu-

dent loan servicer notifies the borrower of the error and makes any adjustments in the appropriate account that are necessary to ensure that the borrower will not be required to pay an amount greater than the amount that the borrower otherwise would have paid.

"§ 190. Payments and fees

''(a) PROHIBITION ON RECOMMENDING DEFAULT.—A loan holder or student loan servicer may not recommend or encourage default or delinquency on an existing postsecondary education loan prior to and in connection with the process of qualifying for or enrolling in an alternative repayment arrangement, including the origination of a new postsecondary education loan that refinances all or any portion of such existing loan or debt.

''(b) LATE FEES.—

''(1) IN GENERAL.—A late fee may not be charged to a borrower under a postsecondary education loan under any of the following circumstances, either individually or in combination:

''(A) On a per-loan basis when a borrower has multiple postsecondary education loans in a billing group.

''(B) In an amount greater than 4 percent of the amount of the payment past due.

"(C) Before the end of the 15-day period beginning on the date the payment is due.

"(D) More than once with respect to a single late payment.

"(E) The borrower fails to make a singular, non successive regularly-scheduled payment on the postsecondary education loan.

"(2) COORDINATION WITH SUBSEQUENT LATE FEES.—No late fee may be charged to a borrower under a postsecondary education loan relating to an insufficient payment if the payment is made on or before the due date of the payment, or within any applicable grace period for the payment, if the insufficiency is attributable only to a late fee relating to an earlier payment, and the payment is otherwise a full payment for the applicable period.

"(c) ACCELERATION OF POSTSECONDARY EDUCATION LOANS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), a postsecondary education loan executed after the date of enactment of the Higher Education Affordability Act may not include a provision that permits the loan holder or student loan servicer to accelerate, in whole or in part, payments on the postsecondary education loan.

"(2) ACCELERATION CAUSED BY A PAYMENT DEFAULT.—A postsecondary education loan may include a provision that permits acceleration of the postsecondary education loan in cases of payment default.

"(d) MODIFICATION AND DEFERRAL FEES PROHIBITED.—A loan holder or student loan servicer may not charge a borrower any fee to modify, renew, extend, or amend a postsecondary education loan, or to defer any payment due under the terms of a postsecondary education loan.

"(e) PAYOFF STATEMENT.—

"(1) FEES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B) or (D), a loan holder or student loan servicer may not charge a fee for informing or transmitting to a borrower or a person authorized by the borrower the balance due to pay off the outstanding balance on a postsecondary education loan.

"(B) TRANSACTION FEE.—If a loan holder or student loan servicer provides the information described in subparagraph (A) by facsimile transmission or courier service, the loan holder or student loan servicer may charge a proc-

essing fee to cover the cost of such transmission or service in an amount that is not more than a comparable fee imposed for similar services provided in connection with consumer credit transactions.

"(C) FEE DISCLOSURE.—A loan holder or student loan servicer shall disclose to the borrower that payoff balances are available for free pursuant to subparagraph (A) before charging a transaction fee under subparagraph (B).

"(D) MULTIPLE REQUESTS.—If a loan holder or student loan servicer has provided the information described in subparagraph (A) without charge, other than the transaction fee permitted under subparagraph (B), on 4 or more occasions during a calendar year, the loan holder or student loan servicer may thereafter charge a reasonable fee for providing such information during the remainder of the calendar year.

"(2) PROMPT DELIVERY.—A loan holder or a student loan servicer that has received a request by a borrower or a person authorized by a borrower for the information described in paragraph (1)(A) shall provide such information to the borrower or person

1 authorized by the borrower not later than 5 business
2 days after receiving such request.
3 "(f) INTEREST RATE AND TERM CHANGES FOR CER-
4 TAIN POSTSECONDARY EDUCATION LOANS.—
5 "(1) NOTIFICATION REQUIREMENTS.—
6 "(A) IN GENERAL.—Except as provided in
7 paragraph (3), a student loan servicer shall pro-
8 vide written notice to a borrower of any mate-
9 rial change in the terms of the postsecondary
10 education loan, including an increase in the in-
11 terest rate, not later than 45 days before the ef-
12 fective date of the change or increase.
13 "(B) MATERIAL CHANGES IN TERMS.—The
14 Bureau shall, by regulation, establish guidelines
15 for determining which changes in terms are ma-
16 terial under subparagraph (A).
17 "(2) LIMITS ON INTEREST RATE AND FEE IN-
18 CREASES APPLICABLE TO OUTSTANDING BAL-
19 ANCE.—Except as provided in paragraph (3), a loan
20 holder or student loan servicer may not increase the
21 interest rate or other fee applicable to an out-
22 standing balance on a postsecondary education loan.
23 "(3) EXCEPTIONS.—The requirements under
24 paragraphs (1) and (2) shall not apply to—

"(A) an increase in any applicable variable interest rate incorporated in the terms of a postsecondary education loan that provides for changes in the interest rate according to operation of an index that is not under the control of the loan holder or student loan servicer and is published for viewing by the general public;

"(B) an increase in interest rate due to the completion of a workout or temporary hardship arrangement by the borrower or the failure of the borrower to comply with the terms of a workout or temporary hardship arrangement if—

"(i) the interest rate applicable to a category of transactions following any such increase does not exceed the rate or fee that applied to that category of transactions prior to commencement of the arrangement; and

"(ii) the loan holder or student loan servicer has provided the borrower, prior to the commencement of such arrangement, with clear and conspicuous disclosure of the terms of the arrangement (including

any increases due to such completion or failure); and

"(C) an increase in interest rate due to a provision included within the terms of a postsecondary education loan that provides for a lower interest rate based on the borrower's agreement to a prearranged plan that authorizes recurring electronic funds transfers if—

"(i) the borrower withdraws the borrower's authorization of the prearranged recurring electronic funds transfer plan; and

"(ii) after withdrawal of the borrower's authorization and prior to increasing the interest rate, the loan holder or student loan servicer has provided the borrower with clear and conspicuous disclosure of the impending change in borrower's interest rate and a reasonable opportunity to reauthorize the prearranged electronic funds transfers plan.

"(g) PROMPT AND FAIR CREDITING OF PAYMENTS.—

"(1) PROMPT CREDITING.—Payments received from a borrower under a postsecondary education

loan by the student loan servicer shall be posted promptly to the account of the borrower as specified in regulations of the Bureau. Such regulations shall prevent a fee from being imposed on any borrower if the student loan servicer has received the borrower's payment in readily identifiable form, by 5:00 p.m. on the date on which such payment is due, in the amount, manner, and location specified by the student loan servicer.

"(2) APPLICATION OF PAYMENTS.—

"(A) IN GENERAL.—

"(i) TREATMENTS OF PREPAYMENTS.—A student loan servicer that services a billing group of a borrower shall, upon receipt of a payment from the borrower, apply amounts in excess of the monthly payment amount first to the principal of the postsecondary education loan bearing the highest interest rate, and then to each successive principal balance bearing the next highest interest rate until the payment is exhausted, unless otherwise specified in writing by the borrower.

"(ii) TREATMENT OF UNDERPAYMENTS.—

"(I) REGULATIONS REQUIRED.—Not later than 1 year after the date on which the Bureau submits the first report required under section 1018 of the Higher Education Affordability Act, the Bureau shall issue regulations establishing the manner in which a student loan servicer shall apply amounts less than the total payment due during the billing cycle.

"(II) CONSIDERATIONS.—In issuing the regulations required under subclause (I), the Bureau shall consider—

"(aa) the impact of the regulations on—

"(AA) outstanding debt of borrowers and the imposition of late fees;

"(BB) credit ratings of borrowers; and

"(CC) continued availability of alternative repayment arrangements;

"(bb) any other factors the Bureau determines are appropriate; and

"(cc) the findings from the report required under section 1018 of the Higher Education Affordability Act.

"(B) CHANGES BY STUDENT LOAN SERVICER.—If a student loan servicer makes a material change in the mailing address, office, or procedures for handling borrower payments, and such change causes a material delay in the crediting of a payment made during the 60-day period following the date on which such change took effect, the student loan servicer may not impose any late fee for a late payment on the postsecondary education loan to which such payment was credited.

"(h) ADDITIONAL REQUIREMENTS FOR PREPAYMENTS.—

"(1) ADVANCEMENT OF DATE DUE.—A student loan servicer may advance the date due of the next regularly scheduled installment payment of a postsecondary education loan upon remittance of a prepayment by the borrower, if—

"(A) the borrower's payment is sufficient to satisfy at least 1 additional installment payment;

"(B) the number of billing cycles for which the date due is advanced is equal to total number of installment payments satisfied by the prepayment; and

"(C) upon receipt by the student loan servicer, the prepayment is applied—

"(i) to the principal balance of the postsecondary education loan; or

"(ii) if the student loan servicer services a billing group of a borrower, to the principal balance of the postsecondary education loan with the highest interest rate in such billing group.

"(2) BORROWER RIGHTS.—A student loan servicer shall provide a clear, understandable and transparent means, including through submission of an online form, for the borrower to elect to—

"(A) instruct the servicer not to advance the date due of future installment payments as described in paragraph (1); and

"(B) voluntarily make payments in excess of the borrower's regularly scheduled install-

ment payment amount on a periodic basis via recurring electronic funds transfers or other automatic payment arrangement.

"(i) TIMING OF PAYMENTS.—A student loan servicer may not treat a payment on a postsecondary education loan as late for any purpose unless the student loan servicer has adopted reasonable procedures designed to ensure that each billing statement required under subsection (j)(1) is mailed or delivered to the consumer not later than 21 days before the payment due date.

"(j) OTHER REQUIREMENTS FOR POSTSECONDARY EDUCATION LOANS.—

"(1) STATEMENT REQUIRED WITH EACH BILLING CYCLE.—A student loan servicer for each borrower's account that is being serviced by that student loan servicer and that includes a postsecondary education loan shall transmit to the borrower, for each billing cycle at the end of which there is an outstanding balance in that account, a statement that includes—

"(A) the outstanding balance in the account at the beginning of the billing cycle;

"(B) the total amount credited to the account during the billing cycle;

"(C) the amount of any fee added to the account during the billing cycle, itemized to show the amounts, if any, due to the application of an increased interest rate, and the amount, if any, imposed as a minimum or fixed charge;

"(D) the balance on which the fee described in subparagraph (C) was computed and a statement of how the balance was determined;

"(E) whether the balance described in subparagraph (D) was determined without first deducting all payments and other credits during the billing cycle, and the amount of any such payments and credits;

"(F) the outstanding balance in the account at the end of the billing cycle;

"(G) the date by which, or the period within which, payment must be made to avoid late fees, if any;

"(H) the address of the student loan servicer to which the borrower may direct billing inquiries;

"(I) the amount of any payments or other credits during the billing cycle that was applied

to pay down principal, and the amount applied to interest;

"(J) in the case of a billing group, the allocation of any payments or other credits during the billing cycle to each of the postsecondary education loans in the billing group; and

"(K) information on how to file a complaint with the Bureau and with the ombudsman designated pursuant to section 1035 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5535).

"(2) PAYMENT DEADLINES AND PENALTIES.—

"(A) DISCLOSURE OF PAYMENT DEADLINES.—In the case of a postsecondary education loan account under which a late fee or charge may be imposed due to the failure of the borrower to make payment on or before the due date for such payment, the billing statement required under paragraph (1) with respect to the account shall include, in a conspicuous location on the billing statement, the date on which the payment is due or, if different, the date on which a late fee will be charged, together with the amount of the late fee to be imposed if payment is made after that date.

"(B) PAYMENTS AT LOCAL BRANCHES.—If the loan holder, in the case of a postsecondary education loan account referred to in subparagraph (A), is a financial institution that maintains a branch or office at which payments on any such account are accepted from the borrower in person, the date on which the borrower makes a payment on the account at such branch or office shall be considered to be the date on which the payment is made for purposes of determining whether a late fee may be imposed due to the failure of the borrower to make payment on or before the due date for such payment.

"(k) CORRECTIONS AND UNINTENTIONAL VIOLATIONS.—A loan holder or student loan servicer who, when acting in good faith, fails to comply with any requirement under this section will to be deemed to have not violated such requirement if the loan holder or student loan servicer establishes that—

"(1) not later than 30 days after the date of execution of the postsecondary education loan and prior to the institution of any action under subtitle E of title X of the Dodd-Frank Wall Street Reform

and Consumer Protection Act (12 U.S.C. 5561 et seq.)—

"(A) the borrower is notified of or discovers the compliance failure;

"(B) appropriate restitution to the borrower is made; and

"(C) necessary adjustments are made to the postsecondary education loan that are necessary to bring the postsecondary education loan into compliance with the requirements of this section; or

"(2) not later than 60 days after the loan holder or student loan servicer discovers or is notified of an unintentional violation or bona fide error and prior to the institution of any action under subtitle E of title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5561 et seq.)—

"(A) the borrower is notified of the compliance failure;

"(B) appropriate restitution to the borrower is made; and

"(C) necessary adjustments are made to the postsecondary education loan that are necessary to bring the postsecondary education

loan into compliance with the requirements of this section.

"(l) RULE OF CONSTRUCTION FOR FEDERAL POSTSECONDARY EDUCATION LOANS.—Nothing in this section shall be construed to supercede any reporting or disclosure requirement required for a postsecondary education loan that is made, issued, or guaranteed under part B, D, or E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), part A of title VII of the Public Health Service Act (42 U.S.C. 292 et seq.), or part E of title VIII of such Act (42 U.S.C. 297a et seq.), if such reporting requirement does not directly conflict with the requirements of this section.

"§ 191. Authority of Bureau

"(a) AUTHORIZATION.—The Bureau, in consultation with the Secretary of Education, is authorized to prescribe such rules and regulations, make such interpretations, and grant such reasonable exemptions, in accordance with, and as may be necessary to achieve the purposes of, this chapter.

"(b) DISCLOSURE REQUIREMENTS.—

"(1) IN GENERAL.—The Bureau shall, in consultation with the Secretary of Education, issue regulations requiring disclosures, including the disclosures required under section 483A of the Higher

Education Act of 1965, to borrowers that clearly and conspicuously inform borrowers of the protections afforded to them under this chapter and under other provisions relating to postsecondary education loans. The Bureau shall consider whether special disclosures are required to accommodate the unique needs of borrowers who are members of the Armed Forces or veterans.

"(2) REGULATIONS REQUIRED.—The regulations issued under paragraph (1) shall—

"(A) ensure that a borrower is made aware of—

"(i) all repayment options available to the borrower, including the availability of refinancing products, and the effect of each repayment option on the total amount owed under, total cost of, and time to repay the postsecondary education loan;

"(ii) the risks and costs associated with default; and

"(iii) the eligibility of certain borrowers for discharge of certain postsecondary education loans; and

"(B) require provision of information about how a borrower can file a complaint with

the Bureau relating to an alleged violation of this chapter.

"(3) TIMING OF DISCLOSURES.—The regulations issued under paragraph (1) shall specify the timing of the disclosures described in paragraph (2)(A). Such timing may include—

"(A) before the first payment is due under the postsecondary education loan; or

"(B) when the borrower—

"(i) first exhibits difficulty in making payments under the postsecondary education loan;

"(ii) is 30 days delinquent under the postsecondary education loan;

"(iii) is 60 days delinquent under the postsecondary education loan;

"(iv) notifies the student loan servicer of the intent of the borrower to forbear or defer payment under the postsecondary education loan;

"(v) inquires about or requests the refinancing or consolidation of the postsecondary education loan; or

"(vi) informs the student loan servicer, or a postsecondary education

lender acting on behalf of the borrower informs the student loan servicer, that the borrower will be refinancing or consolidating the loan.

"(c) UNFAIR, DECEPTIVE, AND ABUSIVE ACTS OR LENDING PRACTICES.—The Bureau, by regulation or order, shall prohibit acts or practices in connection with—

"(1) a postsecondary education loan that the Bureau finds to be unfair, deceptive, or designed to evade the provisions of this chapter; or

"(2) the refinancing of a postsecondary education loan, including facilitation of refinancing or enrollment in an alternative repayment arrangement, that the Bureau finds to be associated with abusive lending practices, or that are otherwise not in the interest of the borrower.

"(d) CONSULTATION WITH SECRETARY OF EDUCATION.—In order to avoid duplication, to the extent practicable, the Bureau, in consultation with the Secretary of Education, may consider—

"(1) obligations of student loan servicers under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); and

"(2) findings from the report authorized under section 456(d) of the Higher Education Act of 1965 (20 U.S.C. 1087f(d)).

"§ 192. State laws unaffected; inconsistent Federal and State provisions

"Nothing in this chapter shall annul, alter, or affect, or exempt any person subject to the provisions of this chapter from complying with the laws of any State with respect to student loan servicing practices, fees on postsecondary education loans, or other requirements relating to postsecondary education loans, except to the extent that those laws are inconsistent with any provision of this chapter, and then only to the extent of the inconsistency. The Bureau is authorized to determine whether such inconsistencies exist. The Bureau may not determine that any State law is inconsistent with any provision of this chapter if the Bureau determines that such law gives greater protection to the consumer. In making these determinations the Bureau shall consult with the appropriate Federal agencies.".

Subpart 3—Regulations and Reports

SEC. 1017. IMPLEMENTATION OF REGULATIONS.

(a) IN GENERAL.—Except as otherwise provided in this part or the amendments made by this part, the Bureau, in consultation with the Secretary of Education,

shall issue the regulations required under this part and the amendments made by this part not later than 1 year after the date of enactment of this Act.

(b) TRANSITIONAL PERIOD.—Any requirement under section 433 of the Higher Education Act of 1965 (20 U.S.C. 1083), and any regulation issued pursuant to such section, that is determined by the Bureau to be duplicative of a regulation issued pursuant to this part or amendment made by this part shall continue to be in effect only until the effective date of such regulation issued pursuant to this part or the amendment made by this part.

SEC. 1018. REPORT ON CREDIT REPORTING AND STUDENT LENDING.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, and as frequently thereafter as the Director of the Bureau determines an update is necessary, the Bureau shall submit to the appropriate committees of Congress a report on the impact of postsecondary education loan debt, which shall include an evaluation, analysis, and discussion of—

(1) the impact on the credit of borrowers of—

(A) the common use of billing groups for postsecondary education loans;

(B) the delinquency of 2 or more postsecondary education loans contained in a billing group; and

(C) the availability of alternative repayment arrangements for postsecondary education loans;

(2) what processes student loan servicers implement in furnishing student loan information to credit reporting agencies;

(3) the most effective ways to repair the credit history of a borrower after a default or delinquency under a postsecondary education loan;

(4) legislative or regulatory changes the Bureau determines would better assist borrowers under postsecondary education loans;

(5) the manner in which information about repayment information about postsecondary education loans is furnished to consumer reporting agencies and the impact on the credit profile and credit score of the borrower when servicing rights for postsecondary education loans are transferred between student loan servicers; and

(6) any other topics related to credit reporting of postsecondary education loans the Bureau determines are necessary.

(b) DISAGGREGATE.—To the extent practicable, the Director of the Bureau shall disaggregate the findings of the report under paragraph (1) according to race, ethnicity, income level, and geography.

SEC. 1019. OMBUDSMAN REPORT ON PRIVATE EDUCATION LOAN MARKET.

Not less than once every 2 years, the ombudsman designated pursuant to section 1035 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5535) shall submit to the appropriate committees of Congress a report—

(1) providing a detailed analysis of material terms and conditions in private education loans; and

(2) describing changes in the availability of private education loans and other consumer financial products used to finance postsecondary education expenses.

PART B—INTERNAL REVENUE CODE OF 1986

SEC. 1022. INFORMATION SHARING AUTHORITY RELATING TO INCOME-BASED REPAYMENT.

(a) IN GENERAL.—Subparagraph (A) of section 6103(l)(13) of the Internal Revenue Code of 1986 is amended by striking ''who has received an applicable student loan and whose loan repayment amounts are based in whole or in part on the taxpayer's income'' and insert-

ing "who is more than 150 days delinquent on an eligible student loan".

(b) RESTRICTION ON REDISCLOSURES.—Subparagraph (B) of section 6103(l)(13) of such Code is amended—

(1) by striking "Return information" and inserting the following:

"(i) IN GENERAL.—Except as otherwise provided in this subparagraph, return information",

(2) by striking "income contingent" and inserting "income-based",

(3) by inserting "for purposes of enrolling the taxpayer in an income-based repayment plan pursuant to section 493C(d) of the Higher Education Act of 1965 (as in effect on the date of enactment of the Higher Education Affordability Act)" before the period at the end, and

(4) by adding at the end the following new clauses:

"(ii) REDISCLOSURE OF REPAYMENT AMOUNT TO CERTAIN LOAN SERVICE PROVIDERS.—Upon request from an applicable loan service provider, the Secretary of Education may disclose to the taxpayer

and to the applicable loan service provider the taxpayer's repayment amount under an income-based repayment plan described in section 493C(b) of the Higher Education Act of 1965 (as in effect on the date of enactment of the Higher Education Affordability Act).

''(iii) USE IN ADMINISTRATIVE PROCEEDINGS.—The information disclosed pursuant to this paragraph may be open to inspection or disclosure to officers and employees of the Department of Education who are personally and directly engaged in any administrative proceeding arising out of the determination of the income-based repayment amount and to the taxpayer and the taxpayer's representative.''.

(c) DEFINITIONS.—Subparagraph (C) of section 6103(l)(13) of such Code is amended to read as follows:

''(C) DEFINITIONS.—For purposes of this paragraph—

''(i) ELIGIBLE STUDENT LOAN.—The term 'eligible student loan' has the meaning given to the term 'eligible loan' under section 493C(a) of the Higher Education

Act of 1965 (as in effect on the date of enactment of the Higher Education Affordability).

"(ii) APPLICABLE LOAN SERVICE PROVIDER.—For purposes of this subparagraph, the term 'applicable loan service provider' means—

"(I) any entity with a contract to service loans under section 456 of the Higher Education Act of 1965,

"(II) any entity that is a lender of loans made, insured, or guaranteed under part B of such Act,

"(III) any entity that provides student loan servicing for a lender described in subclause (II).".

(d) TERMINATION OF AUTHORITY.—Subparagraph (D) of section 6103(l)(13) of the Internal Revenue Code of 1986 is amended by striking "December 31, 2007" and inserting "December 31, 2019".

(e) CONFORMING AMENDMENT.—The heading for paragraph (13) of section 6103(l) of such Code is amended by striking "INCOME CONTINGENT REPAYMENT OF STUDENT LOANS" and inserting "AUTO-ENROLLMENT OF

1 DELINQUENT STUDENT LOAN BORROWERS IN INCOME-
2 BASED REPAYMENT PLANS''.
3 (f) APPLICATION OF CERTAIN RULES TO LOAN
4 SERVICERS.—
5 (1) IN GENERAL.—Paragraph (3) of section
6 6103(a) of the Internal Revenue Code of 1986 is
7 amended by inserting ''(13),'' after ''(12),''.
8 (2) PENALTY FOR UNAUTHORIZED INSPEC-
9 TION.—Subparagraph (B) of section 7213A of such
10 Code is amended by striking ''subsection (l)(18) or
11 (n) of'' and inserting ''paragraph (13) or (18) of
12 subsection (l) of, or subsection (n) of,''.
13 (3) RECORDS OF INSPECTION AND DISCLO-
14 SURE.—Subparagraph (A) of section 6103(p)(3) of
15 such Code is amended—
16 (A) by striking ''(13),'' and
17 (B) by inserting after the second sentence
18 the following new sentence: ''The Secretary of
19 Education shall supply the Secretary with such
20 information as is necessary to carry out this
21 paragraph as it relates to section 6103(l)(13).''.
22 (4) SAFEGUARDS.—Paragraph (4) of section
23 6103(p) of such Code is amended by inserting
24 ''(13),'' after ''(l)(10),'' each place it appears.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to requests made by the Secretary of Education after the date of the enactment of this Act.

PART C—TITLE 11 OF THE UNITED STATES CODE

SEC. 1031. PRIVATE LOAN DISCHARGE IN BANKRUPTCY.

Section 523(a)(8) of title 11, United States Code, is amended by striking ''dependents, for'' and all that follows through the end of subparagraph (B) and inserting ''dependents, for an educational benefit overpayment or loan made, insured, or guaranteed by a governmental unit or made under any program funded in whole or in part by a governmental unit or an obligation to repay funds received from a governmental unit as an educational benefit, scholarship, or stipend;''.

PART D—SERVICEMEMBERS CIVIL RELIEF ACT

SEC. 1041. MODIFICATION OF LIMITATION ON RATE OF INTEREST ON STUDENT LOANS DURING AND IMMEDIATELY AFTER PERIOD OF MILITARY SERVICE.

(a) EXTENSION OF PERIOD OF APPLICABILITY OF LIMITATION ON RATE OF INTEREST ON STUDENT LOANS INCURRED BEFORE SERVICE.—Section 207(a)(1) of the Servicemembers Civil Relief Act (50 U.S.C. App. 527(a)(1)) is amended—

(1) in subparagraph (A), by inserting ''or a student loan'' after ''nature of a mortgage''; and

(2) in the paragraph heading, by inserting ''ON DEBT INCURRED BEFORE SERVICE'' after ''LIMITATION TO 6 PERCENT''.

(b) DEBT ENTERED INTO DURING MILITARY SERVICE TO CONSOLIDATE OR REFINANCE STUDENT LOANS INCURRED BEFORE MILITARY SERVICE.—Subsection (a) of section 207 of such Act (50 U.S.C. App. 527) is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(2) by inserting after paragraph (1) the following:

''(2) LIMITATION TO 6 PERCENT ON DEBT INCURRED DURING SERVICE TO CONSOLIDATE OR REFINANCE STUDENT LOANS INCURRED BEFORE SERVICE.—An obligation or liability bearing interest at a rate in excess of 6 percent per year that is incurred by a servicemember, or the servicemember and the servicemember's spouse jointly, during military service to consolidate or refinance one or more student loans incurred by the servicemember before such military service shall not bear an interest at a rate

in excess of 6 percent during the period of military service and one year thereafter.'';

(3) in paragraph (3), as redesignated by paragraph (1) of this subsection, by inserting ''or (2)'' after ''paragraph (1)''; and

(4) in paragraph (4), as so redesignated, by striking ''paragraph (2)'' and inserting ''paragraph (3)''.

(c) IMPLEMENTATION OF LIMITATION.—Subsection (b) of such section is amended—

(1) in paragraph (1), by striking ''the interest rate limitation in subsection (a)'' and inserting ''an interest rate limitation in paragraph (1) or (2) of subsection (a)''; and

(2) in paragraph (2)—

(A) in the paragraph heading, by striking ''AS OF DATE OF ORDER TO ACTIVE DUTY''; and

(B) by inserting before the period at the end the following: ''in the case of an obligation or liability covered by subsection (a)(1), or as of the date the servicemember (or servicemember and spouse jointly) incurs the obligation or liability concerned under subsection (a)(2)''.

(d) STUDENT LOAN DEFINED.—Subsection (d) of such section is amended by adding at the end the following new paragraph:

"(3) STUDENT LOAN.—The term 'student loan' means the following:

"(A) A Federal student loan made, insured, or guaranteed under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

"(B) A student loan made pursuant to title VII or VIII of the Public Health Service Act (42 U.S.C. 292 et seq. and 296 et seq.).

"(C) A private student loan as that term is defined in section 140(a) of the Truth in Lending Act (15 U.S.C. 1650(a)).".

PART E—UNITED STATES INSTITUTE OF PEACE ACT

SEC. 1051. UNITED STATES INSTITUTE OF PEACE ACT.

Section 1710(a)(1) of the United States Institute of Peace Act (22 U.S.C. 4609(a)(1)) is amended by striking "to be appropriated" and all that follows through the period at the end and inserting "to be appropriated such sums as may be necessary for fiscal years 2015 through 2019".

TITLE XI—REPORTS, STUDIES, AND MISCELLANEOUS PROVISIONS

SEC. 1101. CONSUMER PROTECTIONS FOR STUDENTS.

(a) IN GENERAL.—

(1) DEFINITIONS.—In this section:

(A) FEDERAL FINANCIAL ASSISTANCE PROGRAM.—The term ''Federal financial assistance program'' means a program authorized and funded by the Federal Government under any of the following provisions of law:

(i) Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

(ii) Title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.) or title I of the Workforce Innovation and Opportunity Act (29 U.S.C. 3111 et seq.).

(iii) The Adult Education and Family Literacy Act (29 U.S.C. 3101 note et seq.).

(iv) Chapter 30, 31, 32, 33, 34, or 35 of title 38, United States Code.

(v) Chapter 101, 105, 106A, 1606, 1607, or 1608 of title 10, United States Code.

(vi) Section 1784a, 2005, or 2007 of title 10, United States Code.

(B) INSTITUTION OF HIGHER EDUCATION.—The term ''institution of higher education''—

(i) with respect to a program authorized under subparagraph (A)(i), has the meaning given the term in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002);

(ii) with respect to a program authorized under title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.), has the meaning given the term ''postsecondary educational institution'' as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801), and with respect to a program authorized under title I of the Workforce Innovation and Opportunity Act (29 U.S.C. 3111 et seq.), has the meaning given the term ''institution of higher education'' as defined in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102);

(iii) with respect to a program authorized under subparagraph (A)(iii), has the meaning given the term ''postsecondary educational institution'' as defined in section 203 of the Adult Education and Family Literacy Act (29 U.S.C. 3272);

(iv) with respect to a program authorized under subparagraph (A)(iv), has the meaning given the term ''educational institution'' under section 3452 of title 38, United States Code;

(v) with respect to a program authorized under subparagraph (A)(v), means an educational institution that awards a degree or certificate and is located in any State; and

(vi) with respect to a program authorized under subparagraph (A)(vi), means an educational institution that awards a degree or certificate and is located in any State.

(C) STATE.—

(i) STATE.—The term ''State'' includes, in addition to the several States of the United States, the Commonwealth of

Puerto Rico, the District of Columbia, Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the freely associated States.

(ii) FREELY ASSOCIATED STATES.—The term ''freely associated States'' means the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(2) CONSUMER PROTECTIONS.—Notwithstanding any other provision of law, an institution of higher education is not eligible to participate in a Federal financial assistance program with respect to any program of postsecondary education or training, including a degree or certificate program, that is designed to prepare students for entry into a recognized occupation or profession that requires licensing or other established requirements as a condition for entry into such occupation or profession, unless, by not later than 1 year after the date of enactment of this Act—

(A) the successful completion of the program fully qualifies a student, in the Metropolitan Statistical Area in which the student re-

sides (and in any State in which the institution indicates, through advertising or marketing activities or direct contact with potential students, that a student will be prepared to work in the occupation or profession after successfully completing the program), to—

(i) take any examination required for entry into the recognized occupation or profession in the Metropolitan Statistical Area and State in which the student resides, including satisfying all State or professionally mandated programmatic and specialized accreditation requirements, if any; and

(ii) be certified or licensed or meet any other academically related conditions that are required for entry into the recognized occupation or profession in the State; and

(B) the institution offering the program provides timely placement for all of the academically related pre-licensure requirements for entry into the recognized occupation or profession, such as clinical placements, internships, or apprenticeships.

(3) REGULATIONS ON PROGRAMS IN PREACCREDITATION STATUS.—The Secretary of Education shall promulgate regulations on requirements of an institution of higher education with respect to any program of the institution that is in a preaccredited status, including limitations on, or requirements of, advertisement of the program to students. Such regulations shall be consistent with the provisions of paragraph (2).

(4) LOAN DISCHARGE.—The Secretary of Education shall promulgate regulations that condition eligibility for an institution of higher education to participate in any Federal financial assistance program on the institution signing with each student enrolled in any program of the institution that is in a preaccredited status, a loan discharge agreement.

(b) EFFECTIVE DATE.—This section shall take effect on the date that is 1 year after the date of enactment of this Act.

SEC. 1102. LONGITUDINAL STUDY OF THE EFFECTIVENESS OF STUDENT LOAN COUNSELING.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of Education and the Director of the Bureau of Consumer Financial Protection, acting through the Director of the Institute

of Education Sciences, shall begin conducting a rigorous longitudinal study of the impact and effectiveness of student loan counseling, as provided in accordance with subsections (b), (l), and (n) of section 485 of the Higher Education Act of 1965 (20 U.S.C. 1092) and through such other means of providing student loan counseling services as the Secretary may determine.

(b) CONTENTS.—The longitudinal study shall include borrower information, in the aggregate and disaggregated by race, ethnicity, gender, income, and status as an individual with a disability, about—

(1) student persistence;

(2) degree attainment;

(3) program completion;

(4) successful entry into student loan repayment;

(5) cumulative borrowing levels; and

(6) such other factors as the Secretary may determine.

(c) INTERIM REPORTS.—Not later than 18 months after the commencement of the study described under this section, and annually thereafter, the Secretary shall evaluate the progress of the study and report any short-term findings to the appropriate committees of Congress.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2015 and each of the 4 succeeding fiscal years.

SEC. 1103. RECOMMENDATIONS FOR STUDENT LOAN COUNSELING.

The Secretary of the Treasury, acting through the President's Advisory Council on Financial Capability and the Financial Literacy and Education Commission, shall prepare and submit to Congress and to the Secretary of Education a report containing recommendations about information, including methods and strategies for conveying such information to borrowers in order to ensure comprehension, that should be included in financial literacy counseling for first-time student loan borrowers.

SEC. 1104. WORKING GROUP ON IMPROVEMENT OF RESOURCES AVAILABLE TO MEMBERS OF THE ARMED FORCES AND THEIR SPOUSES IN USING TUITION ASSISTANCE PROGRAMS OF THE DEPARTMENT OF DEFENSE.

(a) WORKING GROUP REQUIRED.—The Secretary of Education, the Secretary of Defense, the Secretary of Veterans Affairs, and the Director of the Bureau of Consumer Financial Protection shall jointly, and in consultation with the heads of such other departments and agencies of the

Federal Government as such officials consider appropriate, establish and maintain a working group to assess and improve the resources available to education service officers and other personnel of the Federal Government who provide assistance to members of the Armed Forces and their spouses in using or seeking to use the tuition assistance programs of the Department of Defense.

(b) RESOURCES.—In improving resources as described in subsection (a), the working group shall provide for the inclusion of the following in such resources:

(1) Information on the benefits and protections for members of the Armed Forces and their dependents provided in this Act and the amendments made by this Act.

(2) Consumer information, resources, and tools created and maintained by the working group pursuant to this section.

(3) Information on the availability of consumer protection measures, including the complaint system established pursuant to Executive Order 13607 (77 Fed. Reg. 25861; relating to establishing principles of excellence for educational institutions serving servicemembers, veterans, spouses, and other family members).

(4) Such other information or resources as the working group considers appropriate.

SEC. 1105. STUDY ON PUBLIC SERVICE LOAN FORGIVENESS.

(a) IN GENERAL.—By not later than 1 year after the date of enactment of this Act, the Secretary shall, in consultation with the Director of the Bureau of Consumer Financial Protection, prepare and submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and the Workforce of the House of Representatives a report evaluating the effectiveness of the public service loan forgiveness program under section 455(m) of the Higher Education Act of 1965 (20 U.S.C. 1087e(m)).

(b) CONTENTS.—The report required under subsection (a) shall include—

(1) an analysis of total borrowing for prospective recipients of loan forgiveness under section 455(m) of the Higher Education Act of 1965 (20 U.S.C. 1087e(m)), including participants that have completed the certification form developed by the Secretary pursuant to such section;

(2) an analysis of the public service entities employing prospective recipients of loan forgiveness under such section, including public service organi-

zations identified on the certification forms developed by the Secretary pursuant to such section;

(3) an analysis of the impact of the availability of public service loan forgiveness under such section on the utilization of other benefits established to encourage or reward public service employment under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070), including the programs established under sections 428J, 460, and 465 of such Act (20 U.S.C. 1078–10, 1087j, and 1087ee);

(4) an analysis of the impact public service loan forgiveness under section 455(m) of such Act has had on the existence of loan repayment assistance programs offered by institutions of higher education for students employed in public service;

(5) an evaluation of the impact of the public service loan forgiveness program under such section on total tuition and fees at institutions where the Secretary finds a reasonable number of borrowers are both—

(A) prospective recipients of loan forgiveness under section 455(m), as described in paragraph (1); and

(B) recipients of an award under a loan repayment assistance program made by an insti-

tution of higher education described in paragraph (4);

(6) an evaluation of the impact of borrowers described in paragraph (5) on total program costs for the public service loan forgiveness program under section 455(m); and

(7) an evaluation of the cost and feasibility of altering the public service loan forgiveness program carried out under section 455(m) of the Higher Education Act of 1965 (20 U.S.C. 1087e(m)) in order to allow a proportionate percentage of loan cancellation for each year of public service that the individual completes, and a comparison of the estimated costs of such a prorated program with the estimated costs of the public service loan forgiveness program carried out under such section 455(m), as in effect on the date of the study.

SEC. 1106. LONGITUDINAL STUDY OF THE CAUSES OF STUDENT LOAN DEFAULT.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of Education and the Director of the Bureau of Consumer Financial Protection, acting through the Director of the Institute of Education Sciences, shall begin conducting a rigorous longitudinal study of the causes of default on loans made,

1 insured, or guaranteed under part B, D, or E of title IV
2 of the Higher Education Act of 1965 (20 U.S.C. 1071
3 et seq., 1087a et seq., 1087aa et seq.).
4 (b) CONTENTS.—The longitudinal study shall in-
5 clude—
6 (1) information about borrowers of loans de-
7 scribed in subsection (a), disaggregated by age, race,
8 ethnicity, gender, status as an individual with a dis-
9 ability, and status as a low-income individual, re-
10 garding possible risk factors for default, including—
11 (A) the type of institution attended by the
12 borrower;
13 (B) the degree or program in which the
14 borrower was enrolled;
15 (C) educational attainment level;
16 (D) personal and financial circumstances;
17 (E) employment status;
18 (F) types of loans held by the borrower;
19 (G) the interest rate on outstanding loans
20 held by the borrower;
21 (H) the repayment plan selected by the
22 borrower;
23 (I) loan servicing difficulties;
24 (J) outstanding debt level; and

(K) such other factors as the Secretary and Director of the Bureau of Consumer Financial Protection may determine;

(2) consideration of the relevance of the possible risk factors; and

(3) policy recommendations designed to decrease the likelihood of student loan default.

(c) REPORTS.—

(1) INTERIM REPORTS.—Not later than 18 months after the commencement of the study described under this section, and annually thereafter, the Secretary shall evaluate the progress of the study and report any short-term findings to the appropriate committees of Congress.

(2) FINAL REPORT.—Upon completion of the study described under this section, the Secretary shall prepare and submit a final report regarding the findings of the study to the appropriate committees of Congress.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2015 and each of the 4 succeeding fiscal years.

SEC. 1107. INSTITUTIONAL RISK-SHARING COMMISSION.

(a) ESTABLISHMENT OF COMMISSION.—

(1) IN GENERAL.—The Secretary of Education shall establish an Institutional Risk-Sharing Commission (referred to in this section as the ''Commission'') whose members shall be selected by the Secretary and comprised of the following relevant stakeholders:

(A) 2 representatives of national or regional student advocacy organizations with a track record of engagement and expertise on issues related to college costs, consumer protection, and institutional accountability and an alternate member.

(B) 1 student representative who is attending an institution of higher education on the date of the selection and an alternate member.

(C) 1 member of the Bureau of Consumer Financial Protection with demonstrated knowledge of student loan borrowing and an alternate member.

(D) 2 administrative officers from different types of institutions of higher education and an alternate member.

(E) 1 higher education researcher and an alternate member.

(F) 1 State postsecondary education data system director and an alternate member.

(G) 1 representative from the National Center for Education Statistics and an alternate member.

(H) 1 representative from the Government Accountability Office and an alternate member.

(I) 1 representative from the Department of the Treasury and an alternate member.

(2) FUNCTIONS.—Each member selected under paragraph (1) shall participate for the purpose of determining agreement by majority vote on the Commission on the report and its contents described in paragraph (4). Each alternate member shall participate for the purpose of determining the majority vote in the absence of the member. Either the member or an alternate member may speak during the negotiations. In the event that the Commission is unable to form agreement on the contents of the report by majority vote, the contents of the report shall be determined by a plurality vote.

(b) STUDY.—

(1) IN GENERAL.—Not later than 270 days after the date that all members of the Commission have been selected under subsection (a), the Com-

mission shall complete a study and develop recommendations for implementation of a new risk-sharing system for institutions of higher education that participate in the Federal Direct Loan Program under part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.) through which institutions would be held financially accountable for poor student outcomes.

(2) CONTENT OF STUDY.—In conducting the study required under paragraph (1), the Commission shall, at a minimum, consider the following issues:

(A) Identifying an annual measure or set of measures for the risk-sharing system that would provide the most accurate assessment of an institution's level of success or failure at providing their students with basic educational outcomes, such as degree completion, ability to repay loans made, insured, or guaranteed under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), post-graduation employment, and post-graduation earnings. Such possible measures may include cohort default rates, loan repayment rates, graduation rates, graduate earnings, and other measure that the Commission considers an accurate reflection of

1 student outcomes, regardless of the feasibility
2 of access to the data required to implement col-
3 lection of such measures.
4 (B) What specific metrics would require
5 the lowest performing institutions to make an-
6 nual payments into the risk-sharing system,
7 and what metrics would exempt institutions
8 from making an annual risk-sharing payment
9 based on performance measures that exceeded a
10 minimum level (which level would be identified
11 by the Commission).
12 (C) How the payments for each institution
13 should be calculated, including whether the use
14 of a percentage of Federal Direct Loans dis-
15 bursed the year prior to identification, the per-
16 centage of loans in default, or any other cal-
17 culation should be used.
18 (D) Whether a sliding scale of payments
19 should be required of institutions based on their
20 performance on the identified measures.
21 (E) Any legislative safeguards or mecha-
22 nisms to ensure that an institution required to
23 participate in the risk-sharing system would not
24 pass any prospective costs directly or indirectly

onto students, or limit access to low-income students.

(F) How an institution's level of access to low-income students (such as measured by the percentage of students enrolled at the institution who receive Federal Pell Grants under subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a et seq.)) and affordability (as measured by average net price) should be considered in the risk-sharing system.

(G) Specifying a means for the risk-sharing system payments to go primarily towards students in default, additional aid to low-income students, or any other form of aid to student borrowers most in need, including after degree completion.

(H) Whether any extraordinary consideration exists that warrants allowing a waiver process through which a very limited number of institutions would be eligible to apply for a waiver from a risk-sharing payment on a yearly basis, and under what conditions.

(3) OUTSIDE RECOMMENDATIONS.—As part of the study required under paragraph (1), the Com-

mission shall develop a public process for soliciting recommendations for the risk-sharing system and shall consider these recommendations as part of the study. The Commission shall factor in any financial or other interests of any submitting party in weighing and considering such recommendations.

(4) REPORT.—

(A) CONTENT.—Not later than 90 days after completing the study required under paragraph (1), the Commission shall issue, by majority vote, or if unable to achieve a majority vote, then a plurality vote, a report regarding its recommendations for a risk-sharing system. The report shall include the following:

(i) A description of the Commission's findings as to the issues described in paragraph (2).

(ii) A data analysis using the Commission's recommended metrics that demonstrates how each institution of higher education that participates in the Federal Direct Loan Program under part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.) as of the period of the Commission's study would fare

under the proposed risk-sharing system, including projections for the amounts of payments the lowest performing institutions would have to pay.

(iii) An evaluation of the feasibility and unintended consequences of implementing the recommended risk-sharing system, including any legislative or regulatory action needed to implement such a system.

(B) AVAILABILITY.—The report described in subparagraph (A) shall be—

(i) provided to the Secretary of Education, the Committee on Health, Education, Labor, and Pensions of the Senate, and the Committee on Education and the Workforce of the House of Representatives; and

(ii) made publicly available.

(c) SECURING INFORMATION AND PRIVACY.—

(1) IN GENERAL.—Subject to paragraph (2), the Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out its duties under this section. The Commission may request

the head of any State or local department or agency to furnish such information to the Commission.

(2) PRIVACY.—Any Federal department or agency, State or local department or agency, or institution of higher education in providing information to the Commission under this section shall not share any personally identifiable information and shall act in accordance with section 444 of the General Education Provisions Act (20 U.S.C. 1232g, commonly known as the ''Family Educational Rights and Privacy Act of 1974'').

SEC. 1108. GAO REPORT ON EDUCATIONAL ATTAINMENT OF HOMELESS CHILDREN AND YOUTH AND FOSTER CARE CHILDREN AND YOUTH.

(a) DEFINITIONS.—In this section:

(1) FOSTER CARE CHILDREN AND YOUTH.—The term ''foster care children and youth'' has the meaning given the term in section 103 of the Higher Education Act of 1965.

(2) HOMELESS CHILDREN AND YOUTH.—The term ''homeless children and youth'' means children and youth who lack a fixed, regular, and adequate nighttime residence and includes—

(A) children and youth who—

(i) are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason;

(ii) are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations;

(iii) are living in emergency or transitional shelters;

(iv) are abandoned in hospitals; or

(v) are awaiting foster care placement;

(B) children and youth who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings;

(C) children and youth who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings; and

(D) migratory children (as such term is defined in section 1309 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6399)) who are living in circumstances described in subparagraph (A), (B), or (C).

(3) INSTITUTION OF HIGHER EDUCATION.—The term ''institution of higher education'' has the meaning given the term in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002).

(b) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall prepare and submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and the Workforce of the House of Representatives a report on the educational attainment of youth who are or have been homeless (including youth who are or have been homeless children and youth) and foster care children and youth.

(c) CONTENT.—The report described in subsection (b) shall contain a review and assessment of enrollment and completion data for both accompanied and unaccompanied homeless children and youth and foster care children and youth, including the following:

(1) The percentage of such youth attending an institution of higher education.

(2) The percentage of such youth graduating from an institution of higher education.

(3) The average length of time taken to obtain an associate or baccalaureate degree.

(4) The percentage of such youth attending—

(A) a public institution of higher education;

(B) a private institution of higher education;

(C) a community college; and

(D) a 4-year institution of higher education.

(5) Reasons why such youth choose not to pursue a higher education.

(6) The availability of public and private tuition assistance specifically for such youth and the awareness among such youth of such tuition assistance.

(7) The availability of other public or private programs designed to encourage and support enrollment in, and completion of, higher education for such youth.

(8) Ways in which the Department of Education might increase the educational attainment rates of such youth.

SEC. 1109. AMERICAN DREAM ACCOUNTS.

(a) SHORT TITLE.—This section may be cited as the ''American Dream Accounts Act''.

(b) DEFINITIONS.—In this section:

(1) AMERICAN DREAM ACCOUNT.—The term ''American Dream Account'' means a personal on-

line account for low-income students that monitors higher education readiness and includes a college savings account.

(2) APPROPRIATE COMMITTEES OF CONGRESS.—The term ''appropriate committees of Congress'' means the Committee on Health, Education, Labor, and Pensions, the Committee on Appropriations, and the Committee on Finance of the Senate, and the Committee on Education and the Workforce, the Committee on Appropriations, and the Committee on Ways and Means of the House of Representatives, as well as any other Committee of the Senate or House of Representatives that the Secretary determines appropriate.

(3) CHARTER SCHOOL.—The term ''charter school'' has the meaning given such term in section 5210 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7221i).

(4) COLLEGE SAVINGS ACCOUNT.—The term ''college savings account'' means a savings account that—

(A) provides some tax-preferred accumulation;

(B) is widely available (such as Qualified Tuition Programs under section 529 of the In-

ternal Revenue Code of 1986 or Coverdell Education Savings Accounts under section 530 of the Internal Revenue Code of 1986); and

(C) contains funds that may be used only for the costs associated with attending an institution of higher education, including—

(i) tuition and fees;

(ii) room and board;

(iii) textbooks;

(iv) supplies and equipment; and

(v) Internet access.

(5) DUAL ENROLLMENT PROGRAM.—The term ''dual enrollment program'' means a program of study—

(A) provided by an institution of higher education through which a student who has not graduated from secondary school with a regular high school diploma is able to earn secondary school credit and postsecondary credit that is accepted as credit towards a postsecondary degree or credential at no cost to the participant or the participant's family; and

(B) that shall consist of not less than 2 postsecondary credit-bearing courses and sup-

port and academic services that help a student persist and complete such courses.

(6) EARLY COLLEGE HIGH SCHOOL.—The term ''early college high school program'' means a formal partnership between at least 1 local educational agency and at least 1 institution of higher education that allows students to simultaneously complete, as part of an organized course of study, requirements towards earning a regular high school diploma and earning not less than 12 transferable postsecondary credits that are accepted as credit towards a postsecondary degree or credential at no cost to the participant or the participant's family.

(7) ELIGIBLE ENTITY.—The term ''eligible entity'' means—

(A) a State educational agency;

(B) a local educational agency, including a charter school that operates as its own local educational agency;

(C) a charter management organization or charter school authorizer;

(D) an institution of higher education;

(E) a nonprofit organization;

(F) an entity with demonstrated experience in educational savings or in assisting low-in-

come students to prepare for, and attend, an institution of higher education; or

(G) a consortium of 2 or more of the entities described in subparagraphs (A) through (F).

(8) INSTITUTION OF HIGHER EDUCATION.—The term ''institution of higher education'' has the meaning given the term in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)).

(9) LOCAL EDUCATIONAL AGENCY.—The term ''local educational agency'' has the meaning given such term in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

(10) LOW-INCOME STUDENT.—The term ''low-income student'' means a student who is eligible to receive a free or reduced price lunch under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.).

(11) PARENT.—The term ''parent'' has the meaning given such term in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

(12) SECRETARY.—The term ''Secretary'' has the meaning given such term in section 9101 of the

Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

(13) STATE EDUCATIONAL AGENCY.—The term ''State educational agency'' has the meaning given such term in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

(c) GRANT PROGRAM.—

(1) PROGRAM AUTHORIZED.—The Secretary is authorized to award grants, on a competitive basis, to eligible entities to enable such eligible entities to establish and administer American Dream Accounts for a group of low-income students.

(2) RESERVATION.—From the amounts appropriated each fiscal year to carry out this section, the Secretary shall reserve not more than 5 percent of such amount to carry out the evaluation activities described in subsection (f)(1).

(3) DURATION.—A grant awarded under this section shall be for a period of not more than 3 years. The Secretary may extend such grant for an additional 2-year period if the Secretary determines that the eligible entity has demonstrated significant progress, based on the factors described in subsection (d)(2)(K).

(d) APPLICATIONS; PRIORITY.—

(1) IN GENERAL.—Each eligible entity desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(2) CONTENTS.—At a minimum, the application described in paragraph (1) shall include the following:

(A) A description of the characteristics of a group of not less than 30 low-income public school students who—

(i) are, at the time of the application, attending a grade not higher than grade 9; and

(ii) will, under the grant, receive an American Dream Account.

(B) A description of how the eligible entity will engage, and provide support (such as tutoring and mentoring for students, and training for teachers and other stakeholders) either online or in person, to—

(i) the students in the group described in subparagraph (A);

(ii) the family members and teachers of such students; and

(iii) other stakeholders such as school administrators and school counselors.

(C) An identification of partners who will assist the eligible entity in establishing and sustaining American Dream Accounts.

(D) A description of what experience the eligible entity or the partners of the eligible entity have in managing college savings accounts, preparing low-income students for postsecondary education, managing online systems, and teaching financial literacy.

(E) A demonstration that the eligible entity has sufficient resources to provide an initial deposit into the college savings account portion of each American Dream Account.

(F) A description of how the eligible entity will help increase the value of the college savings account portion of each American Dream Account, such as by providing matching funds or incentives for academic achievement.

(G) A description of how the eligible entity will notify each participating student in the group described in subparagraph (A), on a semiannual basis, of the current balance and

status of the college savings account portion of the American Dream Account of the student.

(H) A plan that describes how the eligible entity will monitor participating students in the group described in subparagraph (A) to ensure that the American Dream Account of each student will be maintained if a student in such group changes schools before graduating from secondary school.

(I) A plan that describes how the American Dream Accounts will be managed for not less than 1 year after a majority of the students in the group described in subparagraph (A) graduate from secondary school.

(J) A description of how the eligible entity will encourage students in the group described in subparagraph (A) who fail to graduate from secondary school to continue their education.

(K) A description of how the eligible entity will evaluate the grant program, including by collecting, as applicable, the following data about the students in the group described in subparagraph (A) during the grant period, or until the time of graduation from a secondary school, whichever comes first, and, if sufficient

grant funds are available, after the grant period:

(i) Attendance rates.

(ii) Progress reports.

(iii) Grades and course selections.

(iv) The student graduation rate, as defined in section 1111(b)(2)(C)(vi) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(b)(2)(C)(vi)).

(v) Rates of student completion of the Free Application for Federal Student Aid described in section 483 of the Higher Education Act of 1965 (20 U.S.C. 1090).

(vi) Rates of enrollment in an institution of higher education.

(vii) Rates of completion at an institution of higher education.

(L) A description of what will happen to the funds in the college savings account portion of the American Dream Accounts that are dedicated to participating students described in subparagraph (A) who have not matriculated at an institution of higher education at the time of the conclusion of the period of American Dream Account management described in subpara-

graph (I), including how the eligible entity will give students this information.

(M) A description of how the eligible entity will ensure that funds in the college savings account portion of the American Dream Accounts will not make families ineligible for public assistance.

(N) A description of how the eligible entity will ensure that participating students described in subparagraph (A) will have access to the Internet.

(3) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to applications from eligible entities that—

(A) are described in subsection (b)(7)(G);

(B) serve the largest number of low-income students;

(C) in the case of an eligible entity described in subparagraph (A) or (B) of subsection (b)(7), provide opportunities for participating students described in paragraph (2)(A) to participate in a dual enrollment program or early college high school program at no cost to the student; or

(D) as of the time of application, have been awarded a grant under chapter 2 of subpart 2 of part A of title IV of the Higher Education Opportunity Act (20 U.S.C. 1070a–21 et seq.) (commonly referred to as the "GEAR UP program").

(e) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—An eligible entity that receives a grant under this section shall use such grant funds to establish an American Dream Account for each participating student described in subsection (d)(2)(A), that will be used to—

(A) open a college savings account for such student;

(B) monitor the progress of such student online, which—

(i) shall include monitoring student data relating to—

(I) grades and course selections;

(II) progress reports; and

(III) attendance and disciplinary records; and

(ii) may also include monitoring student data relating to a broad range of information, provided by teachers and family

members, related to postsecondary education readiness, access, and completion;

(C) provide opportunities for such students, either online or in person, to learn about financial literacy, including by assisting such students in financial planning for enrollment in an institution of higher education; and

(D) provide opportunities for such students, either online or in person, to identify skills or interests, including career interests.

(2) ACCESS TO AMERICAN DREAM ACCOUNT.—

(A) IN GENERAL.—Subject to subparagraphs (C) and (D), and in accordance with applicable Federal laws and regulations relating to privacy of information and the privacy of children, an eligible entity that receives a grant under this section shall allow vested stakeholders, as described in subparagraph (B), to have secure access, through an Internet website, to each American Dream Account.

(B) VESTED STAKEHOLDERS.—The vested stakeholders that an eligible entity shall permit to access an American Dream Account are individuals (such as the student's teachers, school counselors, school administrators, or other indi-

viduals) that are designated, in accordance with section 444 of the General Education Provisions Act (20 U.S.C. 1232g, commonly known as the ''Family Educational Rights and Privacy Act of 1974''), by the parent of a participating student in whose name such American Dream Account is held, as having permission to access the account. A student's parent may withdraw such designation from an individual at any time.

(C) EXCEPTION FOR COLLEGE SAVINGS ACCOUNT.—An eligible entity that receives a grant under this section shall not be required to give vested stakeholders, as described in subparagraph (B), access to the college savings account portion of a student's American Dream Account.

(D) ADULT STUDENTS.—Notwithstanding subparagraphs (A), (B), and (C), if a participating student is age 18 or older, an eligible entity that receives a grant under this section shall not provide access to such participating student's American Dream Account without the student's consent, in accordance with section 444 of the General Education Provisions Act

(20 U.S.C. 1232g, commonly known as the "Family Educational Rights and Privacy Act of 1974").

(E) INPUT OF STUDENT INFORMATION.—Student data collected pursuant to paragraph (1)(B)(i) shall be entered into an American Dream Account only by a school administrator or the designee of such administrator.

(3) PROHIBITION ON USE OF STUDENT INFORMATION.—An eligible entity that receives a grant under this section shall not use any student-level information or data for the purpose of soliciting, advertising, or marketing any financial or non-financial consumer product or service that is offered by such eligible entity, or on behalf of any other person.

(4) PROHIBITION ON THE USE OF GRANT FUNDS.—An eligible entity shall not use grant funds provided under this section to provide the initial deposit into a college savings account portion of a student's American Dream Account.

(f) REPORTS AND EVALUATIONS.—

(1) IN GENERAL.—Not later than 1 year after the Secretary has disbursed grants under this section, and annually thereafter until each grant disbursed under subsection (c) has ended, the Secretary

shall prepare and submit a report to the appropriate committees of Congress, which shall include an evaluation of the effectiveness of the grant program established under this section.

(2) CONTENTS.—The report described in paragraph (1) shall—

(A) list the grants that have been awarded under subsection (c)(1);

(B) include the number of students who have an American Dream Account established through a grant awarded under subsection (c)(1);

(C) provide data (including the interest accrued on college savings accounts that are part of an American Dream Account) in the aggregate, regarding students who have an American Dream Account established through a grant awarded under subsection (c)(1), as compared to similarly situated students who do not have an American Dream Account;

(D) identify best practices developed by the eligible entities receiving grants under this section;

(E) identify any issues related to student privacy and stakeholder accessibility to American Dream Accounts;

(F) provide feedback from participating students and the parents of such students about the grant program, including—

(i) the impact of the program;

(ii) aspects of the program that are successful;

(iii) aspects of the program that are not successful; and

(iv) any other data required by the Secretary; and

(G) provide recommendations for expanding the American Dream Accounts program.

(g) ELIGIBILITY TO RECEIVE FEDERAL STUDENT FINANCIAL AID.—Notwithstanding any other provision of law, any funds that are in the college savings account portion of a student's American Dream Account shall not affect such student's eligibility to receive Federal student financial aid, including any Federal student financial aid under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), and shall not be considered in determining the amount of any such Federal student aid.

(h) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated such sums as may be necessary for fiscal year 2015 and each of the 4 succeeding fiscal years.

SEC. 1110. STUDY ON THE IMPACT OF FEDERAL FINANCIAL AID CHANGES ON GRADUATE STUDENTS.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of Education, acting through the Director of the Institute of Education Sciences, shall begin conducting a study of the impact of recent policy changes to title IV of the Higher Education Act of 1965 on graduate students.

(b) PURPOSE.—The purpose of the study is to examine the effects of significant changes in Federal student financial aid policy on access, affordability, and labor market outcomes for graduate students. The study shall include an exploration of the impact of the following significant changes:

(1) The authorization of PLUS Loans for graduate students.

(2) The elimination of Federal Direct Stafford Loans for graduate students.

(3) The increase in origination fees due to the sequestration order issued under the Balanced

Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et seq.) for fiscal year 2013.

(4) Differentiation in interest rates between undergraduate and graduate Federal Direct Unsubsidized Stafford loans.

(5) Changes to the income-based repayment plan described under section 493C (20 U.S.C. 1098e).

(c) CONTENTS.—The study shall include—

(1) information about the effects of the changes described in subsection (b) on graduate students, disaggregated by the student's age, race, ethnicity, gender, income, status as an individual with a disability, and type of institution of higher education that the graduate student attended for such student's graduate program (including 2-year or 4-year institution of higher education, public or private institution of higher education, and proprietary or nonprofit institution of higher education); and

(2) an examination of the effects of the changes described in subsection (b) on—

(A) changes in graduate enrollment patterns (such as increases or decreases in enrollment);

(B) net tuition and fees for graduate students;

(C) the aggregate amount of Federal student loan debt resulting from graduate education, as a whole and disaggregated by each type of Federal loan under title IV;

(D) the median level of individual student loan debt that is the result of graduate education (ensuring that the amount of undergraduate student loan debt is distinguished from the amount of graduate student loan debt);

(E) default rates, and the range of amounts of unpaid debt, for title IV loans for graduate students;

(F) the use of each type of loan repayment plan under title IV, including income-based repayment, and the median level of graduate student debt for individuals in each repayment plan;

(G) the number of individuals who have a graduate degree that enter public service jobs;

(H) the level of total educational debt for graduate students, including Federal student loans and private education loans;

(I) the correlation between high graduate student debt levels and household consumption (including the purchasing of homes and automobiles) and retirement savings; and

(J) such other factors as the Secretary may determine;

(3) an analysis of how the effects of the changes described in subsection (b) differ according to—

(A) whether an individual was or is attending graduate school on a full-time or part-time basis; and

(B) whether an individual has or is pursuing a master's degree, a doctorate research degree, or a doctorate professional practice degree;

(4) a detailed explanation of the impact of such changes on students who were eligible for a Federal Pell Grant as an undergraduate student, women, and traditionally underrepresented populations; and

(5) policy recommendations designed to improve access, affordability, and labor market outcomes for graduate students.

(d) REPORTS.—

(1) INTERIM REPORTS.—Not later than 18 months after the commencement of the study described under this section, and annually thereafter, the Secretary shall evaluate the progress of the study and report any short-term findings to the appropriate committees of Congress.

(2) FINAL REPORT.—Upon completion of the study described under this section, the Secretary shall prepare and submit a final report regarding the findings of the study to the appropriate committees of Congress.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2015 and each of the 4 succeeding fiscal years.

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