

116TH CONGRESS  
1ST SESSION

# S. 2667

To amend the Higher Education Act of 1965 to make it easier to apply for Federal student aid, to make that aid predictable, to amend the Federal Pell Grant program, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

OCTOBER 22, 2019

Mr. ALEXANDER (for himself and Mr. JONES) 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 amend the Higher Education Act of 1965 to make it easier to apply for Federal student aid, to make that aid predictable, to amend the Federal Pell Grant program, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “FAFSA Simplification  
5 Act of 2019”.

6 **SEC. 2. MAKING IT EASIER TO APPLY FOR FEDERAL AID**

7 **AND MAKING THAT AID PREDICTABLE.**

8 (a) **NEED ANALYSIS.**—

1           (1) IN GENERAL.—Section 471 of the Higher  
2           Education Act of 1965 (20 U.S.C. 1087kk) is  
3           amended to read as follows:

4   **“SEC. 471. AMOUNT OF NEED.**

5           “(a) IN GENERAL.—Except as otherwise provided  
6           therein, beginning with award year 2021–2022, the  
7           amount of need of any student for financial assistance  
8           under this title (except subpart 1 or 2 of part A) is equal  
9           to—

10           “(1) the cost of attendance of such student,  
11           minus

12           “(2) the student aid index (as defined in section  
13           473) for such student, minus

14           “(3) other financial assistance not received  
15           under this title (as defined in section 480(j)).

16           “(b) EFFECTIVE DATE OF CHANGES.—The amend-  
17           ments made to this title under the FAFSA Simplification  
18           Act of 2019 shall take effect beginning with award year  
19           2021–2022. The amounts provided under such amend-  
20           ments for award year 2020–2021 shall be used solely as  
21           a base to determine adjustments for subsequent award  
22           years.”.

23           (2) MAXIMUM AID UNDER PART D.—Section  
24           451 of the Higher Education Act of 1965 (20

1 U.S.C. 1087a) is amended by adding at the end the  
2 following:

3 “(c) **MAXIMUM AID.**—The maximum dollar amount  
4 of financial assistance provided under this part to a stu-  
5 dent shall not exceed the cost of attendance for such stu-  
6 dent.”.

7 (3) **GUIDANCE TO STATES.**—The Secretary of  
8 Education shall issue guidance for States on inter-  
9 pretation and implementation of the terminology and  
10 formula adjustments made under the amendments  
11 made by this Act, including the student aid index,  
12 formerly known as the expected family contribution,  
13 and the need analysis formulas.

14 (b) **STUDENT AID INDEX.**—Section 473 of the High-  
15 er Education Act of 1965 (20 U.S.C. 1087mm) is amend-  
16 ed to read as follows:

17 **“SEC. 473. STUDENT AID INDEX.**

18 “(a) **IN GENERAL.**—For the purpose of this title,  
19 other than subpart 1 or 2 of part A, the term ‘student  
20 aid index’ means, with respect to a student, an index that  
21 reflects an evaluation of a student’s approximate financial  
22 resources to contribute toward the student’s postsecondary  
23 education for the academic year, as determined in accord-  
24 ance with this part.

1           “(b) SPECIAL RULE FOR STUDENTS ELIGIBLE FOR  
2 THE TOTAL MAXIMUM PELL GRANT.—The Secretary  
3 shall consider an applicant to automatically have a student  
4 aid index equal to zero if the applicant is eligible for the  
5 total maximum Federal Pell Grant under subpart 1 of  
6 part A, except if the applicant has a calculated student  
7 aid index of less than zero the Secretary shall consider  
8 the negative number as the student aid index for the appli-  
9 cant.

10           “(c) SPECIAL RULE FOR NONFILERS.—For an appli-  
11 cant (or, as applicable, an applicant and spouse, or an ap-  
12 plicant’s parents) not required filed a Federal tax return  
13 for the applicable tax year, the Secretary shall for the pur-  
14 poses of this title consider the student aid index as equal  
15 to  $-\$1,500$  for the applicant.

16           “(d) SPECIAL RULE FOR RECIPIENTS OF MEANS-  
17 TESTED BENEFITS.—For an applicant (including the stu-  
18 dent, the student’s parent, or the student’s spouse, as ap-  
19 plicable) who at any time during the previous 24-month  
20 period was a recipient of a means-tested Federal benefit  
21 program, the Secretary shall consider an applicant to  
22 automatically have a student aid index equal to zero, ex-  
23 cept if the applicant has a calculated student aid index  
24 of less than zero the Secretary shall consider the negative  
25 number as the student aid index for the applicant.

1       “(e) MEANS-TESTED FEDERAL BENEFIT PRO-  
2 GRAM.—In this section, the term ‘means-tested Federal  
3 benefit program’ means any of the following:

4           “(1) The supplemental security income program  
5 under title XVI of the Social Security Act (42  
6 U.S.C. 1381 et seq.).

7           “(2) The supplemental nutrition assistance pro-  
8 gram under the Food and Nutrition Act of 2008 (7  
9 U.S.C. 2011 et seq.).

10          “(3) The program of block grants for States for  
11 temporary assistance for needy families established  
12 under part A of title IV of the Social Security Act  
13 (42 U.S.C. 601 et seq.).

14          “(4) The special supplemental nutrition pro-  
15 gram for women, infants, and children established  
16 by section 17 of the Child Nutrition Act of 1966 (42  
17 U.S.C. 1786).

18          “(5) The Medicaid program under title XIX of  
19 the Social Security Act (42 U.S.C. 1396 et seq.).”.

20       (c) DETERMINATION OF STUDENT AID INDEX.—Sec-  
21 tion 474 of the Higher Education Act of 1965 (20 U.S.C.  
22 1087nn) is amended to read as follows:

23       **“SEC. 474. DETERMINATION OF STUDENT AID INDEX.**

24       “The student aid index—

1           “(1) for a dependent student shall be deter-  
2           mined in accordance with section 475;

3           “(2) for a single independent student or a mar-  
4           ried independent student without dependents (other  
5           than a spouse) shall be determined in accordance  
6           with section 476; and

7           “(3) for an independent student with depend-  
8           ents other than a spouse shall be determined in ac-  
9           cordance with section 477.”.

10          (d) **STUDENT AID INDEX FOR DEPENDENT STU-**  
11 **DENTS.**—Section 475 of the Higher Education Act of  
12 1965 (20 U.S.C. 108700) is amended to read as follows:

13 **“SEC. 475. STUDENT AID INDEX FOR DEPENDENT STU-**  
14 **DENTS.**

15          “(a) **COMPUTATION OF STUDENT AID INDEX.**—

16           “(1) **IN GENERAL.**—For each dependent stu-  
17           dent, the student aid index is equal to (except as  
18           provided in paragraph (2)) the sum of—

19                   “(A) the assessment of the parents’ ad-  
20                   justed available income (determined in accord-  
21                   ance with subsection (b));

22                   “(B) the assessment of the student’s avail-  
23                   able income (determined in accordance with  
24                   subsection (g)); and

1           “(C) the student’s available assets (deter-  
2           mined in accordance with subsection (h)).

3           “(2) EXCEPTION.—If the sum of paragraphs  
4           (1), (2), and (3) with respect to a dependent student  
5           is less than  $-\$1,500$ , the student aid index for the  
6           dependent student shall be  $-\$1,500$ .

7           “(b) ASSESSMENT OF PARENTS’ ADJUSTED AVAIL-  
8           ABLE INCOME.—The assessment of parents’ adjusted  
9           available income is equal to the amount determined by—

10           “(1) computing adjusted available income by  
11           adding—

12           “(A) the parents’ available income (deter-  
13           mined in accordance with subsection (c)); and

14           “(B) the parents’ available assets (deter-  
15           mined in accordance with subsection (d));

16           “(2) assessing such adjusted available income in  
17           accordance with the assessment schedule set forth in  
18           subsection (e); and

19           “(3) considering such assessment resulting  
20           under paragraph (2) as the amount determined  
21           under this subsection.

22           “(c) PARENTS’ AVAILABLE INCOME.—

23           “(1) IN GENERAL.—The parents’ available in-  
24           come is determined by subtracting from total income  
25           (as defined in section 480)—

1           “(A) Federal income taxes;

2           “(B) an allowance for payroll taxes, deter-  
3 mined in accordance with paragraph (2);

4           “(C) an income protection allowance, de-  
5 termined in accordance with paragraph (3); and

6           “(D) an employment expense allowance,  
7 determined in accordance with paragraph (4).

8           “(2) ALLOWANCE FOR PAYROLL TAXES.—The  
9 allowance for payroll taxes is equal to the sum of—

10           “(A) the total amount earned by the par-  
11 ents, multiplied by the rate of tax under section  
12 3101(b) of the Internal Revenue Code of 1986;  
13 and

14           “(B) the amount earned by the parents  
15 that does not exceed such contribution and ben-  
16 efit base (twice such contribution and benefit  
17 base, in the case of a joint return) for the year  
18 of the earnings, multiplied by the rate of tax  
19 applicable to such earnings under section  
20 3101(a) of such Code.

21           “(3) INCOME PROTECTION ALLOWANCE.—The  
22 income protection allowance for award year 2020–  
23 2021 and each succeeding award year shall equal  
24 the amount determined in the following table, as ad-  
25 justed by the Secretary pursuant to section 478(b):



“Income Protection Allowance 2020–2021 (to be adjusted for 2021–2022 and succeeding years)

Family Size (including student)	Amount
2 .....	\$19,080
3 .....	\$23,760
4 .....	\$29,340
5 .....	\$34,620
6 .....	\$40,490
For each additional add .....	\$4,750.

1           “(4) EMPLOYMENT EXPENSE ALLOWANCE.—

2           The employment expense allowance is equal to the  
 3           lesser of \$4,000 or 35 percent of the single parent’s  
 4           earned income or married parents’ combined earned  
 5           income (or is equal to a successor amount as ad-  
 6           justed by the Secretary pursuant to section 478(g)).

7           “(d) PARENTS’ AVAILABLE ASSETS.—

8           “(1) IN GENERAL.—

9           “(A) DETERMINATION.—Except as pro-  
 10          vided in subparagraph (B), the parents’ avail-  
 11          able assets are equal to—

12                 “(i) the difference between the par-  
 13                 ents’ net assets and the education savings  
 14                 and asset protection allowance (determined  
 15                 in accordance with paragraph (2)); multi-  
 16                 plied by

17                 “(ii) 12 percent.

18           “(B) NOT LESS THAN ZERO.—Parents’  
 19          available assets under this subsection shall not  
 20          be less than zero.

1           “(2) EDUCATION SAVINGS AND ASSET PROTEC-  
 2           TION ALLOWANCE.—The education savings and asset  
 3           protection allowance is calculated according to the  
 4           following table (or a successor table prescribed by  
 5           the Secretary under section 478(d)):

“Education Savings and Asset Protection Allowances for Parents  
 of Dependent Students

If the age of the oldest parent is—	And there are	
	two parents then the allowance is—	one parent
25 or less .....	\$0	\$0
26 .....	\$300	\$100
27 .....	\$700	\$200
28 .....	\$1,000	\$300
29 .....	\$1,300	\$500
30 .....	\$1,600	\$600
31 .....	\$2,000	\$700
32 .....	\$2,300	\$800
33 .....	\$2,600	\$900
34 .....	\$2,900	\$1,000
35 .....	\$3,300	\$1,100
36 .....	\$3,600	\$1,200
37 .....	\$3,900	\$1,300
38 .....	\$4,200	\$1,500
39 .....	\$4,600	\$1,600
40 .....	\$4,900	\$1,700
41 .....	\$5,100	\$1,700
42 .....	\$5,200	\$1,700
43 .....	\$5,300	\$1,800
44 .....	\$5,400	\$1,800
45 .....	\$5,500	\$1,900
46 .....	\$5,700	\$1,900
47 .....	\$5,800	\$1,900
48 .....	\$6,000	\$2,000
49 .....	\$6,100	\$2,000
50 .....	\$6,300	\$2,100
51 .....	\$6,400	\$2,100
52 .....	\$6,600	\$2,200
53 .....	\$6,800	\$2,200
54 .....	\$6,900	\$2,300
55 .....	\$7,100	\$2,300
56 .....	\$7,300	\$2,400
57 .....	\$7,500	\$2,500
58 .....	\$7,700	\$2,500
59 .....	\$7,900	\$2,600
60 .....	\$8,200	\$2,700

“Education Savings and Asset Protection Allowances for Parents of Dependent Students—Continued

If the age of the oldest parent is—	And there are	
	two parents	one parent
	then the allowance is—	
61 .....	\$8,400	\$2,700
62 .....	\$8,600	\$2,800
63 .....	\$8,900	\$2,900
64 .....	\$9,200	\$2,900
65 or more .....	\$9,400	\$3,000.

1 “(e) ASSESSMENT SCHEDULE.—The assessment of  
 2 the parents’ adjusted available income (as determined  
 3 under subsection (b)(1) and hereafter in this subsection  
 4 referred to as ‘AAI’) is calculated according to the fol-  
 5 lowing table (or a successor table prescribed by the Sec-  
 6 retary under section 478(e)):

“Parents’ Contribution From AAI

If the parents’ AAI is—	Then the parents’ contribution from AAI is—
Less than -\$6,820 .....	-\$1,500
-\$6,820 to \$17,000 .....	22% of AAI
\$17,001 to \$21,400 .....	\$3,740 + 25% of AAI over \$17,000
\$21,401 to \$25,700 .....	\$4,840 + 29% of AAI over \$21,400
\$25,701 to \$30,100 .....	\$6,087 + 34% of AAI over \$25,700
\$30,101 to \$34,500 .....	\$7,583 + 40% of AAI over \$30,100
\$34,501 or more .....	\$9,343 + 47% of AAI over \$34,500.

7 “(f) CONSIDERATION OF PARENTAL INCOME.—

8 “(1) MARRIED PARENTS.—Parental income and  
 9 assets in the case of student whose parents are mar-  
 10 ried and not separated shall include the income and  
 11 assets of both parents.

12 “(2) DIVORCED OR SEPARATED PARENTS.—Pa-  
 13 rental income and assets for a student whose par-

1       ents are divorced or separated, but not remarried, is  
2       determined:

3               “(A) By including only the income and as-  
4               sets of the parent with whom the student re-  
5               sided for the greater portion of the 12-month  
6               period preceding the date of the application.

7               “(B) If the preceding criterion does not  
8               apply, include only the income and assets of the  
9               parent who provided the greater portion of the  
10              student’s support for the 12-month period pre-  
11              ceding the date of application.

12              “(C) If neither of the preceding criteria  
13              apply, include only the income and assets of the  
14              parent who provided the greater support during  
15              the most recent calendar year for which paren-  
16              tal support was provided.

17              “(3) DEATH OF A PARENT.—Parental income  
18              and assets in the case of the death of any parent is  
19              determined as follows:

20              “(A) If either of the parents has died, the  
21              surviving parent shall be considered a single  
22              parent, until that parent has remarried.

23              “(B) If both parents have died, the student  
24              shall not report any parental income or assets.

1           “(4) REMARRIED PARENTS.—If a parent whose  
2 income and assets are taken into account under  
3 paragraph (2), or if a parent who is a widow or wid-  
4 ower and whose income is taken into account under  
5 paragraph (3), has remarried, the income of that  
6 parent’s spouse shall be included in determining the  
7 parent’s assessment of adjusted available income if  
8 the student’s parent and the stepparent are married  
9 as of the date of application for the award year con-  
10 cerned.

11           “(5) SINGLE PARENT WHO IS NOT DIVORCED  
12 OR SEPARATED.—Parental income and assets in the  
13 case of a student whose parent is a single parent but  
14 who is not divorced, separated, or remarried, shall  
15 include the income and assets of such single parent.

16           “(g) STUDENT’S AVAILABLE INCOME.—

17           “(1) IN GENERAL.—The student’s available in-  
18 come is equal to—

19           “(A) the difference between the student’s  
20 total income (determined in accordance with  
21 section 480) and the adjustment to student in-  
22 come (determined in accordance with paragraph  
23 (2)); multiplied by

24           “(B) 50 percent.

1           “(2) ADJUSTMENT TO STUDENT INCOME.—The  
2 adjustment to student income is equal to the sum  
3 of—

4           “(A) the Federal income taxes of the stu-  
5 dent;

6           “(B) an allowance for payroll taxes deter-  
7 mined in accordance with paragraph (3);

8           “(C) an income protection allowance that  
9 is equal to—

10           “(i) \$9,110 for award year 2020–  
11 2021; and

12           “(ii) for each succeeding award year,  
13 the amount adjusted pursuant to section  
14 478(b); and

15           “(D) an allowance for parents’ negative  
16 available income, determined in accordance with  
17 paragraph (4).

18           “(3) ALLOWANCE FOR PAYROLL TAXES.—The  
19 allowance for payroll taxes is equal to the sum of—

20           “(A) the total amount earned by the stu-  
21 dent, multiplied by the rate of tax under section  
22 3101(b) of the Internal Revenue Code of 1986;  
23 and

24           “(B) the amount earned by the student  
25 that does not exceed such contribution and ben-

1           efit base for the year of the earnings, multiplied  
 2           by the rate of tax applicable to such earnings  
 3           under section 3101(a) of such Code.

4           “(4) ALLOWANCE FOR PARENTS’ NEGATIVE  
 5           AVAILABLE INCOME.—The allowance for parents’  
 6           negative available income is the amount, if any, by  
 7           which the sum of the amounts deducted under sub-  
 8           paragraphs (A) through (D) of subsection (c)(1) ex-  
 9           ceeds the sum of the parents’ total income (as de-  
 10          fined in section 480) and the parents’ available as-  
 11          sets (as determined in accordance with subsection  
 12          (d)).

13          “(h) STUDENT’S ASSETS.—The student’s assets are  
 14          determined by calculating the net assets of the student  
 15          and multiplying such amount by 20 percent, except that  
 16          the result shall not be less than zero.”.

17          (e) STUDENT AID INDEX FOR INDEPENDENT STU-  
 18          DENTS WITHOUT DEPENDENTS OTHER THAN A  
 19          SPOUSE.—Section 476 of the Higher Education Act of  
 20          1965 (20 U.S.C. 1087pp) is amended to read as follows:

21          “**SEC. 476. STUDENT AID INDEX FOR INDEPENDENT STU-**  
 22   **DENTS WITHOUT DEPENDENTS OTHER THAN**  
 23   **A SPOUSE.**”

24          “(a) COMPUTATION OF STUDENT AID INDEX.—

1           “(1) IN GENERAL.—For each independent stu-  
 2           dent without dependents other than a spouse, the  
 3           student aid index is equal to (except as provided in  
 4           paragraph (2)) the sum of—

5                   “(A) the family’s available income (deter-  
 6                   mined in accordance with subsection (b)); and

7                   “(B) the family’s available assets (deter-  
 8                   mined in accordance with subsection (c)).

9           “(2) EXCEPTION.—If the sum of paragraphs  
 10           (1) and (2) with respect to a independent student  
 11           without dependents other than a spouse is less than  
 12           –\$1,500, the student aid index for the independent  
 13           student shall be –\$1,500.

14           “(b) FAMILY’S AVAILABLE INCOME.—

15                   “(1) IN GENERAL.—The family’s available in-  
 16                   come is determined by—

17                           “(A) deducting from total income (as de-  
 18                           fined in section 480)—

19                                   “(i) Federal income taxes;

20                                   “(ii) an allowance for payroll taxes,  
 21                                   determined in accordance with paragraph  
 22                                   (2);

23                                   “(iii) an income protection allowance  
 24                                   that is equal to—



1 “(I) in the case of a single inde-  
2 pendent student without dependents—

3 “(aa) \$14,190 for award  
4 year 2020–2021; and

5 “(bb) for each succeeding  
6 award year, the amount adjusted  
7 pursuant to section 478(b); and

8 “(II) in the case of a married  
9 independent student without depend-  
10 ents—

11 “(aa) \$22,750 for award  
12 year 2020–2021; and

13 “(bb) for each succeeding  
14 award year, the amount adjusted  
15 pursuant to section 478(b); and

16 “(iv) in the case of a married inde-  
17 pendent student, an employment expense  
18 allowance, as determined in accordance  
19 with paragraph (3); and

20 “(B) multiplying the amount determined  
21 under subparagraph (A) by 50 percent.

22 “(2) ALLOWANCE FOR PAYROLL TAXES.—The  
23 allowance for payroll taxes is equal to the sum of—

24 “(A) the total amount earned by the stu-  
25 dent (and spouse, if appropriate), multiplied by

1 the rate of tax under section 3101(b) of the In-  
2 ternal Revenue Code of 1986; and

3 “(B) the amount earned by the student  
4 (and spouse, if appropriate) that does not ex-  
5 ceed such contribution and benefit base (twice  
6 such contribution and benefit base, in the case  
7 of a joint return) for the year of the earnings,  
8 multiplied by the rate of tax applicable to such  
9 earnings under section 3101(a) of such Code.

10 “(3) EMPLOYMENT EXPENSES ALLOWANCE.—  
11 The employment expense allowance is equal to the  
12 following:

13 “(A) If the student is married, such allow-  
14 ance is equal to the lesser of \$4,000 or 35 per-  
15 cent of the couple’s combined earned income (or  
16 is equal to a successor amount as adjusted by  
17 the Secretary pursuant to section 478(g)).

18 “(B) If the student is not married, the em-  
19 ployment expense allowance is zero.

20 “(c) FAMILY’S AVAILABLE ASSETS.—

21 “(1) IN GENERAL.—

22 “(A) DETERMINATION.—Except as pro-  
23 vided in subparagraph (B), the family’s avail-  
24 able assets are equal to—

1 “(i) the difference between the fam-  
 2 ily’s assets (as defined in section 480(f))  
 3 and the asset protection allowance (deter-  
 4 mined in accordance with paragraph (2));  
 5 multiplied by

6 “(ii) 20 percent.

7 “(B) NOT LESS THAN ZERO.—Family’s  
 8 available assets under this subsection shall not  
 9 be less than zero.

10 “(2) ASSET PROTECTION ALLOWANCE.—The  
 11 asset protection allowance is calculated according to  
 12 the following table (or a successor table prescribed  
 13 by the Secretary under section 478(d)):

“Asset Protection Allowances for Families and Students

If the age of the student is—	And the student is	
	married	single
	then the allowance is—	
25 or less .....	\$0	\$0
26 .....	\$300	\$100
27 .....	\$700	\$200
28 .....	\$1,000	\$300
29 .....	\$1,300	\$500
30 .....	\$1,600	\$600
31 .....	\$2,000	\$700
32 .....	\$2,300	\$800
33 .....	\$2,600	\$900
34 .....	\$2,900	\$1,000
35 .....	\$3,300	\$1,100
36 .....	\$3,600	\$1,200
37 .....	\$3,900	\$1,400
38 .....	\$4,200	\$1,500
39 .....	\$4,600	\$1,600
40 .....	\$4,900	\$1,700
41 .....	\$5,100	\$1,700
42 .....	\$5,200	\$1,700
43 .....	\$5,300	\$1,800
44 .....	\$5,400	\$1,800

“Asset Protection Allowances for Families and Students—  
Continued

If the age of the student is—	And the student is	
	married	single
	then the allowance is—	
45 .....	\$5,500	\$1,900
46 .....	\$5,700	\$1,900
47 .....	\$5,800	\$1,900
48 .....	\$6,000	\$2,000
49 .....	\$6,100	\$2,000
50 .....	\$6,300	\$2,100
51 .....	\$6,400	\$2,100
52 .....	\$6,600	\$2,200
53 .....	\$6,800	\$2,200
54 .....	\$6,900	\$2,300
55 .....	\$7,100	\$2,300
56 .....	\$7,300	\$2,400
57 .....	\$7,500	\$2,500
58 .....	\$7,700	\$2,500
59 .....	\$7,900	\$2,600
60 .....	\$8,200	\$2,700
61 .....	\$8,400	\$2,700
62 .....	\$8,600	\$2,800
63 .....	\$8,900	\$2,900
64 .....	\$9,200	\$2,900
65 or more .....	\$9,400	\$3,000.

1       “(d) COMPUTATIONS IN CASE OF SEPARATION, DI-  
2 VORCE, OR DEATH.—In the case of a student who is di-  
3 vorced or separated, or whose spouse has died, the  
4 spouse’s income and assets shall not be considered in de-  
5 termining the family’s available income or assets.”.

6       (f) STUDENT AID INDEX FOR INDEPENDENT STU-  
7 DENTS WITH DEPENDENTS OTHER THAN A SPOUSE.—  
8 Section 477 of the Higher Education Act of 1965 (20  
9 U.S.C. 1087qq) is amended to read as follows:

1 **“SEC. 477. STUDENT AID INDEX FOR INDEPENDENT STU-**  
 2 **DENTS WITH DEPENDENTS OTHER THAN A**  
 3 **SPOUSE.**

4 “(a) COMPUTATION OF STUDENT AID INDEX.—For  
 5 each independent student with dependents other than a  
 6 spouse, the student aid index is equal to the amount deter-  
 7 mined by—

8 “(1) computing adjusted available income by  
 9 adding—

10 “(A) the family’s available income (deter-  
 11 mined in accordance with subsection (b)); and

12 “(B) the family’s available assets (deter-  
 13 mined in accordance with subsection (c));

14 “(2) assessing such adjusted available income in  
 15 accordance with an assessment schedule set forth in  
 16 subsection (d); and

17 “(3) considering such assessment resulting  
 18 under paragraph (2) as the amount determined  
 19 under this subsection.

20 “(b) FAMILY’S AVAILABLE INCOME.—

21 “(1) IN GENERAL.—The family’s available in-  
 22 come is determined by deducting from total income  
 23 (as defined in section 480)—

24 “(A) Federal income taxes;

25 “(B) an allowance for payroll taxes, deter-  
 26 mined in accordance with paragraph (2);

1           “(C) an income protection allowance, de-  
2           termined in accordance with paragraph (3); and

3           “(D) an employment expense allowance,  
4           determined in accordance with paragraph (4).

5           “(2) ALLOWANCE FOR PAYROLL TAXES.—The  
6           allowance for payroll taxes is equal to the sum of—

7           “(A) the amount earned by the student  
8           (and spouse, if appropriate), multiplied by the  
9           rate of tax under section 3101(b) of the Inter-  
10          nal Revenue Code of 1986; and

11          “(B) the amount earned by the student  
12          (and spouse, if appropriate) that does not ex-  
13          ceed such contribution and benefit base (twice  
14          such contribution and benefit base, in the case  
15          of a joint return) for the year of the earnings,  
16          multiplied by the rate of tax applicable to such  
17          earnings under section 3101(a) of such Code.

18          “(3) INCOME PROTECTION ALLOWANCE.—The  
19          income protection allowance for award year 2020–  
20          2021 and each succeeding award year shall equal  
21          the amount determined in the following table, as ad-  
22          justed by the Secretary pursuant to section 478(b):

23          “(A) In the case of a married independent  
24          student with dependents:

“Income Protection Allowance 2020–2021 (to be adjusted for 2021–2022 and succeeding years)

Family Size (including student)	Amount
3 .....	\$44,470
4 .....	\$55,260
5 .....	\$65,190
6 .....	\$76,230
For each additional add .....	\$8,610.

1                   “(B) In the case of a single independent  
2                   student with dependents:

“Income Protection Allowance 2020–2021 (to be adjusted for 2021–2022 and succeeding years)

Family Size (including student)	Amount
2 .....	\$43,128
3 .....	\$54,364
4 .....	\$66,312
5 .....	\$78,228
6 .....	\$91,476
For each additional add .....	\$10,332.

3                   “(4) EMPLOYMENT EXPENSE ALLOWANCE.—  
4                   The employment expense allowance is equal to the  
5                   lesser of \$4,000 or 35 percent of the student’s  
6                   earned income or the combined earned income of the  
7                   student and the student’s spouse (or is equal to a  
8                   successor amount as adjusted by the Secretary  
9                   under section 478(g)).

10                  “(c) FAMILY’S AVAILABLE ASSETS.—

11                   “(1) IN GENERAL.—

12                   “(A) DETERMINATION.—Except as pro-  
13                   vided in subparagraph (B), the family’s avail-  
14                   able assets are equal to—

1 “(i) the difference between the fam-  
 2 ily’s assets (as defined in 480(f)) and the  
 3 asset protection allowance (determined in  
 4 accordance with paragraph (2)); multiplied  
 5 by

6 “(ii) 7 percent.

7 “(B) NOT LESS THAN ZERO.—Family’s  
 8 available assets under this subsection shall not  
 9 be less than zero.

10 “(2) ASSET PROTECTION ALLOWANCE.—The  
 11 asset protection allowance is calculated according to  
 12 the following table (or a successor table prescribed  
 13 by the Secretary under section 478(d)):

“Asset Protection Allowances for Families and Students

If the age of the student is—	And the student is	
	married	single
	then the allowance is—	
25 or less .....	\$0	\$0
26 .....	\$300	\$100
27 .....	\$700	\$200
28 .....	\$1,000	\$300
29 .....	\$1,300	\$500
30 .....	\$1,600	\$600
31 .....	\$2,000	\$700
32 .....	\$2,300	\$800
33 .....	\$2,600	\$900
34 .....	\$2,900	\$1,000
35 .....	\$3,300	\$1,100
36 .....	\$3,600	\$1,200
37 .....	\$3,900	\$1,400
38 .....	\$4,200	\$1,500
39 .....	\$4,600	\$1,600
40 .....	\$4,900	\$1,700
41 .....	\$5,100	\$1,700
42 .....	\$5,200	\$1,700
43 .....	\$5,300	\$1,800
44 .....	\$5,400	\$1,800



“Asset Protection Allowances for Families and Students—  
Continued

If the age of the student is—	And the student is	
	married	single
	then the allowance is—	
45 .....	\$5,500	\$1,900
46 .....	\$5,700	\$1,900
47 .....	\$5,800	\$1,900
48 .....	\$6,000	\$2,000
49 .....	\$6,100	\$2,000
50 .....	\$6,300	\$2,100
51 .....	\$6,400	\$2,100
52 .....	\$6,600	\$2,200
53 .....	\$6,800	\$2,200
54 .....	\$6,900	\$2,300
55 .....	\$7,100	\$2,300
56 .....	\$7,300	\$2,400
57 .....	\$7,500	\$2,500
58 .....	\$7,700	\$2,500
59 .....	\$7,900	\$2,600
60 .....	\$8,200	\$2,700
61 .....	\$8,400	\$2,700
62 .....	\$8,600	\$2,800
63 .....	\$8,900	\$2,900
64 .....	\$9,200	\$2,900
65 or more .....	\$9,400	\$3,000.

1       “(d) ASSESSMENT SCHEDULE.—The assessment of  
2 adjusted available income (as determined under subsection  
3 (a)(1) and hereafter in this subsection referred to as  
4 ‘AAI’) is calculated according to the following table (or  
5 a successor table prescribed by the Secretary pursuant to  
6 section 478(e)):

“Assessment From Adjusted Available Income

If AAI is—	Then the assessment is—
Less than -\$6,820 .....	-\$1,500
-\$6,820 to \$17,000 .....	22% of AAI
\$17,001 to \$21,400 .....	\$3,740 + 25% of AAI over \$17,000
\$21,401 to \$25,700 .....	\$4,840 + 29% of AAI over \$21,400
\$25,701 to \$30,100 .....	\$6,087 + 34% of AAI over \$25,700
\$30,101 to \$34,500 .....	\$7,583 + 40% of AAI over \$30,100
\$34,501 or more .....	\$9,343 + 47% of AAI over \$34,500.

1       “(e) COMPUTATIONS IN CASE OF SEPARATION, DI-  
 2 VORCE, OR DEATH.—In the case of a student who is di-  
 3 vorced or separated, or whose spouse has died, the  
 4 spouse’s income and assets shall not be considered in de-  
 5 termining the family’s available income or assets.”.

6       (g) REGULATIONS; UPDATED TABLES.—Section 478  
 7 of the Higher Education Act of 1965 (20 U.S.C. 1087rr)  
 8 is amended to read as follows:

9       **“SEC. 478. REGULATIONS; UPDATED TABLES.**

10       “(a) AUTHORITY TO PRESCRIBE REGULATIONS RE-  
 11 STRICTED.—

12               “(1) IN GENERAL.—Notwithstanding any other  
 13 provision of law, the Secretary shall not have the au-  
 14 thority to prescribe regulations to carry out this part  
 15 except—

16                       “(A) to prescribe updated tables in accord-  
 17 ance with subsections (b) through (g); or

18                       “(B) to propose modifications in the need  
 19 analysis methodology required by this part.

20       “(2) NOTIFICATION AND APPROVAL.—Any reg-  
 21 ulation proposed by the Secretary that updates ta-  
 22 bles in a manner that does not comply with sub-  
 23 sections (b) through (g), or that proposes modifica-  
 24 tions under paragraph (1)(B), shall not be effective  
 25 unless subject to notification and approval by the

1 authorizing committees not less than 90 days before  
 2 such regulation is published in the Federal Register  
 3 in accordance with section 482.

4 “(b) INCOME PROTECTION ALLOWANCE ADJUST-  
 5 MENTS.—For award year 2021–2022 and each succeeding  
 6 award year, the Secretary shall publish in the Federal  
 7 Register revised income protection allowances for the pur-  
 8 poses of subsections (c)(3) and (g)(2)(C) of section 475,  
 9 subclauses (I) and (II) of section 476(b)(1)(A)(iii), and  
 10 section 477(b)(3), by increasing the income protection al-  
 11 lowances in each of such provisions, by a percentage equal  
 12 to the percentage increase in the Consumer Price Index,  
 13 as defined in subsection (f), between April 2019 and the  
 14 April prior to the beginning of the award year and round-  
 15 ing the result to the nearest \$10.

16 “(c) ADJUSTED NET WORTH OF A FARM OR BUSI-  
 17 NESS.—

18 “(1) TABLE.—The table of the net worth of a  
 19 business or farm (hereafter in this subsection re-  
 20 ferred to as ‘NW’) for purposes of making deter-  
 21 minations of assets as defined under section 480(f)  
 22 for award year 2020–2021 is the following:

“Business/Farm Net Worth Adjustment

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than \$1 .....	\$0
\$1 to \$135,000 .....	40% of net worth of business/farm
\$135,001 to \$410,000 .....	\$54,000 + 50% of net worth over \$135,000
\$410,001 to \$680,000 .....	\$191,500 + 60% of net worth over \$410,000
\$680,001 or more .....	\$353,500 + 100% of net worth over \$680,000.

1           “(2) REVISED TABLES.—For each award year  
2 after award year 2020–2021, the Secretary shall  
3 publish in the Federal Register a revised table of ad-  
4 justed net worth of a farm or business for purposes  
5 of section 480(f). Such revised table shall be devel-  
6 oped—

7           “(A) by increasing each dollar amount that  
8 refers to net worth of a farm or business by a  
9 percentage equal to the percentage increase in  
10 the Consumer Price Index between April 2019  
11 and the April prior to the beginning of such  
12 award year, and rounding the result to the  
13 nearest \$5,000; and

14           “(B) by adjusting the dollar amounts in  
15 the column referring the adjusted net worth to  
16 reflect the changes made pursuant to subpara-  
17 graph (A).

18           “(d) EDUCATION SAVINGS AND ASSET PROTECTION  
19 ALLOWANCE.—For each award year after award year  
20 2020–2021, the Secretary shall publish in the Federal  
21 Register a revised table of allowances for the purpose of  
22 sections 475(d)(2), 476(c)(2), and 477(c)(2). Such revised  
23 table shall be developed by determining the present value  
24 cost, rounded to the nearest \$100, of an annuity that  
25 would provide, for each age cohort of 40 and above, a sup-

1 plemental income at age 65 (adjusted for inflation) equal  
2 to the difference between the moderate family income (as  
3 most recently determined by the Bureau of Labor Statis-  
4 tics), and the current average social security retirement  
5 benefits. For each age cohort below 40, the allowance shall  
6 be computed by decreasing the allowance for age 40, as  
7 updated, by one-fifteenth for each year of age below age  
8 40 and rounding the result to the nearest \$100. In making  
9 such determinations—

10           “(1) inflation shall be presumed to be 6 percent  
11           per year;

12           “(2) the rate of return of an annuity shall be  
13           presumed to be 8 percent; and

14           “(3) the sales commission on an annuity shall  
15           be presumed to be 6 percent.

16           “(e) ASSESSMENT SCHEDULES AND RATES.—For  
17 each award year after award year 2020–2021, the Sec-  
18 retary shall publish in the Federal Register a revised table  
19 of assessments from adjusted available income for the pur-  
20 pose of sections 475(e) and 477(d). Such revised table  
21 shall be developed—

22           “(1) by increasing each dollar amount that re-  
23           fers to adjusted available income by a percentage  
24           equal to the percentage increase in the Consumer  
25           Price Index between April 2019 and the April prior

1 to the beginning of such academic year, rounded to  
2 the nearest \$100; and

3 “(2) by adjusting the other dollar amounts to  
4 reflect the changes made pursuant to paragraph (1).

5 “(f) CONSUMER PRICE INDEX DEFINED.—In this  
6 section, the term ‘Consumer Price Index’ means the Con-  
7 sumer Price Index for All Urban Consumers published by  
8 the Department of Labor. Each annual update of tables  
9 to reflect changes in the Consumer Price Index shall be  
10 corrected for misestimation of actual changes in such  
11 Index in previous years.

12 “(g) EMPLOYMENT EXPENSE ALLOWANCE.—For  
13 each award year after award year 2020–2021, the Sec-  
14 retary shall publish in the Federal Register a revised table  
15 of employment expense allowances for the purpose of sec-  
16 tions 475(c)(4), 476(b)(3), and 477(b)(4). Such revised  
17 table shall be developed by increasing the dollar amount  
18 specified in sections 475(c)(4), 476(b)(3), and 477(b)(4)  
19 to reflect the inflationary adjustment that is used for the  
20 income protection allowances in subsection (b).”.

21 (h) APPLICANTS EXEMPT FROM ASSET REPORT-  
22 ING.—Section 479 of the Higher Education Act of 1965  
23 (20 U.S.C. 1087ss) is amended to read as follows:

1 **“SEC. 479. APPLICANTS EXEMPT FROM ASSET REPORTING.**

2 “(a) IN GENERAL.—Notwithstanding any other pro-  
3 vision of law, this section shall be effective for each indi-  
4 vidual seeking to apply for Federal financial aid under this  
5 title, as part of the simplified application for Federal stu-  
6 dent financial aid under section 483.

7 “(b) APPLICANTS EXEMPT FROM ASSET REPORT-  
8 ING.—

9 “(1) IN GENERAL.—Except as provided in para-  
10 graph (3), in carrying out section 483, the Secretary  
11 shall not use asset information from an eligible ap-  
12 plicant or, as applicable, the parent or spouse of an  
13 eligible applicant.

14 “(2) ELIGIBLE APPLICANTS.—In this sub-  
15 section, the term ‘eligible applicant’ means an appli-  
16 cant who meets at least one of the following criteria:

17 “(A) Is an applicant who qualifies for an  
18 automatic zero student aid index or automatic  
19 negative student aid index under subsection (b),  
20 (c), or (d) of section 473.

21 “(B) Is an applicant who is a dependent  
22 student and the student’s parents have a total  
23 adjusted gross income (excluding any income of  
24 the dependent student) that is less than  
25 \$75,000 and do not file a Schedule A, B, D, E,  
26 F, or H (or equivalent successor schedules),

1 with the Federal income tax return for the sec-  
2 ond preceding tax year, and—

3 “(i) do not file a Schedule C (or the  
4 equivalent successor schedule) with the  
5 Federal income tax return for the second  
6 preceding tax year; or

7 “(ii) file a Schedule C (or the equiva-  
8 lent successor schedule) with net business  
9 income of not more than a \$10,000 loss or  
10 gain with the Federal income tax return  
11 for the second preceding tax year.

12 “(C) Is an applicant who is an independent  
13 student and the student (and including the stu-  
14 dent’s spouse, if any) has a total adjusted gross  
15 income that is less than \$75,000 and does not  
16 file a Schedule A, B, C, D, E, F, or H (or  
17 equivalent successor schedules), with the Fed-  
18 eral income tax return for the second preceding  
19 tax year, and—

20 “(i) does not file a Schedule C (or the  
21 equivalent successor schedule) with the  
22 Federal income tax return for the second  
23 preceding tax year; or

24 “(ii) files a Schedule C (or the equiva-  
25 lent successor schedule) with net business



1 income of not more than a \$10,000 loss or  
 2 gain with the Federal income tax return  
 3 for the second preceding tax year.

4 “(3) SPECIAL RULE.—An eligible applicant  
 5 shall not be exempt from asset reporting under this  
 6 section if the applicant is a dependent student and  
 7 the students’ parents do not—

8 “(A) reside in the United States or a  
 9 United States territory; or

10 “(B) file taxes in the United States or a  
 11 United States territory, except if such nonfiling  
 12 is due to not being required to file a Federal  
 13 tax return for the applicable tax year due to a  
 14 low income.”.

15 (i) DISCRETION OF STUDENT FINANCIAL AID AD-  
 16 MINISTRATORS.—Section 479A of the Higher Education  
 17 Act of 1965 (20 U.S.C. 1087tt) is amended to read as  
 18 follows:

19 **“SEC. 479A. DISCRETION OF STUDENT FINANCIAL AID AD-  
 20 MINISTRATORS.**

21 “(a) AUTHORITY OF FINANCIAL AID ADMINIS-  
 22 TRATOR.—

23 “(1) GENERAL AUTHORITY.—A financial aid  
 24 administrator shall have the authority to, on the  
 25 basis of documentation, make adjustments on a

1 case-by-case basis to the cost of attendance or the  
2 values of the data used to calculate the student aid  
3 index or Federal Pell Grant award (or both) for an  
4 individual eligible applicant with special cir-  
5 cumstances. In making adjustments described in this  
6 paragraph, a financial aid administrator may—

7 “(A) request and use supplementary infor-  
8 mation, as necessary, about the financial status  
9 or personal circumstances of eligible applicants  
10 as it relates to the special circumstances based  
11 on which the applicant is requesting an adjust-  
12 ment; or

13 “(B) offer a dependent student financial  
14 assistance under a Federal Direct Unsubsidized  
15 Stafford Loan without requiring the parents of  
16 such student to file the Free Application for  
17 Federal Student Aid if the student does not  
18 qualify for, or chooses not utilize, the unusual  
19 circumstance option specified in accordance  
20 with section 480(d)(1)(I), and the financial aid  
21 administrator determines that the parents of  
22 such student ended financial support of such  
23 student and refuse to file such form.

24 “(2) LIMITATION RELATING TO AUTHORITY OF  
25 THE FINANCIAL AID ADMINISTRATOR.—In the ab-

1       sence of special circumstances as described in sub-  
2       paragraphs (A) and (B) of this paragraph, the au-  
3       thority under paragraph (1) shall not be construed  
4       to permit financial aid administrators to deviate  
5       from the cost of attendance, the values of the data  
6       used to calculate the student aid index or the values  
7       of the data used to calculate the Federal Pell Grant  
8       award (or both) for awarding aid under this title.

9               “(A) SPECIAL CIRCUMSTANCES FOR AD-  
10              JUSTMENTS RELATED TO PELL GRANTS.—Spe-  
11              cial circumstances for adjustments to calculate  
12              a Federal Pell Grant award—

13                   “(i) shall be conditions that differen-  
14                   tiate an individual student from a class of  
15                   students rather than conditions that exist  
16                   across a class of students; and

17                   “(ii) may include—

18                           “(I) recent unemployment of a  
19                           family member or an independent stu-  
20                           dent;

21                           “(II) a student or family member  
22                           who is a dislocated worker (as defined  
23                           in section 3 of the Workforce Innova-  
24                           tion and Opportunity Act);

1                   “(III) a change in housing status  
2                   that results in an individual being a  
3                   homeless child or youth (as defined in  
4                   section 725 of the McKinney-Vento  
5                   Homeless Assistance Act); or

6                   “(IV) other changes or adjust-  
7                   ments in the income, assets, or size of  
8                   a family, or a student’s dependency  
9                   status.

10                   “(B) SPECIAL CIRCUMSTANCES FOR AD-  
11                   JUSTMENTS RELATED TO COST OF ATTEND-  
12                   ANCE AND STUDENT AID INDEX.—Special cir-  
13                   cumstances for adjustments to the cost of at-  
14                   tendance or the values of the data used to cal-  
15                   culate the student aid index—

16                   “(i) shall be conditions that differen-  
17                   tiate an individual student from a class of  
18                   students rather than conditions that exist  
19                   across a class of students; and

20                   “(ii) may include—

21                   “(I) tuition expenses at an ele-  
22                   mentary school or secondary school;

23                   “(II) medical, dental, or nursing  
24                   home expenses not covered by insur-  
25                   ance;

1           “(III) unusually high child care  
2 or dependent care costs;

3           “(IV) recent unemployment of a  
4 family member or an independent stu-  
5 dent;

6           “(V) a student or family member  
7 who is a dislocated worker (as defined  
8 in section 3 of the Workforce Innova-  
9 tion and Opportunity Act);

10          “(VI) the number of family mem-  
11 bers enrolled in a degree, certificate,  
12 or other program leading to a recog-  
13 nized educational credential at an in-  
14 stitution with a program participation  
15 agreement under section 487;

16          “(VII) a change in housing sta-  
17 tus that results in an individual being  
18 a homeless child or youth (as defined  
19 in section 725 of the McKinney-Vento  
20 Homeless Assistance Act);

21          “(VIII) in the case of a depend-  
22 ent student, a recent condition of se-  
23 vere disability of the student, the de-  
24 pendent student’s parent or guardian,

1 or an independent student's depend-  
2 ent or spouse;

3 “(IX) unusual amount of claimed  
4 losses against income on the Federal  
5 tax return that substantially lower ad-  
6 justed gross income, such as business,  
7 investment, or real estate losses; or

8 “(X) other changes or adjust-  
9 ments in the income, assets, or size of  
10 a family, or a student's dependency  
11 status.

12 “(3) USE OF AUTHORITY.—No institution of  
13 higher education or financial aid administrator shall  
14 maintain a policy of denying all requests for adjust-  
15 ments under this subsection.

16 “(4) DOCUMENTATION AND PROHIBITION ON  
17 FEES.—

18 “(A) IN GENERAL.—Documentation for  
19 adjustments under paragraph (1) shall substan-  
20 tiate the special circumstances of individual stu-  
21 dents, and may include a documented interview  
22 between the student and the financial aid ad-  
23 ministrator.

24 “(B) NO ADDITIONAL FEE.—No student or  
25 parent shall be charged a fee for a documented

1 interview of the student by the financial aid ad-  
2 ministrator or for the review of a student or  
3 parent's request for adjustments under this  
4 subsection including the review of any supple-  
5 mentary information or documentation of a stu-  
6 dent or parent's special circumstance.

7 “(C) DISCLOSURE.—Each institution of  
8 higher education shall make publicly available  
9 information that students applying for aid  
10 under this title shall have the opportunity to  
11 pursue adjustments under this subsection, such  
12 as through an easily accessible notice on the in-  
13 stitution's website or direct disclosures to stu-  
14 dents.

15 “(b) PROVISIONAL INDEPENDENT STUDENTS.—

16 “(1) REQUIREMENTS FOR THE SECRETARY.—

17 The Secretary shall—

18 “(A) enable each student who, based on an  
19 unusual circumstance specified in accordance  
20 with section 480(d)(1)(I), may qualify for an  
21 adjustment under subsection (a) that will result  
22 in a determination of independence under this  
23 section and section 480(d)(1)(I) to complete the  
24 Free Application for Federal Student Aid as an  
25 independent student for the purpose of a provi-

1 sional determination of the student’s Federal fi-  
2 nancial aid award, but subject to the authority  
3 under paragraph (2)(E), for the purpose of the  
4 final determination of the award;

5 “(B) upon completion of the Free Applica-  
6 tion for Federal Student Aid provide an esti-  
7 mate of the student’s Federal Pell Grant  
8 award, based on the assumption the student is  
9 determined to be an independent student; and

10 “(C) specify, on the Free Application for  
11 Federal Student Aid, the consequences under  
12 section 490(a) of knowingly and willfully com-  
13 pleting the Free Application for Federal Stu-  
14 dent Aid as an independent student under sub-  
15 paragraph (A) without meeting the unusual cir-  
16 cumstances to qualify for such a determination.

17 “(2) REQUIREMENTS FOR FINANCIAL AID AD-  
18 MINISTRATORS.—With respect to a student accepted  
19 for admission who completes the Free Application  
20 for Federal Student Aid as an independent student  
21 under paragraph (1)(A), a financial aid adminis-  
22 trator—

23 “(A) shall notify the student of the institu-  
24 tional process, requirements, and timeline for  
25 an adjustment under this section and section



1           480(d)(1)(I) that will result in a review of the  
2           student’s request for an adjustment and a de-  
3           termination of the student’s dependency status  
4           under such sections within a reasonable time  
5           after the student completes the Free Applica-  
6           tion for Federal Student Aid;

7           “(B) shall provide the student a final de-  
8           termination of the student’s dependency status  
9           and Federal financial aid award within a rea-  
10          sonable amount of time after all requested doc-  
11          umentation is provided;

12          “(C) may consider as adequate verification  
13          that a student qualifies for an adjustment  
14          under this section and section 480(d)(1)(I)—

15               “(i) submission of a court order or of-  
16               ficial Federal or State documentation that  
17               the student’s parents or legal guardians  
18               are incarcerated in any Federal or State  
19               penal institution;

20               “(ii) a documented phone call or a  
21               written statement, which confirms the spe-  
22               cific unusual circumstances with—

23                       “(I) a child welfare agency au-  
24                       thorized by a State or county;

1                   “(II) a Tribal child welfare au-  
2                   thority;

3                   “(III) an independent living case  
4                   worker; or

5                   “(IV) a public or private agency,  
6                   facility, or program serving the vic-  
7                   tims of abuse, neglect, assault, or vio-  
8                   lence;

9                   “(iii) a documented phone call or a  
10                  written statement from an attorney, a  
11                  guardian ad litem, or a court appointed  
12                  special advocate, which confirms the spe-  
13                  cific unusual circumstances and documents  
14                  the person’s relationship to the student;

15                  “(iv) a documented phone call or a  
16                  written statement from a representative of  
17                  a program under chapter 1 or 2 of subpart  
18                  2 of part A, which confirms the specific  
19                  unusual circumstances and documents the  
20                  person’s relationship to the student; or

21                  “(v) in the absence of documentation  
22                  described in this subparagraph, other doc-  
23                  umentation the financial aid administrator  
24                  determines is adequate and appropriate to  
25                  confirm the unusual circumstances;

1           “(D) shall retain all documents related to  
2           the adjustment under this section and section  
3           480(d)(1)(I), including documented interviews,  
4           for at least the duration of the student’s enroll-  
5           ment, and shall abide by all other record keep-  
6           ing requirements of this Act; and

7           “(E) shall presume that any student who  
8           has obtained an adjustment under this section  
9           and section 480(d)(1)(I) and a final determina-  
10          tion of independence for a preceding award year  
11          at an institution to be independent for a subse-  
12          quent award year at the same institution un-  
13          less—

14                   “(i) the student informs the institu-  
15                   tion that circumstances have changed; or

16                   “(ii) the institution has specific con-  
17                   flicting information about the student’s  
18                   independence.

19          “(c) ADJUSTMENTS TO ASSETS OR INCOME TAKEN  
20 INTO ACCOUNT.—A financial aid administrator shall be  
21 considered to be making a necessary adjustment in accord-  
22 ance with subsection (a) if—

23                   “(1) the administrator makes adjustments ex-  
24                   cluding from family income or assets any proceeds  
25                   or losses from a sale of farm or business assets of

1 a family if such sale results from a voluntary or in-  
2 voluntary foreclosure, forfeiture, or bankruptcy or a  
3 voluntary or involuntary liquidation; or

4 “(2) the administrator makes adjustments for a  
5 student with a disability so as to take into consider-  
6 ation the additional costs such student incurs as a  
7 result of such student’s disability.

8 “(d) REFUSAL OR ADJUSTMENT OF LOAN CERTIFI-  
9 CATIONS.—On a case-by-case basis, an eligible institution  
10 may refuse to use the authority provided under this sec-  
11 tion, certify a statement that permits a student to receive  
12 a loan under part D, certify a loan amount, or make a  
13 loan that is less than the student’s determination of need  
14 (as determined under this part), if the reason for the ac-  
15 tion is documented and provided in written form to the  
16 student. No eligible institution shall discriminate against  
17 any borrower or applicant in obtaining a loan on the basis  
18 of race, national origin, religion, sex, marital status, age,  
19 or disability status.”.

20 (j) DISREGARD OF STUDENT AID IN OTHER PRO-  
21 GRAMS.—Section 479B of the Higher Education Act of  
22 1965 (20 U.S.C. 1087uu) is amended to read as follows:

1 **“SEC. 479B. DISREGARD OF STUDENT AID IN OTHER PRO-**  
 2 **GRAMS.**

3 “Notwithstanding any other provision of law, student  
 4 financial assistance received under this title, or under Bu-  
 5 reau of Indian Affairs student assistance programs, shall  
 6 not be taken into account in determining the need or eligi-  
 7 bility of any person for benefits or assistance, or the  
 8 amount of such benefits or assistance, under any Federal,  
 9 State, or local program financed in whole or in part with  
 10 Federal funds.”.

11 (k) NATIVE AMERICAN STUDENTS.—Section 479C of  
 12 the Higher Education Act of 1965 (20 U.S.C. 1087uu–  
 13 1) is amended to read as follows:

14 **“SEC. 479C. NATIVE AMERICAN STUDENTS.**

15 “In determining the student aid index for Native  
 16 American students, computations performed pursuant to  
 17 this part shall exclude—

18 “(1) any income and assets of \$2,000 or less  
 19 per individual payment received by the student (and  
 20 spouse) and student’s parents under Public Law 98–  
 21 64 (25 U.S.C. 117a et seq.; 97 Stat. 365) (com-  
 22 monly known as the ‘Per Capita Act’) or the Indian  
 23 Tribal Judgment Funds Use or Distribution Act (25  
 24 U.S.C. 1401 et seq.); and

25 “(2) any income received by the student (and  
 26 spouse) and student’s parents under the Alaska Na-

1       tive Claims Settlement Act (43 U.S.C. 1601 et seq.)  
2       or the Maine Indian Claims Settlement Act of 1980  
3       (25 U.S.C. 1721 et seq.).”.

4       (l) DEFINITIONS.—Section 480 of the Higher Edu-  
5       cation Act of 1965 (20 U.S.C. 1087vv) is amended to read  
6       as follows:

7       **“SEC. 480. DEFINITIONS.**

8       “In this part:

9       “(a) TOTAL INCOME.—The term ‘total income’  
10       means the amount equal to adjusted gross income for the  
11       second preceding tax year plus untaxed income and bene-  
12       fits for the second preceding tax year minus excludable  
13       income for the second preceding tax year. The factors used  
14       to determine total income shall be derived from the Fed-  
15       eral income tax return, if available, except for the appli-  
16       cant’s ability to indicate a qualified rollover in the second  
17       preceding tax year as outlined in section 483.

18       “(b) UNTAXED INCOME AND BENEFITS.—The term  
19       ‘untaxed income and benefits’ means—

20               “(1) deductions and payments to self-employed  
21       SEP, SIMPLE, Keogh, and other qualified indi-  
22       vidual retirement accounts excluded from income for  
23       Federal tax purposes, except such term shall not in-  
24       clude payments made to tax-deferred pension and  
25       retirement plans, paid directly or withheld from

1 earnings, that are not delineated on the Federal tax  
2 return;

3 “(2) tax-exempt interest income;

4 “(3) untaxed portion of individual retirement  
5 account distributions;

6 “(4) untaxed portion of pensions; and

7 “(5) untaxed contributions to health savings ac-  
8 counts.

9 “(c) VETERAN.—The term ‘veteran’ has the meaning  
10 given the term in section 101(2) of title 38, United States  
11 Code.

12 “(d) INDEPENDENT STUDENTS AND DETERMINA-  
13 TIONS.—

14 “(1) DEFINITION.—The term ‘independent’,  
15 when used with respect to a student, means any in-  
16 dividual who—

17 “(A) is 24 years of age or older by Decem-  
18 ber 31 of the award year;

19 “(B) is an orphan, in foster care, or a  
20 ward of the court, or was an orphan, in foster  
21 care, or a ward of the court at any time when  
22 the individual was 13 years of age or older;

23 “(C) is, or was immediately prior to attain-  
24 ing the age of majority, an emancipated minor  
25 or in legal guardianship as determined by a

1 court of competent jurisdiction in the individ-  
2 ual's State of legal residence;

3 “(D) is a veteran of the Armed Forces of  
4 the United States (as defined in subsection (c))  
5 or is currently serving on active duty in the  
6 Armed Forces for other than training purposes;

7 “(E) is a graduate or professional student;

8 “(F) is married and not separated;

9 “(G) has legal dependents other than a  
10 spouse;

11 “(H) has been verified as either an unac-  
12 companied youth 23 years of age or younger  
13 who is a homeless child or youth (as such term  
14 is defined in section 725 of the McKinney-  
15 Vento Homeless Assistance Act), or as unac-  
16 companied, at risk of homelessness, and self-  
17 supporting, by—

18 “(i) by a local educational agency  
19 homeless liaison, designated pursuant to  
20 section 722(g)(1)(J)(ii) of the McKinney-  
21 Vento Homeless Assistance Act or a des-  
22 ignee of the liaison;

23 “(ii) by the director of a recognized  
24 emergency shelter, transitional living,  
25 street outreach program, or other program



1 serving individuals who are homeless or a  
2 designee of the director;

3 “(iii) by the director of a Federal  
4 TRIO program or a Gaining Early Aware-  
5 ness and Readiness for Undergraduate  
6 program under chapter 1 or 2 of subpart  
7 2 of part A or a designee of the director;

8 “(iv) by a financial aid administrator  
9 who verified the student’s circumstance in  
10 a prior award year; or

11 “(v) pursuant to paragraph (3); or

12 “(I) is a student for whom a financial aid  
13 administrator makes a documented determina-  
14 tion of independence by reason of other unusual  
15 circumstances in which the student is unable to  
16 contact a parent or where contact with parents  
17 poses a risk to such student, which may include  
18 circumstances of—

19 “(i) human trafficking, as described  
20 in the Trafficking Victims Protection Act  
21 of 2000 (22 U.S.C. 7101 et seq.);

22 “(ii) legally granted refugee or asylum  
23 status;

24 “(iii) parental abandonment; or

25 “(iv) parental imprisonment.

1           “(2) SIMPLIFYING THE DEPENDENCY OVER-  
2           RIDE PROCESS.—A financial aid administrator may  
3           make a determination of independence under para-  
4           graph (1)(I) based upon a documented determina-  
5           tion of independence that was previously made by  
6           another financial aid administrator under such para-  
7           graph in the same award year.

8           “(3) DETERMINATION PROCESS FOR UNACCOM-  
9           PANIED YOUTH.—A financial aid administrator shall  
10          make a case-by-case determination under paragraph  
11          (1)(H) if a student does not have, and cannot get,  
12          documentation from any of the other designated au-  
13          thorities described in such paragraph. A financial  
14          aid administrator may verify, in the absence of con-  
15          flicting information, a status described in paragraph  
16          (1)(H). Such a determination shall be—

17                 “(A) distinct from a determination of inde-  
18                 pendence under paragraph (1)(I);

19                 “(B) based on, and limited to, the defini-  
20                 tions outlined in paragraph (1)(H);

21                 “(C) based on a written statement from or  
22                 a documented interview with the student which  
23                 confirms the student’s status as an unaccom-  
24                 panied youth; and

1           “(D) made independent from the reasons  
2           for the student’s homelessness.

3           “(4) VERIFICATION PROCESS FOR FOSTER CARE  
4           YOUTH.—If an institution requires documentation to  
5           verify that a student was in foster care when the  
6           student was age 13 or older, as described in para-  
7           graph (1)(B), a financial aid administrator shall  
8           consider any of the following as adequate  
9           verification, in the absence of documented conflicting  
10          information:

11           “(A) Submission of a court order or offi-  
12          cial State documentation that the student re-  
13          ceived Federal or State support in foster care.

14           “(B) A documented phone call, written  
15          statement, or verifiable electronic data match,  
16          which confirms the student was in foster care  
17          at an applicable age, from—

18           “(i) a State or tribal agency admin-  
19          istering a program under part B or E of  
20          title IV of the Social Security Act (42  
21          U.S.C. 621 et seq. and 670 et seq.);

22           “(ii) a State Medicaid agency; or

23           “(iii) a public or private foster care  
24          placing agency or foster care facility or  
25          placement.

1           “(C) A documented phone call or a written  
2 statement from an attorney, a guardian ad  
3 litem, or a Court Appointed Special Advocate  
4 that confirms that the student was in foster  
5 care at an applicable age, and documents the  
6 person’s relationship to the student.

7           “(D) Verification of the student’s eligibility  
8 for an education and training voucher under the  
9 John H. Chafee Foster Care Program under  
10 section 477 of the Social Security Act (42  
11 U.S.C. 677).

12           “(5) TIMING; USE OF EARLIER DETERMINA-  
13 TION.—

14           “(A) TIMING.—A determination under  
15 subparagraph (B), (H), or (I) of paragraph (1)  
16 for a student—

17                   “(i) shall be made as quickly as prac-  
18 ticable;

19                   “(ii) may be made as early as the year  
20 before the award year for which the stu-  
21 dent initially submits an application; and

22                   “(iii) shall be made not later than  
23 during the award year for which the stu-  
24 dent initially submits an application.

1           “(B) USE OF EARLIER DETERMINATION.—

2           Any student who is determined to be inde-  
3           pendent under subparagraph (B), (H), or (I) of  
4           paragraph (1) for a preceding award year at an  
5           institution shall be presumed to be independent  
6           for each subsequent award year at the same in-  
7           stitution unless—

8                   “(i) the student informs the institu-  
9                   tion that circumstances have changed; or

10                   “(ii) the institution has specific con-  
11                   flicting information about the student’s  
12                   independence, and has informed the stu-  
13                   dent of this information.

14           “(6) RETENTION OF DOCUMENTS.—A financial  
15           aid administrator shall retain all documents related  
16           to the determination of independence under subpara-  
17           graph (B) or (H) of paragraph (1), including docu-  
18           mented interviews.

19           “(e) EXCLUDABLE INCOME.—The term ‘excludable  
20           income’ means an amount equal to the education credits  
21           described in paragraphs (1) and (2) of section 25A(a) of  
22           the Internal Revenue Code of 1986.

23           “(f) ASSETS.—

24                   “(1) IN GENERAL.—The term ‘assets’ means  
25                   cash on hand, including the amount in checking and

1 savings accounts, time deposits, money market  
2 funds, trusts, stocks, bonds, derivatives, other secu-  
3 rities, mutual funds, tax shelters, qualified education  
4 benefits (except as provided in paragraph (3)), the  
5 annual amount of child support received and the net  
6 value of real estate, income producing property, and  
7 business and farm assets, determined in accordance  
8 with section 478(e).

9 “(2) EXCLUSIONS.—With respect to determina-  
10 tions of need under this title, the term ‘assets’ shall  
11 not include the net value of the family’s principal  
12 place of residence.

13 “(3) QUALIFIED EDUCATION BENEFIT.—A  
14 qualified education benefit shall be considered an  
15 asset of—

16 “(A) the student if the student is an inde-  
17 pendent student; or

18 “(B) the parent if the student is a depend-  
19 ent student and the account is designated for  
20 the student, regardless of whether the owner of  
21 the account is the student or the parent.

22 “(g) NET ASSETS.—The term ‘net assets’ means the  
23 current market value at the time of application of the as-  
24 sets (as defined in subsection (f)), minus the outstanding  
25 liabilities or indebtedness against the assets.

1       “(h) TREATMENT OF INCOME TAXES PAID TO  
2 OTHER JURISDICTIONS.—

3           “(1) The tax on income paid to the Govern-  
4 ments of the Commonwealth of Puerto Rico, Guam,  
5 American Samoa, the Virgin Islands, or the Com-  
6 monwealth of the Northern Mariana Islands, the Re-  
7 public of the Marshall Islands, the Federated States  
8 of Micronesia, or Palau under the laws applicable to  
9 those jurisdictions, or the comparable tax paid to the  
10 central government of a foreign country, shall be  
11 treated as Federal income taxes.

12           “(2) References in this part to title 26, Federal  
13 income tax forms, and the Internal Revenue Service  
14 shall, for purposes of the tax described in paragraph  
15 (1), be treated as references to the corresponding  
16 laws, tax forms, and tax collection agencies of those  
17 jurisdictions, respectively, subject to such adjust-  
18 ments as the Secretary may provide by regulation.

19       “(i) CURRENT BALANCE.—The term ‘current balance  
20 of checking and savings accounts’ does not include any  
21 funds over which an individual is barred from exercising  
22 discretion and control because of the actions of any State  
23 in declaring a bank emergency due to the insolvency of  
24 a private deposit insurance fund.

25       “(j) OTHER FINANCIAL ASSISTANCE.—

1           “(1) For purposes of determining a student’s  
2           eligibility for funds under this title, other financial  
3           assistance not received under this title shall include  
4           all scholarships, grants, loans, or other assistance  
5           known to the institution at the time the determina-  
6           tion of the student’s need is made, including na-  
7           tional service educational awards or post-service ben-  
8           efits under title I of the National and Community  
9           Service Act of 1990 (42 U.S.C. 12511 et seq.).

10           “(2) Notwithstanding paragraph (1), a tax  
11           credit taken under section 25A of the Internal Rev-  
12           enue Code of 1986, or a distribution that is not in-  
13           cludable in gross income under section 529 of such  
14           Code, under another prepaid tuition plan offered by  
15           a State, or under a Coverdell education savings ac-  
16           count under section 530 of such Code, shall not be  
17           treated as other financial assistance for purposes of  
18           section 471(a)(3).

19           “(3) Notwithstanding paragraph (1) and sec-  
20           tion 472, assistance not received under this title may  
21           be excluded from both other financial assistance and  
22           cost of attendance, if that assistance is provided by  
23           a State and is designated by such State to offset a  
24           specific component of the cost of attendance. If that  
25           assistance is excluded from either other financial as-



1       sistance or cost of attendance, it shall be excluded  
2       from both.

3               “(4) Notwithstanding paragraph (1), payments  
4       made and services provided under part E of title IV  
5       of the Social Security Act to or on behalf of any  
6       child or youth over whom the State agency has re-  
7       sponsibility for placement, care, or supervision, in-  
8       cluding the value of vouchers for education and  
9       training and amounts expended for room and board  
10      for youth who are not in foster care but are receiv-  
11      ing services under section 477 of such Act, shall not  
12      be treated as other financial assistance for purposes  
13      of section 471(a)(3).

14      “(k) DEPENDENTS.—

15              “(1) Except as otherwise provided, the term  
16      ‘dependent of the parent’ means the student, de-  
17      pendent children of the student’s parents, including  
18      those children who are deemed to be dependent stu-  
19      dents when applying for aid under this title, and  
20      other persons who live with and receive more than  
21      one-half of their support from the parent and will  
22      continue to receive more than half of their support  
23      from the parent during the award year.

24              “(2) Except as otherwise provided, the term  
25      ‘dependent of the student’ means the student’s de-

1       pendent children and other persons (except the stu-  
2       dent's spouse) who live with and receive more than  
3       one-half of their support from the student and will  
4       continue to receive more than half of their support  
5       from the student during the award year.

6       “(1) FAMILY SIZE.—

7               “(1) DEPENDENT STUDENT.—Except as pro-  
8       vided in paragraph (3), in determining family size in  
9       the case of a dependent student—

10               “(A) if the parents are not divorced or sep-  
11               arated, family members include the student's  
12               parents, and any dependent (within the mean-  
13               ing of section 152 of the Internal Revenue Code  
14               of 1986 or was an eligible individual for pur-  
15               poses of the credit under section 32 of the In-  
16               ternal Revenue Code of 1986) of the student's  
17               parents for the taxable year used in deter-  
18               mining the amount of need of the student for  
19               financial assistance under this title;

20               “(B) if the parents are divorced or sepa-  
21               rated, family members include the parent whose  
22               income is included in computing available in-  
23               come and any dependent (within the meaning of  
24               section 152 of the Internal Revenue Code of  
25               1986 or was an eligible individual for purposes

1 of the credit under section 32 of the Internal  
2 Revenue Code of 1986) of that parent for the  
3 taxable year used in determining the amount of  
4 need of the student for financial assistance  
5 under this title;

6 “(C) if the parents are divorced and the  
7 parents whose income is so included is remar-  
8 ried, or if the parent was a widow or widower  
9 who has remarried, family members also in-  
10 clude, in addition to those individuals referred  
11 to in paragraph (B), and any dependent (within  
12 the meaning of section 152 of the Internal Rev-  
13 enue Code of 1986 or was an eligible individual  
14 for purposes of the credit under section 32 of  
15 the Internal Revenue Code of 1986) of the new  
16 spouse for the taxable year used in determining  
17 the amount of need of the student for financial  
18 assistance under this title, if that spouse’s in-  
19 come is included in determining the parent’s  
20 adjusted available income; and

21 “(D) if the student is not considered as a  
22 dependent (within the meaning of section 152  
23 of the Internal Revenue Code of 1986 or was  
24 an eligible individual for purposes of the credit  
25 under section 32 of the Internal Revenue Code

1 of 1986) of any parent, the parents' family size  
2 shall include the student and the family mem-  
3 bers applicable to the parents' situation under  
4 subparagraph (A), (B), or (C).

5 “(2) INDEPENDENT STUDENT.—Except as pro-  
6 vided in paragraph (3), in determining family size in  
7 the case of an independent student—

8 “(A) family members include the student,  
9 the student's spouse, and any dependent (within  
10 the meaning of section 152 of the Internal Rev-  
11 enue Code of 1986 or was an eligible individual  
12 for purposes of the credit under section 32 of  
13 the Internal Revenue Code of 1986) of that stu-  
14 dent for the taxable year used in determining  
15 the amount of need of the student for financial  
16 assistance under this title; and

17 “(B) if the student is divorced or sepa-  
18 rated, family members do not include the  
19 spouse (or ex-spouse), but do include the stu-  
20 dent and any dependent (within the meaning of  
21 section 152 of the Internal Revenue Code of  
22 1986 or was an eligible individual for purposes  
23 of the credit under section 32 of the Internal  
24 Revenue Code of 1986) of that student for the  
25 taxable year used in determining the amount of

1           need of the student for financial assistance  
2           under this title.

3           “(3) PROCEDURES AND MODIFICATION.—The  
4           Secretary shall provide procedures for determining  
5           family size in cases in which information for the tax-  
6           able year used in determining the amount of need of  
7           the student for financial assistance under this title  
8           has changed or does not accurately reflect the appli-  
9           cant’s current household size.

10          “(m) BUSINESS ASSETS.—The term ‘business assets’  
11         means property that is used in the operation of a trade  
12         or business, including real estate, inventories, buildings,  
13         machinery, and other equipment, patents, franchise rights,  
14         and copyrights.”.

15          (m) FAFSA.—Section 483 of the Higher Education  
16         Act of 1965 (20 U.S.C. 1090) is amended to read as fol-  
17         lows:

18         **“SEC. 483. FREE APPLICATION FOR FEDERAL STUDENT AID.**

19                 “(a) SIMPLIFIED APPLICATION FOR FEDERAL STU-  
20         DENT FINANCIAL AID.—

21                         “(1) IN GENERAL.—Each individual seeking to  
22             apply for Federal financial aid under this title for  
23             any award year shall file a free application with the  
24             Secretary, known as the ‘Free Application for Fed-  
25             eral Student Aid’, to determine eligibility for such

1 aid, as described in paragraph (2), and in accord-  
2 ance with section 479.

3 “(2) FREE APPLICATION.—

4 “(A) IN GENERAL.—The Secretary shall  
5 make available, for the purposes of paragraph  
6 (1), a free application to determine the eligi-  
7 bility of a student for Federal financial aid  
8 under this title.

9 “(B) INFORMATION REQUIRED BY THE AP-  
10 PPLICANT.—

11 “(i) IN GENERAL.—The applicant,  
12 and, if necessary, the parents or spouse of  
13 the applicant, shall provide the Secretary  
14 with the applicable information described  
15 in clause (ii) in order to be eligible for  
16 Federal financial aid under this title.

17 “(ii) INFORMATION TO BE PRO-  
18 VIDED.—The information described in this  
19 clause is the following:

20 “(I) Name.

21 “(II) Contact information, in-  
22 cluding address, phone number, email  
23 address, or other electronic address.

24 “(III) Social security number.

25 “(IV) Date of birth.

1                   “(V) Marital status.

2                   “(VI) Citizenship status, includ-  
3                   ing alien registration number, if appli-  
4                   cable.

5                   “(VII) Gender.

6                   “(VIII) State of legal residence  
7                   and date of residency.

8                   “(IX) Name and location of the  
9                   high school from which the applicant  
10                  received, or will receive prior to the  
11                  period of enrollment for which aid is  
12                  sought, a regular high school diploma,  
13                  name and location of the entity from  
14                  which the applicant received, or will  
15                  receive prior to the period of enroll-  
16                  ment for which aid is sought, a recog-  
17                  nized equivalent of a regular high  
18                  school diploma, or if the applicant  
19                  completed or will complete prior to the  
20                  period of enrollment for which aid is  
21                  sought, a secondary school education  
22                  in a home school setting that is treat-  
23                  ed as a home school or private school  
24                  under State law.

1           “(X) Name of each institution  
2 where the applicant intends to apply  
3 for enrollment or continue enrollment.

4           “(XI) Year in school for period  
5 of enrollment for which aid is sought,  
6 including whether applicant will have  
7 finished first bachelor’s degree prior  
8 to the period of enrollment for which  
9 aid is sought.

10           “(XII) Whether one or both of  
11 an applicant’s parents attended col-  
12 lege.

13           “(XIII) Any required asset infor-  
14 mation, unless exempt under section  
15 479, in which the applicant shall indi-  
16 cate—

17                   “(aa) the annual amount of  
18 child support received, if applica-  
19 ble; and

20                   “(bb) all required asset in-  
21 formation not described in item  
22 (aa).

23           “(XIV) The number of members  
24 of the applicant’s family who will also  
25 be enrolled in an eligible institution of



1 higher education on at least a half-  
2 time basis during the same enrollment  
3 period as the applicant.

4 “(XV) If the applicant meets any  
5 of the following designations:

6 “(aa) Homeless, at risk of  
7 being homeless, or an unaccom-  
8 panied youth.

9 “(bb) Emancipated minor.

10 “(cc) In legal guardianship.

11 “(dd) Dependent ward of  
12 the court at any time since the  
13 applicant turned 13.

14 “(ee) In foster care at any  
15 time since the applicant turned  
16 13.

17 “(ff) If both parents have  
18 died since the applicant turned  
19 13.

20 “(gg) Is a veteran of the  
21 Armed Forces of the United  
22 States or is serving (on the date  
23 of the application) on active duty  
24 in the Armed Forces for other  
25 than training purposes.

1           “(hh) Has a dependent child  
2 or relative and is under the age  
3 of 24.

4           “(ii) Does not have access to  
5 parental income due to an un-  
6 usual circumstance.

7           “(XVI) If the applicant receives  
8 or has received any of the following  
9 means-tested Federal benefits within  
10 the last two years:

11           “(aa) The supplemental se-  
12 curity income program under  
13 title XVI of the Social Security  
14 Act (42 U.S.C. 1381 et seq.).

15           “(bb) The supplemental nu-  
16 trition assistance program under  
17 the Food and Nutrition Act of  
18 2008 (7 U.S.C. 2011 et seq.).

19           “(cc) The free and reduced  
20 price school lunch program estab-  
21 lished under the Richard B. Rus-  
22 sell National School Lunch Act  
23 (42 U.S.C. 1751 et seq.).

24           “(dd) The program of block  
25 grants for States for temporary

1 assistance for needy families es-  
2 tablished under part A of title IV  
3 of the Social Security Act (42  
4 U.S.C. 601 et seq.).

5 “(ee) The special supple-  
6 mental nutrition program for  
7 women, infants, and children es-  
8 tablished by section 17 of the  
9 Child Nutrition Act of 1966 (42  
10 U.S.C. 1786).

11 “(ff) The Medicaid program  
12 under title XIX of the Social Se-  
13 curity Act (42 U.S.C. 1396 et  
14 seq.).

15 “(gg) Federal housing as-  
16 sistance programs, including ten-  
17 ant-based assistance under sec-  
18 tion 8(o) of the United States  
19 Housing Act of 1937 (42 U.S.C.  
20 1437f(o)), and public housing, as  
21 defined in section 3(b)(1) of such  
22 Act (42 U.S.C. 1437a(b)(1)).

23 “(hh) Any other means-test-  
24 ed program determined by the  
25 Secretary to be appropriate.

1                   “(XVII) If the applicant, or, if  
2                   necessary, the parents or spouse of  
3                   the applicant, reported receiving tax  
4                   exempt payments from an IRA dis-  
5                   tribution or from pensions or annu-  
6                   ities on a Federal tax return the Sec-  
7                   retary shall request the applicant, or,  
8                   if necessary, the parents or spouse of  
9                   the applicant to provide information  
10                  as to how much of the IRA distribu-  
11                  tion or the pension or annuity dis-  
12                  bursement was a qualified rollover  
13                  and the applicant, or, if necessary, the  
14                  parents or spouse of the applicant  
15                  shall provide such information to the  
16                  Secretary for the purpose of the need  
17                  analysis.

18                  “(iii) PROHIBITION AGAINST RE-  
19                  QUESTING INFORMATION MORE THAN  
20                  ONCE.—Any information requested during  
21                  the process of creating an account for com-  
22                  pleting the web-based free application  
23                  under this subsection, shall not be required  
24                  a second time for the same award year, or

1 in a duplicative manner, when completing  
2 such web-based free application.

3 “(iv) CHANGE IN FAMILY SIZE.—The  
4 Secretary shall provide a process by which  
5 an applicant shall confirm the accuracy of  
6 family size or update the family size with  
7 respect to such applicant for purposes of  
8 determining the need of such applicant for  
9 financial assistance under this title based  
10 on a change in family size from the tax  
11 year data used for such determination.

12 “(v) SINGLE QUESTION FOR HOME-  
13 LESS STATUS.—The Secretary shall ensure  
14 that—

15 “(I) on the form developed under  
16 this section for which the information  
17 is applicable, there is a single, easily  
18 understood screening question to iden-  
19 tify an applicant who is an unaccom-  
20 panied homeless child or youth (as  
21 such term is defined in section 725 of  
22 the McKinney-Vento Homeless Assist-  
23 ance Act) or an unaccompanied youth  
24 who is self-supporting and at risk of  
25 homelessness; and

1                   “(II) such question is distinct  
2                   from those relating to an individual  
3                   who does not have access to parental  
4                   income due to an unusual cir-  
5                   cumstance.

6                   “(vi) ADJUSTMENTS.—The Secretary  
7                   shall disclose on the FAFSA that the stu-  
8                   dent may, on a case-by-case basis, qualify  
9                   for an adjustment under section 479A to  
10                  the cost of attendance or the values of the  
11                  data items required to calculate the stu-  
12                  dent aid index for the student or parent.

13                  “(C) NOTIFICATION OF REQUEST FOR TAX  
14                  RETURN INFORMATION.—The Secretary shall  
15                  advise students and borrowers who submit an  
16                  application for Federal student financial aid  
17                  under this title (as well as parents and spouses  
18                  who sign such an application or request or a  
19                  Master Promissory Note on behalf of those stu-  
20                  dents and borrowers) of the authority of the  
21                  Secretary to request that the Internal Revenue  
22                  Service disclose their tax return information as  
23                  described in section 494.

24                  “(D) AUTHORIZATIONS AVAILABLE TO THE  
25                  APPLICANT.—

1           “(i) AUTHORIZATION TO RELEASE  
2           AND TRANSMIT TO INSTITUTION.—An ap-  
3           plicant and, if necessary, the parents or  
4           spouse of the applicant shall provide the  
5           Secretary with authorization to release and  
6           transmit to an institution, as specified by  
7           the applicant, in order for the applicant’s  
8           eligibility for Federal financial aid pro-  
9           grams to be determined, the following:

10                   “(I) Information described under  
11                   section 6103(l)(13) of the Internal  
12                   Revenue Code of 1986.

13                   “(II) All information provided by  
14                   the applicant on the application de-  
15                   scribed by this subsection to deter-  
16                   mine the applicant’s eligibility for  
17                   Federal financial aid under this title  
18                   and for the application, award, and  
19                   administration of such Federal finan-  
20                   cial aid.

21           “(ii) AUTHORIZATION TO RELEASE  
22           AND TRANSMIT TO STATE AND INSTITU-  
23           TION.—

24                   “(I) IN GENERAL.—An applicant  
25                   and, if necessary, the parents or

1 spouse of the applicant may provide  
2 the Secretary with authorization to re-  
3 lease and transmit to the State of res-  
4 idence of the applicant and to any in-  
5 stitution specified by the applicant, in  
6 order for the applicant's eligibility for  
7 State student financial aid programs  
8 or institution-based student financial  
9 aid programs to be determined, the  
10 following:

11 “(aa) Information described  
12 under section 6103(l)(13) of the  
13 Internal Revenue Code of 1986.

14 “(bb) All information pro-  
15 vided by the applicant on the ap-  
16 plication described by this sub-  
17 section for the application,  
18 award, and administration of fi-  
19 nancial aid by a State or an in-  
20 stitution of higher education.

21 “(II) SPECIAL RULE.—An insti-  
22 tution to which an applicant selects to  
23 release and transmit information  
24 under subclause (I) shall not be dis-  
25 closed to any other institution.



1           “(iii) AUTHORIZATION TO RELEASE  
2           AND TRANSMIT TO BENEFITS PRO-  
3           GRAMS.—An applicant and, if necessary,  
4           the parents or spouse of the applicant may  
5           provide the Secretary with authorization to  
6           release and transmit to means-tested Fed-  
7           eral benefit programs, as defined in section  
8           473(e), the following:

9                   “(I) Information described under  
10                   section 6103(l)(13) of the Internal  
11                   Revenue Code of 1986.

12                   “(II) All information provided by  
13                   the applicant on the application de-  
14                   scribed by this subsection to deter-  
15                   mine the applicant’s eligibility for the  
16                   application, award, and administration  
17                   of such means-tested Federal benefits  
18                   programs.

19                   “(E) ACTION BY THE SECRETARY.—Upon  
20           receiving—

21                   “(i) an application under this section,  
22                   the Secretary shall, as soon as practicable,  
23                   perform the necessary functions with the  
24                   Commissioner of Internal Revenue to cal-  
25                   culate the applicant’s student aid index

1 and scheduled award for a Federal Pell  
2 Grant, if applicable, assuming full-time en-  
3 rollment for an academic year, and note to  
4 the applicant the assumptions relationship  
5 to the scheduled award; and

6 “(ii) an authorization under subpara-  
7 graph (D), the Secretary shall, as soon as  
8 practicable, release and transmit the infor-  
9 mation described under such subparagraph  
10 to the State of residence of the applicant  
11 or an institution, as specified by the appli-  
12 cant, in order for the applicant’s eligibility  
13 for Federal, State, or institutional student  
14 financial aid programs to be estimated or  
15 determined.

16 “(3) INFORMATION TO BE SUPPLIED BY THE  
17 SECRETARY OF EDUCATION.—

18 “(A) IN GENERAL.—Upon receiving and  
19 timely processing a free application that con-  
20 tains the information described in paragraph  
21 (2), the Secretary shall provide to the applicant  
22 (and the parents of a dependent student appli-  
23 cant, or spouse of the independent student ap-  
24 plicant, if applicable) the following information

1 based on full-time attendance for an academic  
2 year:

3 “(i) The estimated dollar amount of a  
4 Federal Pell Grant scheduled award for  
5 which the applicant is eligible for such  
6 award year.

7 “(ii) Information on other types of  
8 Federal financial aid for which the appli-  
9 cant may be eligible (including situations  
10 in which the applicant could qualify for  
11 150 percent of a schedule Federal Pell  
12 Grant award and loans made under this  
13 title) and how the applicant can find addi-  
14 tional information regarding such aid.

15 “(iii) Information regarding each in-  
16 stitution selected by the applicant in ac-  
17 cordance with paragraph (2)(B)(ii)(X), in-  
18 cluding the following:

19 “(I) The following information,  
20 as collected through the Integrated  
21 Postsecondary Education Data Sys-  
22 tem or a successor Federal data sys-  
23 tem as designated by the Secretary:

24 “(aa) Net price by income  
25 quintile.

1                   “(bb) Median debt of stu-  
2                   dents upon completion.

3                   “(cc) Graduation rate.

4                   “(dd) Retention rate.

5                   “(ee) Transfer rate, if avail-  
6                   able.

7                   “(II) Institutional default rate,  
8                   as calculated under section 435.

9                   “(iv) If the student is eligible for a  
10                  student aid index of less than or equal to  
11                  zero under section 473 but has not indi-  
12                  cated that they receive Federal means-test-  
13                  ed benefits, a notification of the Federal  
14                  means-tested benefits for which they may  
15                  be eligible.

16                  “(v) Information on education tax  
17                  credits described in paragraphs (1) and (2)  
18                  of section 25A(a) of the Internal Revenue  
19                  Code of 1986.

20                  “(vi) If the individual identified as a  
21                  veteran, or as serving (on the date of the  
22                  application) on active duty in the Armed  
23                  Forces for other than training purposes,  
24                  information on benefits administered by

1 the Department of Veteran Affairs or De-  
2 partment of Defense, respectively.

3 “(vii) If applicable, the applicant’s  
4 current outstanding balance of loans under  
5 this title.

6 “(B) INFORMATION PROVIDED TO THE  
7 STATE.—

8 “(i) IN GENERAL.—The Secretary  
9 shall provide, with authorization from the  
10 applicant in accordance with paragraph  
11 (2)(D)(ii), to a State agency administering  
12 State-based financial aid and serving the  
13 applicant’s State of residence, the informa-  
14 tion described under section 6103(l)(13) of  
15 the Internal Revenue Code of 1986 and in-  
16 formation described in paragraph (2)(B)  
17 for the application, award, and administra-  
18 tion of grants and other aid provided di-  
19 rectly from the State to be determined by  
20 such State, such information shall include  
21 the list of institutions provided by the ap-  
22 plicant on the application.

23 “(ii) USE OF INFORMATION.—A State  
24 agency administering State-based financial  
25 aid—

1           “(I) shall use the information  
2           provided under clause (i) solely for the  
3           application, award, and administration  
4           of State-based financial aid for which  
5           the applicant is eligible and for State  
6           agency research that does not release  
7           any individually identifiable informa-  
8           tion on any applicant to promote col-  
9           lege attendance, persistence, and com-  
10          pletion;

11           “(II) may use identifying infor-  
12          mation for student applicants to de-  
13          termine whether or not a graduating  
14          secondary student has filed the appli-  
15          cation in coordination with local edu-  
16          cational agencies or secondary schools  
17          to encourage students to complete the  
18          application; and

19           “(III) shall be prohibited from  
20          sharing application information with  
21          any other entity without the explicit  
22          written consent of the applicant, ex-  
23          cept as provided in subclause (II).

24           “(iii) LIMITATION ON CONSENT PROC-  
25          ESS.—A State may provide a consent proc-

1           ess whereby an applicant may elect to  
2           share the information described in clause  
3           (i) through explicit written consent to Fed-  
4           eral, State, or local government agencies or  
5           tribal organizations to assist such appli-  
6           cant in applying for and receiving Federal,  
7           State, or local government assistance, or  
8           tribal assistance for any component of the  
9           applicant's cost of attendance which may  
10          include financial assistance or non-mone-  
11          tary assistance.

12           “(iv) PROHIBITION.—Any entity that  
13          receives applicant information under clause  
14          (iii) shall not sell, share, or otherwise use  
15          applicant information other than for the  
16          purposes outlined in clause (iii).

17           “(C) INFORMATION PROVIDED TO THE IN-  
18          STITUTION.—

19           “(i) IN GENERAL.—The Secretary  
20          shall provide, with authorization from the  
21          applicant in accordance with paragraph  
22          (2)(D)(ii), to each institution selected by  
23          the applicant on the application, the infor-  
24          mation described under section 6103(l)(13)  
25          of the Internal Revenue Code of 1986 and

1 information described in paragraph (2)(B)  
2 for the application, award, and administra-  
3 tion of grants and other aid provided di-  
4 rectly from the institution to be deter-  
5 mined by such institution and grants and  
6 other aid provided directly from the State  
7 or Federal Government.

8 “(ii) USE OF INFORMATION.—An in-  
9 stitution—

10 “(I) shall use the information  
11 provided to it under clause (i) solely  
12 for the application, award, and admin-  
13 istration of financial aid to the appli-  
14 cant, and for institutional research  
15 that does not release any individually  
16 identifiable information on any appli-  
17 cant, to promote college attendance,  
18 persistence and completion; and

19 “(II) be prohibited from sharing  
20 such information with any other enti-  
21 ty without the explicit written consent  
22 of the applicant.

23 “(iii) LIMITATION ON CONSENT PROC-  
24 ESS.—An institution may provide a con-  
25 sent process whereby an applicant can



1 elect to share the information described in  
2 clause (i) with explicit written consent to a  
3 scholarship granting organization, includ-  
4 ing a tribal organization (defined in section  
5 4 of the Indian Self-Determination and  
6 Education Assistance Act (25 U.S.C.  
7 5304)), or to Federal, State, or local gov-  
8 ernment agencies or tribal organizations to  
9 assist the applicant in applying for and re-  
10 ceiving private assistance, or Federal,  
11 State, local government assistance, or trib-  
12 al assistance for any component of the ap-  
13 plicant's cost of attendance which may in-  
14 clude financial assistance or non-monetary  
15 assistance.

16 “(iv) PROHIBITION.—Any entity that  
17 receives applicant information under clause  
18 (iii) shall not sell, share, or otherwise use  
19 applicant information other than for the  
20 purposes outlined in clause (iii).

21 “(4) DEVELOPMENT OF FORM AND INFORMA-  
22 TION EXCHANGE.—Prior to the design of the free  
23 application under this subsection, the Secretary  
24 shall, to the maximum extent practicable, on an an-  
25 nual basis—

1           “(A) consult with stakeholders to gather  
2 information about innovations and technology  
3 available to—

4                   “(i) ensure an efficient and effective  
5 process;

6                   “(ii) mitigate unintended con-  
7 sequences; and

8                   “(iii) determine the best practices for  
9 outreach to students and families during  
10 the transition to the streamlined process  
11 for the determination of Federal financial  
12 aid and Federal Pell Grant eligibility while  
13 reducing the data burden on applicants  
14 and families; and

15           “(B) solicit public comments for the for-  
16 mat of the free application that provides for  
17 adequate time to incorporate feedback prior to  
18 development of the application for the suc-  
19 ceeding award year.

20           “(5) NO ADDITIONAL INFORMATION REQUESTS  
21 PERMITTED.—In carrying out this subsection, the  
22 Secretary may not require additional information to  
23 be submitted by an applicant (or the parents or  
24 spouse of an applicant) for Federal financial aid  
25 through other requirements or reporting.

1           “(6) STATE-RUN PROGRAMS.—

2                   “(A) IN GENERAL.—The Secretary shall  
3           conduct outreach to States in order to research  
4           the benefits to students of States relying solely  
5           on the financial data made available, upon au-  
6           thorization by the applicant, as a result of an  
7           application for aid under this subsection for de-  
8           termining the eligibility of the applicant for  
9           State provided financial aid.

10                   “(B) SECRETARIAL REVIEW.—If a State  
11           determines that there is a need for additional  
12           data elements beyond those provided pursuant  
13           to this subsection for determining the eligibility  
14           of an applicant for State provided financial aid,  
15           the State shall forward a list of those additional  
16           data elements determined necessary, but not  
17           provided by virtue of the application under this  
18           subsection, to the Secretary. The Secretary  
19           shall make readily available to the public  
20           through its websites and other means—

21                   “(i) a list of States that do not re-  
22                   quire additional financial information sepa-  
23                   rate from the Free Application for Federal  
24                   Student Aid and do not require asset infor-  
25                   mation from students who qualify for the

1 exemption from asset reporting under sec-  
2 tion 479 for the purposes of awarding  
3 State scholarships and grant aid;

4 “(ii) a list of States that require asset  
5 information from students who qualify for  
6 the exemption from asset reporting under  
7 section 479 for the purposes of awarding  
8 State scholarships and grant aid;

9 “(iii) a list of States that have indi-  
10 cated that they require additional financial  
11 information separate from the Free Appli-  
12 cation for Federal Student Aid for pur-  
13 poses of awarding State scholarships and  
14 grant aid; and

15 “(iv) with the publication of the lists  
16 under this subparagraph, information  
17 about additional resources available to ap-  
18 plicants, including links to such State  
19 websites.

20 “(C) STUDIES.—The Secretary shall con-  
21 duct studies on the effect of States requiring  
22 additional information specified in clauses (ii)  
23 and (iii) of subparagraph (B) on the determina-  
24 tion of State financial aid awards and whether

1 the additional information required is a barrier  
2 to college enrollment by examining—

3 “(i) how much financial aid awards  
4 would change if the additional information  
5 were not required;

6 “(ii) the number of students who  
7 started but did not finish the Free Appli-  
8 cation for Federal Student Aid, compared  
9 to the baseline year of 2021; and

10 “(iii) the number of students who—

11 “(I) started a Free Application  
12 for Federal Student Aid but did not  
13 receive financial assistance under this  
14 title for the applicable academic year;  
15 and

16 “(II) if available, did not enroll  
17 in an institution of higher education  
18 in the applicable academic year.

19 “(7) INSTITUTION-RUN FINANCIAL AID.—

20 “(A) IN GENERAL.—The Secretary shall  
21 conduct outreach to institutions of higher edu-  
22 cation to describe the benefits to students of re-  
23 lying solely on the financial data made avail-  
24 able, upon authorization for release by the ap-  
25 plicant, as a result of an application for aid

1 under this subsection for determining the eligi-  
2 bility of the applicant for institutional financial  
3 aid. The Secretary shall make readily available  
4 to the public through its websites and other  
5 means—

6 “(i) a list of institutions that do not  
7 require additional financial information  
8 separate from the Free Application for  
9 Federal Student Aid and do not require  
10 asset information from students who qual-  
11 ify for the exemption from asset reporting  
12 under section 479 for the purpose of  
13 awarding institution-run financial aid;

14 “(ii) a list of institutions that require  
15 asset information from students who qual-  
16 ify for the exemption from asset reporting  
17 under section 479 for the purpose of  
18 awarding institution-run financial aid;

19 “(iii) a list of institutions that require  
20 additional financial information separate  
21 from the Free Application for Federal Stu-  
22 dent Aid for the purpose of awarding insti-  
23 tution-run financial aid; and

1                   “(iv) with the publication of the list in  
2                   clause (iii), information about additional  
3                   resources available to applicants.

4                   “(8) SECURITY OF DATA.—The Secretary shall,  
5                   in consultation with the Secretary of the Treasury,  
6                   take all steps necessary to—

7                   “(A) safeguard the data required to be  
8                   transmitted for the purpose of this section be-  
9                   tween Federal agencies and to States and insti-  
10                  tutions of higher education;

11                  “(B) secure the transmittal of such data;  
12                  and

13                  “(C) provide guidance to States and insti-  
14                  tutions of higher education regarding their obli-  
15                  gation to ensure the security of the data pro-  
16                  vided under this section.

17                  “(9) REPORT TO CONGRESS.—

18                  “(A) IN GENERAL.—Not later than one  
19                  year after the date of enactment of the FAFSA  
20                  Simplification Act of 2019, the Secretary shall  
21                  report to the Committee on Health, Education,  
22                  Labor, and Pensions of the Senate and the  
23                  Committee on Education and Labor of the  
24                  House of Representatives on the progress of the  
25                  Secretary in carrying out this subsection, in-

1 including planning and stakeholder consultation.

2 Such report shall include—

3 “(i) benchmarks for implementation;

4 “(ii) entities and organization to  
5 which the Secretary reached out for con-  
6 sultation;

7 “(iii) system requirements for such  
8 implementation and how they will be ad-  
9 dressed;

10 “(iv) any areas of concern and poten-  
11 tial problem issues uncovered that may  
12 hamper such implementation; and

13 “(v) solutions determined to address  
14 such issues.

15 “(B) QUARTERLY UPDATES.—The Sec-  
16 retary shall provide updates to the Committees  
17 described in subparagraph (A)—

18 “(i) as to the progress and planning  
19 described in subparagraph (A) prior to im-  
20 plementation of the Free Application for  
21 Federal Student Aid under this subsection  
22 not less often than quarterly; and

23 “(ii) at least 6 months and 1 year  
24 post implementation of the Free Applica-  
25 tion for Federal Student Aid.



1 “(b) ADJUSTMENTS AND IMPROVEMENTS.—

2 “(1) IN GENERAL.—The Secretary shall dis-  
3 close in a consumer-tested format, upon completion  
4 of the Free Application for Federal Student Aid  
5 under this section, that the student may, on a case-  
6 by-case basis, qualify for an adjustment under sec-  
7 tion 479A to the cost of attendance or the values of  
8 the data items required to calculate the Federal Pell  
9 Grant or the need analysis for the student or parent.  
10 Such disclosure shall specify—

11 “(A) examples of the special circumstances  
12 under which a student or family member may  
13 qualify for such adjustment or determination of  
14 independence; and

15 “(B) additional information regarding the  
16 steps a student or family member may take in  
17 order to seek an adjustment under section  
18 479A.

19 “(2) CONSUMER TESTING.—

20 “(A) IN GENERAL.—The development of  
21 the Free Application for Federal Student Aid  
22 under this section shall be consumer tested with  
23 prospective first-generation college students and  
24 families as well as low-income individuals and  
25 families.

1           “(B) UPDATES.—For award year 2021  
2           and each fourth succeeding award year there-  
3           after, the design of the Free Application for  
4           Federal Student Aid shall be updated based on  
5           additional consumer testing with the popu-  
6           lations described in subparagraph (A) in order  
7           to improve communication.

8           “(3) LANGUAGES FOR FAFSA.—The Secretary,  
9           in conjunction with the Director of the Census Bu-  
10          reau, shall determine the most common languages  
11          spoken at home in the United States and shall de-  
12          velop versions of the Free Application for Federal  
13          Student Aid form in each of those languages.

14          “(4) REAPPLICATION IN A SUCCEEDING ACA-  
15          DEMIC YEAR.—In order to streamline applicant’s ex-  
16          perience applying for financial aid, the Secretary  
17          shall allow an applicant who electronically applies for  
18          financial assistance under this title for an academic  
19          year subsequent to an academic year for which such  
20          applicant applied for financial assistance under this  
21          title to automatically electronically import all of the  
22          applicant’s (including parents, guardians, or  
23          spouses, as applicable) identifying, demographic, and  
24          school data from the previous application and to up-

1 date such information to reflect any circumstances  
2 that have changed.

3 “(5) TECHNOLOGY ACCESSIBILITY.—The Sec-  
4 retary shall make the application under this section  
5 available through the prevalent technology. Such  
6 technology shall, at a minimum, enable applicants  
7 to—

8 “(A) save data; and

9 “(B) submit the application under this title  
10 to the Secretary through such technology.

11 “(6) VERIFICATION BURDEN.—The Secretary  
12 shall—

13 “(A) to the maximum extent practicable,  
14 streamline and simplify the process of  
15 verification for applicants for Federal financial  
16 aid;

17 “(B) in establishing policies and proce-  
18 dures to verify applicants’ eligibility for Federal  
19 financial aid, consider—

20 “(i) the burden placed on low-income  
21 applicants;

22 “(ii) the risk to low-income applicants  
23 of failing to enroll or complete from being  
24 selected for verification;

1           “(iii) the effectiveness of the policies  
2           and procedures in safeguarding against a  
3           net cost to taxpayers; and

4           “(iv) the reasons for the source of any  
5           improper payments; and

6           “(C) issue a report not less often than an-  
7           nually sharing the percentage of applicants sub-  
8           ject to verification, whether the applicants ulti-  
9           mately received Federal financial aid disburse-  
10          ments, and whether the student aid index  
11          changed enough to affect the applicant’s award  
12          of any Federal financial aid under this title.

13          “(c) DATA AND INFORMATION.—

14           “(1) IN GENERAL.—The Secretary shall publish  
15          data in a publicly accessible manner—

16           “(A) annually on the total number of Free  
17          Applications for Federal Student Aid submitted  
18          by application cycle, disaggregated by demo-  
19          graphic characteristics, type of institution or in-  
20          stitutions of higher education to which the ap-  
21          plicant applied, the applicant’s State of legal  
22          residence, and high school and public school  
23          district;

24           “(B) quarterly on the total number of Free  
25          Applications for Federal Student Aid submitted

1 by application cycle, disaggregated by type of  
2 institution or institutions of higher education to  
3 which the applicant applied, the applicant's  
4 State of legal residence, and high school and  
5 public school district;

6 “(C) weekly on the total number of Free  
7 Applications for Federal Student Aid sub-  
8 mitted, disaggregated by high school and public  
9 school district; and

10 “(D) annually on the number of individ-  
11 uals who apply for Federal financial aid pursu-  
12 ant to this section who indicated they are a  
13 homeless child or youth (as defined in section  
14 725 of the McKinney-Vento Homeless Assist-  
15 ance Act), an unaccompanied youth, or a foster  
16 care youth.

17 “(2) CONTENTS.—The data described in para-  
18 graph (1) with respect to homeless children and  
19 youth shall include, at a minimum, for each applica-  
20 tion cycle—

21 “(A) the total number of all applicants  
22 who were determined to be individuals described  
23 in section 480(d)(1)(H); and

24 “(B) the number of applicants described in  
25 subparagraph (A), disaggregated—

1 “(i) by State; and

2 “(ii) by the sources of determination  
3 as described in clauses (i) through (iv) of  
4 section 480(d)(1)(H).

5 “(3) DATA SHARING.—The Secretary may enter  
6 into data sharing agreements with the appropriate  
7 Federal or State agencies to conduct outreach re-  
8 garding, and connect applicants directly with, the  
9 means-tested Federal benefit programs described in  
10 subsection (a)(2)(B)(ii)(XVI) for which the appli-  
11 cants may be eligible.

12 “(d) ENSURING FORM USABILITY.—

13 “(1) SIGNATURE.—Notwithstanding any other  
14 provision of this title, the Secretary may permit the  
15 Free Application for Federal Student Aid to be sub-  
16 mitted without a signature, if a signature is subse-  
17 quently submitted by the applicant, or if the appli-  
18 cant uses an access device provided by the Secretary.

19 “(2) FREE PREPARATION AUTHORIZED.—Not-  
20 withstanding any provision of this title, an applicant  
21 may use a preparer for consultative or preparation  
22 services for the completion of the Free Application  
23 for Federal Student Aid without charging a fee to  
24 the applicant if the preparer—

1           “(A) includes, at the time the application  
2 is submitted to the Department, the name, ad-  
3 dress or employer’s address, social security  
4 number or employer identification number, and  
5 organizational affiliation of the preparer on the  
6 applicant’s form;

7           “(B) is subject to the same penalties as an  
8 applicant for purposely giving false or mis-  
9 leading information in the application;

10           “(C) clearly informs each individual upon  
11 initial contact, that the Free Application for  
12 Federal Student Aid is a free form that may be  
13 completed without professional assistance; and

14           “(D) does not produce, use, or disseminate  
15 any other form for the purpose of applying for  
16 Federal financial aid other than the Free Appli-  
17 cation for Federal Student Aid form developed  
18 by the Secretary under this section.

19           “(3) CHARGES TO STUDENTS AND PARENTS  
20 FOR USE OF FORMS PROHIBITED.—The need and  
21 eligibility of a student for financial assistance under  
22 this title may be determined only by using the Free  
23 Application for Federal Student Aid developed by  
24 the Secretary under this section. Such application  
25 shall be produced, distributed, and processed by the

1 Secretary, and no parent or student shall be charged  
2 a fee by the Secretary, a contractor, a third-party  
3 servicer or private software provider, or any other  
4 public or private entity for the collection, processing,  
5 or delivery of Federal financial aid through the use  
6 of such application. No data collected on a form for  
7 which a fee is charged shall be used to complete the  
8 Free Application for Federal Student Aid prescribed  
9 under this section, except that a Federal or State in-  
10 come tax form prepared by a paid income tax pre-  
11 parer or preparer service for the primary purpose of  
12 filing a Federal or State income tax return may be  
13 used to complete the Free Application for Federal  
14 Student Aid prescribed under this section.

15 “(4) APPLICATION PROCESSING CYCLE.—The  
16 Secretary shall enable students to submit a Free Ap-  
17 plication for Federal Student Aid developed under  
18 this section and initiate the processing of such appli-  
19 cation, not later than January 1 of the student’s  
20 planned year of enrollment, to the maximum extent  
21 practicable, on or around October 1 prior to the stu-  
22 dent’s planned year of enrollment.

23 “(5) EARLY ESTIMATES.—The Secretary shall  
24 maintain an electronic method for applicants to  
25 enter income and family size information to calculate



1 a non-binding estimate of the applicant’s Federal fi-  
2 nancial aid available under this title and shall place  
3 such calculator on a prominent location at the begin-  
4 ning of the Free Application for Federal Student  
5 Aid.”.

6 (n) STUDENT ELIGIBILITY.—Section 484 of the  
7 Higher Education Act of 1965 (20 U.S.C. 1091) is  
8 amended—

9 (1) by striking subsection (q) and inserting the  
10 following:

11 “(q) USE OF INCOME DATA WITH IRS.—The Sec-  
12 retary, in cooperation with the Secretary of the Treasury,  
13 shall fulfill the data transfer requirements under section  
14 6103(l)(13) of the Internal Revenue Code of 1986.”;

15 (2) by striking subsection (r);

16 (3) by redesignating subsections (s) and (t) as  
17 subsections (r) and (s), respectively; and

18 (4) by adding at the end the following:

19 “(t) EXCEPTION TO REQUIRED REGISTRATION WITH  
20 THE SELECTIVE SERVICE SYSTEM.—Notwithstanding  
21 section 12(f) of the Military Selective Service Act (50  
22 U.S.C. 3811(f)), an individual shall not be ineligible for  
23 assistance or a benefit provided under this title if the indi-  
24 vidual is required under section 3 of such Act (50 U.S.C.  
25 3802) to present himself for and submit to registration

1 under such section and fails to do so in accordance with  
 2 any proclamation issued under such section, or in accord-  
 3 ance with any rule or regulation issued under such sec-  
 4 tion.”.

5 (o) INSTITUTIONAL AND FINANCIAL ASSISTANCE IN-  
 6 FORMATION FOR STUDENTS.—Section 485 of the Higher  
 7 Education Act of 1965 (20 U.S.C. 1092) is amended by  
 8 striking subsection (k).

9 (p) EARLY AWARENESS OF FINANCIAL AID ELIGI-  
 10 BILITY.—Section 485E of the Higher Education Act of  
 11 1965 (20 U.S.C. 1092f) is amended to read as follows:

12 **“SEC. 485E. EARLY AWARENESS OF FINANCIAL AID ELIGI-**  
 13 **BILITY.**

14 “(a) IN GENERAL.—The Secretary shall implement  
 15 early outreach activities in order to provide prospective  
 16 students and families with early information about finan-  
 17 cial aid and estimates of such prospective students’ eligi-  
 18 bility for financial aid. Such early outreach activities shall  
 19 include the activities described in subsections (b), (c), and  
 20 (d).

21 “(b) PELL GRANT EARLY AWARENESS.—

22 “(1) IN GENERAL.—The Secretary shall  
 23 produce a consumer-tested method of estimating stu-  
 24 dent eligibility for Federal Pell Grants outlined in  
 25 section 401(b) utilizing the variables of family size

1 and adjusted gross income, and presented in elec-  
 2 tronic format. There shall be a method for students  
 3 to indicate whether they are, or will be in—

4 “(A) a single-parent household;

5 “(B) a household with two parents; or

6 “(C) a household with no children or de-  
 7 pendants.

8 “(2) CONSUMER TESTING.—

9 “(A) IN GENERAL.—The method of esti-  
 10 mating eligibility described in paragraph (1)  
 11 shall be consumer tested with prospective first-  
 12 generation students and families as well as low-  
 13 income individuals and families.

14 “(B) UPDATES.—For award year 2022–  
 15 2023 and each fourth succeeding award year  
 16 thereafter, the design of the method of esti-  
 17 mating eligibility shall be updated based on ad-  
 18 ditional consumer testing with the populations  
 19 described in subparagraph (A).

20 “(3) DISTRIBUTION.—The method of esti-  
 21 mating eligibility described in paragraph (1) shall  
 22 be—

23 “(A) made publicly and prominently avail-  
 24 able on the Department of Education website;  
 25 and

1           “(B) actively shared by the Secretary  
2           with—

3                   “(i) institutions of higher education  
4                   participating in programs under this title;

5                   “(ii) all middle and secondary schools  
6                   eligible for funds under part A of title I of  
7                   the Elementary and Secondary Education  
8                   Act of 1965; and

9                   “(iii) local educational agencies and  
10                  middle schools and secondary schools that  
11                  serve students not less than 25 percent of  
12                  whom meet a measure of poverty as de-  
13                  scribed in section 1113(a)(5) of the Ele-  
14                  mentary and Secondary Education Act of  
15                  1965.

16               “(4) ELECTRONIC ESTIMATOR.—In accordance  
17               with subsection (d)(5) of section 483, the Secretary  
18               shall maintain an electronic method for applicants to  
19               enter income and family size information to calculate  
20               a non-binding estimate of the applicant’s Federal fi-  
21               nancial aid available under this title and shall place  
22               such calculator on a prominent location on the  
23               FAFSA website.

24               “(c) EARLY AWARENESS PLANS.—The Secretary  
25               shall establish and implement early awareness plans to

1 provide early information about the availability of Federal  
2 financial aid and estimates of prospective students' eligi-  
3 bility for Federal financial aid as well as to promote the  
4 attainment of postsecondary education specifically among  
5 prospective first-generation students and families as well  
6 as low-income individuals and families, as follows:

7           “(1) AWARENESS PLANS FOR LOW-INCOME  
8 CHILDREN.—

9           “(A) IN GENERAL.—The Secretary shall  
10 develop plans to disseminate information about  
11 the availability of Federal financial aid under  
12 this title, in addition to and in coordination  
13 with the distribution of the method of esti-  
14 mating eligibility under subsection (b), to—

15           “(i) all middle schools and secondary  
16 schools eligible for funds under part A of  
17 title I of the Elementary and Secondary  
18 Education Act of 1965;

19           “(ii) local educational agencies and  
20 middle schools and high schools that serve  
21 students not less than 25 percent of whom  
22 meet a measure of poverty as described in  
23 section 1113(a)(5) of the Elementary and  
24 Secondary Education Act; and

1           “(iii) households receiving assistance  
2           under the supplemental nutrition assist-  
3           ance program established under the Food  
4           and Nutrition Act of 2008 (7 U.S.C. 2011  
5           et seq.).

6           “(B) REPORTING AND UPDATES.—The  
7           Secretary shall post the information about the  
8           plans under subparagraph (A) and associated  
9           goals publicly on the Department of Education  
10          website. On an annual basis, the Secretary shall  
11          report qualitative and quantitative outcomes re-  
12          garding the implementation of the plans under  
13          subparagraph (A). The Secretary shall review  
14          and update such plans not less often than every  
15          4 award years with the goal of progressively in-  
16          creasing the impact of the activities under this  
17          paragraph.

18          “(C) PARTNERSHIP.—The Secretary may  
19          partner with States, State systems of higher  
20          education, institutions of higher education, or  
21          college access organizations to carry out this  
22          paragraph.

23          “(2) INTERAGENCY COORDINATION PLANS.—

24                 “(A) IN GENERAL.—The Secretary shall  
25                 develop interagency coordination plans in order

1 to inform more prospective students and fami-  
2 lies, including low-income individuals or fami-  
3 lies, about the availability of Federal financial  
4 aid under this title through participation in ex-  
5 isting Federal programs or tax benefits that  
6 serve low-income individuals or families, in co-  
7 ordination with the following Secretaries:

8 “(i) The Secretary of the Treasury.

9 “(ii) The Secretary of Labor.

10 “(iii) The Secretary of Health and  
11 Human Services.

12 “(iv) The Secretary of Agriculture.

13 “(v) The Secretary of Housing and  
14 Urban Development.

15 “(vi) The Secretary of Commerce.

16 “(vii) The Secretary of Veterans Af-  
17 fairs.

18 “(B) PROCESS, ACTIVITIES, AND GOALS.—

19 Each interagency coordination plan under sub-  
20 paragraph (A) shall—

21 “(i) establish a process to identify op-  
22 portunities in which low-income individuals  
23 and families could be informed of the avail-  
24 ability of Federal financial aid under this  
25 title through access to other Federal pro-

1           grams that serve low-income individuals  
2           and families;

3           “(ii) establish a process to identify  
4           methods to effectively inform low-income  
5           individuals and families of the availability  
6           of Federal financial aid for postsecondary  
7           education under this title;

8           “(iii) develop early awareness activi-  
9           ties that align with the opportunities and  
10          methods identified under clauses (ii) and  
11          (iii); and

12          “(iv) establish goals regarding the ef-  
13          fects of the activities to be implemented  
14          under clause (iii).

15          “(C) REPORTING AND UPDATES.—The  
16          Secretary shall post the information about the  
17          interagency coordination plans under subpara-  
18          graph (B) and associated goals publicly on the  
19          Department of Education website. On not less  
20          often than a quadrennial basis, the Secretary  
21          shall publicly report qualitative and quantitative  
22          outcomes regarding the implementation of the  
23          plans on the Department of Education website.  
24          The Secretary shall review and update the plans  
25          not less often than upon each change in Secre-



1           tarial leadership with an agency that is party to  
2           a plan. Updates to the plans shall have the goal  
3           of progressively increasing the impact of the ac-  
4           tivities under this paragraph by increasing the  
5           number of low-income applicants for, and re-  
6           cipients of, Federal financial aid.

7           “(3) NATIONWIDE PARTICIPATION IN EARLY  
8           AWARENESS PLANS.—

9           “(A) IN GENERAL.—The Secretary shall  
10          solicit voluntary public commitments from enti-  
11          ties, such as States, State systems of higher  
12          education, institutions of higher education, and  
13          other interested organizations, to carry out  
14          early awareness plans, which shall include  
15          goals, to—

16               “(i) notify prospective and existing  
17               students who are low-income individuals  
18               and families about their eligibility for Fed-  
19               eral aid under this title, as well as State-  
20               based financial aid, if applicable, on an an-  
21               nual basis;

22               “(ii) increase the number of prospec-  
23               tive and current students who are low-in-  
24               come individuals and families filing the

1 Free Application for Federal Student Aid;  
2 and

3 “(iii) increase the number of prospec-  
4 tive and current students who are low-in-  
5 come individuals and families enrolling in  
6 postsecondary education.

7 “(B) REPORTING AND UPDATES.—Each  
8 entity that makes a voluntary public commit-  
9 ment to carry out an early awareness plan may  
10 submit quantitative and qualitative data based  
11 on the entity’s progress toward the goals of the  
12 plan annually prior to a date selected by the  
13 Secretary.

14 “(C) EARLY AWARENESS CHAMPIONS.—  
15 Based on data submitted by entities, the Sec-  
16 retary shall select and designate entities sub-  
17 mitting public commitments, plans, and goals,  
18 as Early Awareness Champions on an annual  
19 basis. Those entities designated as Early  
20 Awareness Champions shall provide one or  
21 more case studies regarding the activities the  
22 entity undertook under this paragraph which  
23 shall be made public by the Secretary on the  
24 Department of Education website to promote  
25 the spread of best practices.

1 “(d) PUBLIC AWARENESS CAMPAIGN.—

2 “(1) IN GENERAL.—The Secretary shall develop  
3 and implement a public awareness campaign de-  
4 signed using current and relevant independent re-  
5 search regarding strategies and media platforms  
6 found to be most effective in communicating with  
7 low-income populations in order to increase national  
8 awareness regarding the availability of Federal Pell  
9 Grants and financial aid under this title.

10 “(2) COORDINATION.—The public awareness  
11 campaign described in paragraph (1) shall leverage  
12 the activities in subsections (b) and (c) to highlight  
13 eligibility among low-income populations. In devel-  
14 oping and implementing the campaign, the Secretary  
15 may work in coordination with States, institutions of  
16 higher education, early intervention and outreach  
17 programs under this title, other Federal agencies,  
18 organizations involved in college access and student  
19 financial aid, secondary schools, local educational  
20 agencies, public libraries, community centers, busi-  
21 nesses, employers, workforce investment boards, and  
22 organizations that provide services to individuals  
23 that are or were homeless, in foster care, or are dis-  
24 connected youth.

1           “(3) REPORTING.—The Secretary shall report  
 2           on the success of the public awareness campaign de-  
 3           scribed in paragraph (1) annually regarding the ex-  
 4           tent to which the public and target populations were  
 5           reached using data commonly used to evaluate ad-  
 6           vertising and outreach campaigns and data regard-  
 7           ing whether the campaign produced any increase in  
 8           applicants for Federal aid under this title publicly  
 9           on the Department of Education website.”.

10 **SEC. 3. FEDERAL PELL GRANTS: AMOUNT AND DETERMINA-**  
 11 **TIONS; APPLICATIONS.**

12           (a) FEDERAL PELL GRANTS.—Beginning on the ef-  
 13           fective date described in subsection (b), section 401 of the  
 14           Higher Education Act of 1965 (20 U.S.C. 1070a) is  
 15           amended to read as follows:

16 **“SEC. 401. FEDERAL PELL GRANTS: AMOUNT AND DETER-**  
 17 **MINATIONS; APPLICATIONS.**

18           “(a) PURPOSE; DEFINITIONS.—

19                   “(1) PURPOSE.—The purpose of this subpart is  
 20           to provide a Federal Pell Grant to low-income stu-  
 21           dents.

22                   “(2) DEFINITIONS.—In this section—

23                           “(A) the term ‘adjusted gross income’  
 24           means—

1           “(i) in the case of a dependent stu-  
2           dent, the adjusted gross income (as defined  
3           in section 62 of the Internal Revenue Code  
4           of 1986) of the student’s parents in the  
5           second tax year preceding the academic  
6           year; and

7           “(ii) in the case of an independent  
8           student, the adjusted gross income (as de-  
9           fined in section 62 of the Internal Revenue  
10          Code of 1986) of the student (and the stu-  
11          dent’s spouse, if applicable) in the second  
12          tax year preceding the academic year;

13          “(B) the term ‘family size’ has the mean-  
14          ing given the term in section 480(l);

15          “(C) the term ‘poverty line’ means the pov-  
16          erty line (as determined under the poverty  
17          guidelines updated periodically in the Federal  
18          Register by the Department of Health and  
19          Human Services under the authority of section  
20          673(2) of the Community Services Block Grant  
21          Act (42 U.S.C. 9902(2))) applicable to the stu-  
22          dent’s family size and applicable to the second  
23          tax year preceding the academic year;

24          “(D) the term ‘single parent’ means—

1           “(i) a parent of a dependent student  
2           who was a head of household (as defined  
3           in section 2(b) of the Internal Revenue  
4           Code of 1986) or a surviving spouse (as  
5           defined in section 2(a) of the Internal Rev-  
6           enue Code of 1986) or was an eligible indi-  
7           vidual for purposes of the credit under sec-  
8           tion 32 of such Code, in the second tax  
9           year preceding the academic year; or

10           “(ii) an independent student who was  
11           a head of household (as defined in section  
12           2(b) of the Internal Revenue Code of  
13           1986) or a surviving spouse (as defined in  
14           section 2(a) of the Internal Revenue Code  
15           of 1986) or was an eligible individual for  
16           purposes of the credit under section 32 of  
17           such Code, in the second tax year pre-  
18           ceding the academic year;

19           “(E) the term ‘total maximum Federal  
20           Pell Grant’ means the total maximum Federal  
21           Pell Grant award per student for any academic  
22           year described under paragraph (5); and

23           “(F) the term ‘minimum Federal Pell  
24           Grant’ means the minimum amount of a Fed-  
25           eral Pell Grant that shall be awarded to a stu-

1           dent eligible under this subpart for any aca-  
2           demic year in which that student is attending  
3           full time, which shall be equal to 10 percent of  
4           the total maximum Federal Pell Grant for such  
5           academic year.

6           “(b) AMOUNT AND DISTRIBUTION OF GRANTS.—

7                 “(1) DETERMINATION OF AMOUNT OF A FED-  
8           ERAL PELL GRANT.—Subject to paragraphs (2) and  
9           (3), the amount of a Federal Pell Grant for a stu-  
10          dent eligible under this subpart shall be determined  
11          in accordance with the following:

12                 “(A) A student eligible under this subpart  
13          shall be eligible for a total maximum Federal  
14          Pell Grant for an academic year in which the  
15          student is enrolled in an eligible program full  
16          time—

17                 “(i) if the student or, in the case of  
18          a dependent student, the dependent stu-  
19          dent’s parent, is not required to file a Fed-  
20          eral income tax return in the second year  
21          preceding the academic year;

22                 “(ii) if the student or, in the case of  
23          a dependent student, the dependent stu-  
24          dent’s parent, is a single parent, if the ad-

1           justed gross income is equal to or less than  
2           210 percent of the poverty line; or

3           “(iii) if the student or, in the case of  
4           a dependent student, the dependent stu-  
5           dent’s parent, is not a single parent, if the  
6           adjusted gross income is equal to or less  
7           than 160 percent of the poverty line.

8           “(B) A student eligible under this subpart  
9           who is not eligible for a total maximum Federal  
10          Pell Grant under subparagraph (A) for an aca-  
11          demic year, shall be eligible for a Federal Pell  
12          Grant for an academic year in which the stu-  
13          dent is enrolled in an eligible program full time  
14          in an amount that is not more than the amount  
15          determined in accordance with the following:

16          “(i) If the student or, in the case of  
17          a dependent student, the dependent stu-  
18          dent’s parent, is a single parent and the  
19          adjusted gross income is greater than 210  
20          percent of the poverty line and is less than  
21          310 percent of the poverty line, the  
22          amount shall be equal to the greater of—

23                  “(I) the minimum Federal Pell  
24                  Grant for the academic year; and



1           “(II) the total maximum Federal  
2 Pell Grant for the academic year,  
3 minus the product of—

4                   “(aa) the adjusted gross in-  
5 come, less an amount equal to  
6 210 percent of the poverty line;  
7 and

8                   “(bb) the total maximum  
9 Federal Pell Grant for the aca-  
10 demic year, divided by an amount  
11 equal to 100 percent of the pov-  
12 erty line.

13           “(ii) If the student or, in the case of  
14 a dependent student, the dependent stu-  
15 dent’s parent, is not a single parent and  
16 the adjusted gross income is greater than  
17 160 percent of the poverty line and is less  
18 than 260 percent of the poverty line, the  
19 amount shall be equal to the greater of—

20                   “(I) the minimum Federal Pell  
21 Grant for the academic year; and

22                   “(II) the total maximum Federal  
23 Pell Grant for the academic year,  
24 minus the product of—

1                   “(aa) the adjusted gross in-  
2                   come, less an amount equal to  
3                   160 percent of the poverty line;  
4                   and

5                   “(bb) the total maximum  
6                   Federal Pell Grant for the aca-  
7                   demic year, divided by an amount  
8                   equal to 100 percent of the pov-  
9                   erty line.

10                   “(2) LESS THAN FULL-TIME ENROLLMENT.—In  
11                   any case where a student is enrolled in an eligible  
12                   program of an institution of higher education on less  
13                   than a full-time basis (including a student who at-  
14                   tends an institution of higher education on less than  
15                   a half-time basis) during any academic year, the  
16                   amount of the Federal Pell Grant to which that stu-  
17                   dent is entitled shall be reduced in direct proportion  
18                   to the degree to which that student is not so enrolled  
19                   on a full-time basis, rounded to the nearest whole  
20                   percentage point, as provided in a schedule of reduc-  
21                   tions published by the Secretary computed in accord-  
22                   ance with this subpart. Such schedule of reductions  
23                   shall be published in the Federal Register in accord-  
24                   ance with section 482 of this Act. Such reduced  
25                   Federal Pell Grant for a student enrolled on a less

1 than full-time basis shall also apply proportionally to  
2 students who are otherwise eligible to receive the  
3 minimum Federal Pell Grant, if enrolled full-time.

4 “(3) AWARD MAY NOT EXCEED COST OF AT-  
5 TENDANCE.—No Federal Pell Grant under this sub-  
6 part shall exceed the cost of attendance (as defined  
7 in section 472) at the institution at which that stu-  
8 dent is in attendance. If, with respect to any stu-  
9 dent, it is determined that the amount of a Federal  
10 Pell Grant for that student exceeds the cost of at-  
11 tendance for that year, the amount of the Federal  
12 Pell Grant shall be reduced until the Federal Pell  
13 Grant does not exceed the cost of attendance at such  
14 institution.

15 “(4) STUDY ABROAD.—Notwithstanding any  
16 other provision of this subpart, the Secretary shall  
17 allow the amount of the Federal Pell Grant to be ex-  
18 ceeded for students participating in a program of  
19 study abroad approved for credit by the institution  
20 at which the student is enrolled when the reasonable  
21 costs of such program are greater than the cost of  
22 attendance at the student’s home institution, except  
23 that the amount of such Federal Pell Grant in any  
24 fiscal year shall not exceed the maximum amount of  
25 a Federal Pell Grant for which a student is eligible

1 under paragraph (1) or (2) during such award year.  
2 If the preceding sentence applies, the financial aid  
3 administrator at the home institution may use the  
4 cost of the study abroad program, rather than the  
5 home institution's cost, to determine the cost of at-  
6 tendance of the student.

7 “(5) TOTAL MAXIMUM FEDERAL PELL  
8 GRANT.—

9 “(A) IN GENERAL.—For award year 2021–  
10 2022, and each subsequent award year, the  
11 total maximum Federal Pell Grant award per  
12 student shall be equal to the sum of—

13 “(i) \$1,060; and

14 “(ii) the amount specified as the max-  
15 imum Federal Pell Grant in the last en-  
16 acted appropriation Act applicable to that  
17 award year.

18 “(B) ROUNDING.—The total maximum  
19 Federal Pell Grant for any award year shall be  
20 rounded to the nearest \$5.

21 “(6) FUNDS BY FISCAL YEAR.—To carry out  
22 this section for each of fiscal years 2021 through  
23 2030—

24 “(A) there are authorized to be appro-  
25 priated and are appropriated (in addition to

1 any other amounts appropriated to carry out  
2 this section and out of any money in the Treas-  
3 ury not otherwise appropriated) such sums as  
4 are necessary to carry out paragraph (5)(A)(i);  
5 and

6 “(B) such sums as may be necessary are  
7 authorized to be appropriated to carry out  
8 paragraph (5)(A)(ii).

9 “(7) APPROPRIATION.—

10 “(A) IN GENERAL.—In addition to any  
11 funds appropriated under paragraph (6) and  
12 any funds made available for this section under  
13 any appropriations Act, there are authorized to  
14 be appropriated, and there are appropriated  
15 (out of any money in the Treasury not other-  
16 wise appropriated) to carry out this section,  
17 \$1,145,000,000 for fiscal year 2021 and each  
18 subsequent award year.

19 “(B) NO EFFECT ON PREVIOUS APPRO-  
20 PRIATIONS.—The amendments made to this  
21 section by the FAFSA Simplification Act of  
22 2019 shall not—

23 “(i) increase or decrease the amounts  
24 that have been appropriated or are avail-  
25 able to carry out this section for fiscal year

1           2017, 2018, 2019, or 2020 as of the day  
2           before the effective date of such Act; or

3           “(ii) extend the period of availability  
4           for obligation that applied to any such  
5           amount, as of the day before such effective  
6           date.

7           “(8) METHOD OF DISTRIBUTION.—

8           “(A) IN GENERAL.—For each fiscal year  
9           through fiscal year 2030, the Secretary shall  
10          pay to each eligible institution such sums as  
11          may be necessary to pay each eligible student  
12          for each academic year during which that stu-  
13          dent is in attendance at an institution of higher  
14          education as an undergraduate, a Federal Pell  
15          Grant in the amount for which that student is  
16          eligible.

17          “(B) ALTERNATIVE DISBURSEMENT.—  
18          Nothing in this section shall be interpreted to  
19          prohibit the Secretary from paying directly to  
20          students, in advance of the beginning of the  
21          academic term, an amount for which they are  
22          eligible, in the cases where an eligible institu-  
23          tion does not participate in the disbursement  
24          system under subparagraph (A).

1           “(9) ADDITIONAL PAYMENT PERIODS IN SAME  
2 AWARD YEAR.—

3           “(A) Effective in the 2017–2018 award  
4 year and thereafter, the Secretary shall award  
5 an eligible student not more than one and one-  
6 half Federal Pell Grants during a single award  
7 year to permit such student to work toward  
8 completion of an eligible program if, during  
9 that single award year, the student has received  
10 a Federal Pell Grant for an award year and is  
11 enrolled in an eligible program for one or more  
12 additional payment periods during the same  
13 award year that are not otherwise fully covered  
14 by the student’s Federal Pell Grant.

15           “(B) In the case of a student receiving  
16 more than one Federal Pell Grant in a single  
17 award year under subparagraph (A), the total  
18 amount of Federal Pell Grants awarded to such  
19 student for the award year may exceed the total  
20 maximum Federal Pell Grant available for an  
21 award year.

22           “(C) Any period of study covered by a  
23 Federal Pell Grant awarded under subpara-  
24 graph (A) shall be included in determining a

1 student's duration limit under subsection  
2 (d)(5).

3 “(D) In any case where an eligible student  
4 is receiving a Federal Pell Grant for a payment  
5 period that spans 2 award years, the Secretary  
6 shall allow the eligible institution in which the  
7 student is enrolled to determine the award year  
8 to which the additional period shall be assigned,  
9 as it determines is most beneficial to students.

10 “(c) SPECIAL RULE.—

11 “(1) IN GENERAL.—Notwithstanding any other  
12 provision of this title, the total maximum Federal  
13 Pell Grant shall be provided to a student described  
14 in paragraph (2).

15 “(2) APPLICABILITY.—Paragraph (1) shall  
16 apply to any dependent or independent student—

17 “(A) who is eligible to receive a Federal  
18 Pell Grant for the award year for which the de-  
19 termination is made;

20 “(B) whose parent or guardian was—

21 “(i) an individual who, on or after  
22 September 11, 2001, died in the line of  
23 duty while serving on active duty as a  
24 member of the Armed Forces; or



1           “(ii) actively serving as a public safety  
2           officer and died in the line of duty while  
3           performing as a public safety officer; and  
4           “(C) who is less than 33 years of age.

5           “(3) INFORMATION.—Notwithstanding any  
6           other provision of law, the Secretary shall establish  
7           the necessary data-sharing agreements with the Sec-  
8           retary of Veterans Affairs and the Secretary of De-  
9           fense, as applicable, to provide the information nec-  
10          essary to determine which students meet the require-  
11          ments of paragraph (2).

12          “(4) TREATMENT OF PELL AMOUNT.—Notwith-  
13          standing section 1212 of the Omnibus Crime Control  
14          and Safe Streets Act of 1968 (34 U.S.C. 10302), in  
15          the case of a student who receives an increased Fed-  
16          eral Pell Grant amount under this section, the total  
17          amount of such Federal Pell Grant, including the in-  
18          crease under this subsection, shall not be considered  
19          in calculating that student’s educational assistance  
20          benefits under the Public Safety Officers’ Benefits  
21          program under subpart 2 of part L of title I of such  
22          Act.

23          “(5) DEFINITION OF PUBLIC SAFETY OFFI-  
24          CER.—For purposes of this subsection, the term  
25          ‘public safety officer’ means—

1           “(A) a public safety officer, as defined in  
2 section 1204 of title I of the Omnibus Crime  
3 Control and Safe Streets Act of 1968 (34  
4 U.S.C. 10284); or

5           “(B) a fire police officer, defined as an in-  
6 dividual who—

7           “(i) is serving in accordance with  
8 State or local law as an officially recog-  
9 nized or designated member of a legally or-  
10 ganized public safety agency;

11           “(ii) is not a law enforcement officer,  
12 a firefighter, a chaplain, or a member of a  
13 rescue squad or ambulance crew; and

14           “(iii) provides scene security or di-  
15 rects traffic—

16           “(I) in response to any fire drill,  
17 fire call, or other fire, rescue, or police  
18 emergency; or

19           “(II) at a planned special event.

20           “(d) PERIOD OF ELIGIBILITY FOR GRANTS.—

21           “(1) IN GENERAL.—The period during which a  
22 student may receive Federal Pell Grants shall be the  
23 period required for the completion of the first under-  
24 graduate baccalaureate course of study being pur-  
25 sued by that student at the institution at which the

1 student is in attendance, except that any period dur-  
2 ing which the student is enrolled in a noncredit or  
3 remedial course of study, as described in paragraph  
4 (2), shall not be counted for the purpose of this  
5 paragraph.

6 “(2) NONCREDIT OR REMEDIAL COURSES;  
7 STUDY ABROAD.—Nothing in this section shall ex-  
8 clude from eligibility courses of study which are non-  
9 credit or remedial in nature (including courses in  
10 English language instruction) which are determined  
11 by the institution to be necessary to help the student  
12 be prepared for the pursuit of a first undergraduate  
13 baccalaureate degree or certificate or, in the case of  
14 courses in English language instruction, to be nec-  
15 essary to enable the student to utilize already exist-  
16 ing knowledge, training, or skills. Nothing in this  
17 section shall exclude from eligibility programs of  
18 study abroad that are approved for credit by the  
19 home institution at which the student is enrolled.

20 “(3) NO CONCURRENT PAYMENTS.—No student  
21 is entitled to receive Pell Grant payments concur-  
22 rently from more than one institution or from the  
23 Secretary and an institution.

24 “(4) POSTBACCALAUREATE PROGRAM.—Not-  
25 withstanding paragraph (1), the Secretary may

1 allow, on a case-by-case basis, a student to receive  
2 a Federal Pell Grant if the student—

3 “(A) is carrying at least one-half the nor-  
4 mal full-time work load for the course of study  
5 the student is pursuing, as determined by the  
6 institution of higher education; and

7 “(B) is enrolled or accepted for enrollment  
8 in a postbaccalaureate program that does not  
9 lead to a graduate degree, and in courses re-  
10 quired by a State in order for the student to re-  
11 ceive a professional certification or licensing  
12 credential that is required for employment as a  
13 teacher in an elementary school or secondary  
14 school in that State,

15 except that this paragraph shall not apply to a stu-  
16 dent who is enrolled in an institution of higher edu-  
17 cation that offers a baccalaureate degree in edu-  
18 cation.

19 “(5) MAXIMUM PERIOD.—

20 “(A) IN GENERAL.—Except as provided in  
21 subparagraph (B), the period during which a  
22 student may receive Federal Pell Grants shall  
23 not exceed 12 semesters, or the equivalent of 12  
24 semesters, as determined by the Secretary by  
25 regulation. Such regulations shall provide, with

1           respect to a student who received a Federal Pell  
2           Grant for a term but was enrolled at a fraction  
3           of full time, that only that same fraction of  
4           such semester or equivalent shall count towards  
5           such duration limits.

6           “(B) EXCEPTION.—

7                   “(i) IN GENERAL.—Any Federal Pell  
8           Grant that a student received during a pe-  
9           riod described in subclause (I) or (II) of  
10          clause (ii) shall not count towards the stu-  
11          dent’s duration limits under this para-  
12          graph.

13                   “(ii) APPLICABLE PERIODS.—Clause  
14          (i) shall apply with respect to any Federal  
15          Pell Grant awarded to a student to enroll  
16          in an eligible program at an institution—

17                           “(I) during a period of a stu-  
18          dent’s attendance at an institution—

19                                   “(aa) at which the student  
20                                   was unable to complete a course  
21                                   of study due to the closing of the  
22                                   institution; or

23                                   “(bb) for which the student  
24                                   was falsely certified as eligible for  
25                                   Federal aid under this title; or

1 “(II) during a period—

2 “(aa) for which the student  
3 received a loan under this title;  
4 and

5 “(bb) for which the loan de-  
6 scribed in item (aa) is discharged  
7 under—

8 “(AA) section 437(c)(1)  
9 or section 464(g)(1); or

10 “(BB) section  
11 432(a)(6).

12 “(e) APPLICATIONS FOR GRANTS.—

13 “(1) DEADLINES.—The Secretary shall from  
14 time to time set dates by which students shall file  
15 the Free Application for Federal Student Aid under  
16 this subpart.

17 “(2) APPLICATION.—Each student desiring a  
18 Federal Pell Grant for any year shall file the Free  
19 Application for Federal Student Aid containing the  
20 information necessary to enable the Secretary to  
21 carry out the functions and responsibilities of this  
22 subpart.

23 “(f) DISTRIBUTION OF GRANTS TO STUDENTS.—  
24 Payments under this section shall be made in accordance  
25 with regulations promulgated by the Secretary for such

1 purpose, in such manner as will best accomplish the pur-  
2 pose of this section. Any disbursement allowed to be made  
3 by crediting the student's account shall be limited to tui-  
4 tion and fees, and food and housing if that food and hous-  
5 ing is institutionally owned or operated. The student may  
6 elect to have the institution provide other such goods and  
7 services by crediting the student's account.

8       “(g) INSUFFICIENT APPROPRIATIONS.—If, for any  
9 fiscal year, the funds appropriated for payments under  
10 this subpart are insufficient to satisfy fully all entitle-  
11 ments, as calculated under subsection (b) (but at the max-  
12 imum grant level specified in such appropriation), the Sec-  
13 retary shall promptly transmit a notice of such insuffi-  
14 ciency to each House of the Congress, and identify in such  
15 notice the additional amount that would be required to  
16 be appropriated to satisfy fully all entitlements (as so cal-  
17 culated at such maximum grant level).

18       “(h) USE OF EXCESS FUNDS.—

19               “(1) 15 PERCENT OR LESS.—If, at the end of  
20 a fiscal year, the funds available for making pay-  
21 ments under this subpart exceed the amount nec-  
22 essary to make the payments required under this  
23 subpart to eligible students by 15 percent or less,  
24 then all of the excess funds shall remain available

1 for making payments under this subpart during the  
2 next succeeding fiscal year.

3 “(2) MORE THAN 15 PERCENT.—If, at the end  
4 of a fiscal year, the funds available for making pay-  
5 ments under this subpart exceed the amount nec-  
6 essary to make the payments required under this  
7 subpart to eligible students by more than 15 per-  
8 cent, then all of such funds shall remain available  
9 for making such payments but payments may be  
10 made under this paragraph only with respect to enti-  
11 tlements for that fiscal year.

12 “(i) TREATMENT OF INSTITUTIONS AND STUDENTS  
13 UNDER OTHER LAWS.—Any institution of higher edu-  
14 cation which enters into an agreement with the Secretary  
15 to disburse to students attending that institution the  
16 amounts those students are eligible to receive under this  
17 subpart shall not be deemed, by virtue of such agreement,  
18 a contractor maintaining a system of records to accom-  
19 plish a function of the Secretary. Recipients of Pell Grants  
20 shall not be considered to be individual grantees for pur-  
21 poses of subtitle D of title V of Public Law 100–690.

22 “(j) INSTITUTIONAL INELIGIBILITY BASED ON DE-  
23 FAULT RATES.—

24 “(1) IN GENERAL.—No institution of higher  
25 education shall be an eligible institution for purposes



1 of this subpart if such institution of higher edu-  
2 cation is ineligible to participate in a loan program  
3 under part B or D as a result of a final default rate  
4 determination made by the Secretary under part B  
5 or D after the final publication of cohort default  
6 rates for fiscal year 1996 or a succeeding fiscal year.

7 “(2) SANCTIONS SUBJECT TO APPEAL OPPOR-  
8 TUNITY.—No institution may be subject to the  
9 terms of this subsection unless the institution has  
10 had the opportunity to appeal the institution’s de-  
11 fault rate determination under regulations issued by  
12 the Secretary for the loan program authorized under  
13 part B or D, as applicable. This subsection shall not  
14 apply to an institution that was not participating in  
15 the loan program authorized under part B or D on  
16 October 7, 1998, unless the institution subsequently  
17 participates in the loan programs.”.

18 (b) EFFECTIVE DATE.—This section, and the amend-  
19 ments made by this section, shall take effect on July 1,  
20 2021.

○