

116TH CONGRESS  
1ST SESSION

# S. 686

To amend the Higher Education Act of 1965 to provide greater access to higher education for America’s students, to eliminate educational barriers for participation in a public service career, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 6, 2019

Mr. CARDIN 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 provide greater access to higher education for America’s students, to eliminate educational barriers for participation in a public service career, 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 “Strengthening Amer-  
5 ican Communities Act of 2019”.

6 **SEC. 2. PURPOSE.**

7 It is the purpose of this Act to provide greater access  
8 to higher education for America’s students, to eliminate

1 educational barriers for participation in a public service  
 2 career by providing an opportunity for potential public  
 3 servants to obtain an undergraduate education, and to es-  
 4 tablish an accelerated form of the public service loan for-  
 5 giveness program for more immediate loan forgiveness for  
 6 existing public servants holding Federal Direct Stafford  
 7 Loans, Federal Direct Unsubsidized Stafford Loans, and  
 8 Federal Direct PLUS Loans.

9       **TITLE I—AMERICA’S COLLEGE**  
 10   **PROMISE**

11 **SEC. 101. SHORT TITLE.**

12       This title may be cited as the “America’s College  
 13 Promise Act of 2019”.

14 **SEC. 102. PURPOSE.**

15       The purpose of this title is to help all individuals of  
 16 the United States earn the education and skills the indi-  
 17 viduals need—

18               (1) by making 2 years of community college  
 19 free, through a new partnership with States and In-  
 20 dian Tribes to help the States and Indian Tribes—

21                       (A) waive resident community college tui-  
 22 tion and fees for eligible students;

23                       (B) maintain State and Indian Tribe sup-  
 24 port for higher education; and

1 (C) promote key reforms to improve stu-  
2 dent outcomes; and

3 (2) through a new partnership with minority-  
4 serving institutions to—

5 (A) encourage eligible students to enroll  
6 and successfully complete a baccalaureate de-  
7 gree at participating institutions; and

8 (B) promote key reforms to improve stu-  
9 dent outcomes.

## 10 **Subtitle A—State and Indian Tribe** 11 **Grants for Community Colleges**

### 12 **SEC. 111. IN GENERAL.**

13 From amounts appropriated under section 117(a) for  
14 any fiscal year, the Secretary shall award grants to eligible  
15 States and Indian Tribes to pay the Federal share of ex-  
16 penditures needed to carry out the activities and services  
17 described in section 115.

### 18 **SEC. 112. FEDERAL SHARE; NON-FEDERAL SHARE.**

19 (a) FEDERAL SHARE.—

20 (1) FORMULA.—Subject to paragraph (2), the  
21 Federal share of a grant under this subtitle shall be  
22 based on a formula, determined by the Secretary,  
23 that—

24 (A) accounts for the State or Indian  
25 Tribe's share of eligible students; and

1 (B) provides, for each eligible student in  
2 the State or Indian Tribe, a per-student  
3 amount that is—

4 (i) not less than 300 percent of the  
5 per-student amount of the State or Indian  
6 Tribe share, determined under subsection  
7 (b), subject to clause (ii); and

8 (ii) not greater than 75 percent of—

9 (I) for the 2018–2019 award  
10 year, the average resident community  
11 college tuition and fees per student in  
12 all States for the most recent year for  
13 which data are available; and

14 (II) for each subsequent award  
15 year, the average resident community  
16 college tuition and fees per student in  
17 all States calculated under this sub-  
18 clause for the preceding year, in-  
19 creased by the lesser of—

20 (aa) the percentage by which  
21 the average resident community  
22 college tuition and fees per stu-  
23 dent in all States for the most re-  
24 cent year for which data are  
25 available increased as compared

1 to such average for the preceding  
2 year; or

3 (bb) 3 percent.

4 (2) EXCEPTION FOR CERTAIN INDIAN  
5 TRIBES.—In any case in which not less than 75 per-  
6 cent of the students at the community colleges oper-  
7 ated or controlled by an Indian Tribe are low-income  
8 students, the amount of the Federal share for such  
9 Indian Tribe shall be not less than 95 percent of the  
10 total amount needed to waive tuition and fees for all  
11 eligible students enrolled in such community col-  
12 leges.

13 (b) STATE OR TRIBAL SHARE.—

14 (1) FORMULA.—

15 (A) IN GENERAL.—The State or Tribal  
16 share of a grant under this subtitle for each fis-  
17 cal year shall be the amount needed to pay 25  
18 percent of the average community college resi-  
19 dent tuition and fees per student in all States  
20 in the 2018–2019 award year for all eligible  
21 students in the State or Indian Tribe, respec-  
22 tively, for such fiscal year, except as provided in  
23 subparagraph (B).

24 (B) EXCEPTION FOR CERTAIN INDIAN  
25 TRIBES.—In a case in which not less than 5

1           percent of the students at the community col-  
2           leges operated or controlled by an Indian Tribe  
3           are low-income students, the amount of such  
4           Indian Tribe's tribal share shall not exceed 5  
5           percent of the total amount needed to waive tui-  
6           tion and fees for all eligible students enrolled in  
7           such community colleges.

8           (2) NEED-BASED AID.—A State or Indian Tribe  
9           may include any need-based financial aid provided  
10          through State or Tribal funds to eligible students as  
11          part of the State or Tribal share.

12          (3) NO IN-KIND CONTRIBUTIONS.—A State or  
13          Indian Tribe shall not include in-kind contributions  
14          for purposes of the State or Tribal share described  
15          in paragraph (1).

16 **SEC. 113. ELIGIBILITY.**

17          To be eligible for a grant under this subtitle, a State  
18          or Indian Tribe shall agree to waive community college  
19          resident tuition and fees for all eligible students for each  
20          year of the grant.

21 **SEC. 114. APPLICATIONS.**

22          (a) SUBMISSION.—For each fiscal year for which a  
23          State or Indian Tribe desires a grant under this subtitle,  
24          an application shall be submitted to the Secretary at such  
25          time, in such manner, and containing such information as

1 the Secretary may require. Such application shall be sub-  
2 mitted by—

3 (1) in the case of a State, the Governor, the  
4 State agency with jurisdiction over higher education,  
5 or another agency designated by the Governor to ad-  
6 minister the program under this subtitle; or

7 (2) in the case of an Indian Tribe, the gov-  
8 erning body of such Tribe.

9 (b) CONTENTS.—Each State or Indian Tribe applica-  
10 tion shall include, at a minimum—

11 (1) an estimate of the number of eligible stu-  
12 dents in the State or Indian Tribe and the cost of  
13 waiving community college resident tuition and fees  
14 for all eligible students for each fiscal year covered  
15 by the grant, with annual increases of an amount  
16 that shall not exceed 3 percent of the prior year's  
17 average resident community college tuition and fees;

18 (2) an assurance that all community colleges in  
19 the State or under the jurisdiction of the Indian  
20 Tribe, respectively, will waive resident tuition and  
21 fees for eligible students in programs that are—

22 (A) academic programs with credits that  
23 can fully transfer via articulation agreement to-  
24 ward a baccalaureate degree or postbaccalaure-

1           ate degree at any public institution of higher  
2           education in the State; or

3                   (B) occupational skills training programs  
4           that lead to a recognized postsecondary creden-  
5           tial that is in an in-demand industry sector or  
6           occupation in the State;

7           (3) a description of the promising and evidence-  
8           based institutional reforms and innovative practices  
9           to improve student outcomes, including completion  
10          or transfer rates, that have been or will be adopted  
11          by the participating community colleges, such as—

12                   (A) providing comprehensive academic and  
13          student support services, including mentoring  
14          and advising, especially for low-income, first-  
15          generation, adult, and other underrepresented  
16          students;

17                   (B) providing accelerated learning opportu-  
18          nities, such as dual or concurrent enrollment  
19          programs, including early college high school  
20          programs;

21                   (C) advancing competency-based education;

22                   (D) strengthening remedial education, es-  
23          pecially for low-income, first-generation, adult  
24          and other underrepresented students;



1 (E) implementing course redesigns of high-  
2 enrollment courses to improve student outcomes  
3 and reduce cost; or

4 (F) utilizing career pathways or degree  
5 pathways;

6 (4) a description of how the State or Indian  
7 Tribe will promote alignment between its public sec-  
8 ondary school and postsecondary education systems,  
9 including between 2-year and 4-year public institu-  
10 tions of higher education and with minority-serving  
11 institutions described in section 371(a) of the High-  
12 er Education Act of 1965 (20 U.S.C. 1067q(a)), to  
13 expand awareness of and access to postsecondary  
14 education, reduce the need for remediation and re-  
15 peated coursework, and improve student outcomes;

16 (5) a description of how the State or Indian  
17 Tribe will ensure that programs leading to a recog-  
18 nized postsecondary credential meet the quality cri-  
19 teria established by the State under section 123(a)  
20 of the Workforce Innovation and Opportunity Act  
21 (29 U.S.C. 3153(a)) or other quality criteria deter-  
22 mined appropriate by the State or Indian Tribe;

23 (6) an assurance that all participating commu-  
24 nity colleges in the State or under the authority of  
25 the Indian Tribe have entered into program partici-

1       pation agreements under section 487 of the Higher  
2       Education Act of 1965 (20 U.S.C. 1094); and

3               (7) an assurance that, for each year of the  
4       grant, the State or Indian Tribe will notify each eli-  
5       gible student of the student's remaining eligibility  
6       for assistance under this subtitle.

7       **SEC. 115. ALLOWABLE USES OF FUNDS.**

8               (a) IN GENERAL.—A State or Indian Tribe shall use  
9       a grant under this subtitle only to provide funds to partici-  
10      pating community colleges to waive resident tuition and  
11      fees for eligible students who are enrolled in—

12              (1) academic programs with credits that can  
13      fully transfer via articulation agreement toward a  
14      baccalaureate degree or postbaccalaureate degree at  
15      any public institution of higher education in the  
16      State; or

17              (2) occupational skills training programs that  
18      lead to a recognized postsecondary credential that is  
19      in an in-demand industry sector or occupation in the  
20      State.

21              (b) ADDITIONAL USES.—If a State or Indian Tribe  
22      demonstrates to the Secretary that it has grant funds re-  
23      maining after meeting the demand for activities described  
24      in subsection (a), the State or Indian Tribe may use those  
25      funds to carry out one or more of the following:

1           (1) Expanding the waiver of resident tuition  
2           and fees at community college to students who are  
3           returning students or otherwise not enrolling in  
4           postsecondary education for the first time, and who  
5           meet the student eligibility requirements of clauses  
6           (i) through (v) of section 116(5)(A).

7           (2) Expanding the scope and capacity of high-  
8           quality academic and occupational skills training  
9           programs at community colleges.

10          (3) Improving postsecondary education readi-  
11          ness in the State or Indian Tribe, through outreach  
12          and early intervention.

13          (4) Expanding access to dual or concurrent en-  
14          rollment programs, including early college high  
15          school programs.

16          (5) Improving affordability at 4-year public and  
17          private, nonprofit institutions of higher education.

18          (c) USE OF FUNDS FOR ADMINISTRATIVE PUR-  
19          POSES.—A State or Indian Tribe that receives a grant  
20          under this subtitle may not use any funds provided under  
21          this subtitle for administrative purposes relating to the  
22          grant under this subtitle.

23          (d) MAINTENANCE OF EFFORT REQUIRED.—

1           (1) IN GENERAL.—A State or Indian Tribe that  
2 receives a grant under this subtitle shall provide,  
3 with respect to a fiscal year—

4           (A) for public and private, nonprofit insti-  
5 tutions of higher education in such State or In-  
6 dian tribe an amount that is equal to or greater  
7 than the amount provided for non-capital and  
8 non-direct research and development expenses  
9 or costs by such State or Indian tribe to such  
10 institutions of higher education during the pre-  
11 ceeding fiscal year for which satisfactory data  
12 are available; and

13           (B) for student financial aid for paying  
14 costs associated with public and private, non-  
15 profit postsecondary education in such State or  
16 Indian tribe an amount that is equal to or  
17 greater than the amount provided for student  
18 financial aid for paying costs associated with  
19 public and private, nonprofit postsecondary  
20 education by such State or Indian tribe in the  
21 preceding fiscal year for which satisfactory data  
22 are available.

23           (2) ADJUSTMENTS FOR BIENNIAL APPROPRIA-  
24 TIONS.—The Secretary shall take into consideration  
25 any adjustments to the calculations under paragraph

1 (1) that may be required to accurately reflect fund-  
2 ing levels in States or Indian tribes with biennial ap-  
3 propriation cycles.

4 (3) WAIVER.—The Secretary shall waive the re-  
5 quirements of paragraph (1) if the Secretary deter-  
6 mines that such a waiver would be equitable due to  
7 exceptional or uncontrollable circumstances, such as  
8 a natural disaster or a precipitous and unforeseen  
9 decline in the financial resources of a State or In-  
10 dian tribe, as appropriate.

11 (4) VIOLATION OF MAINTENANCE OF EF-  
12 FORT.—Notwithstanding any other provision of law,  
13 the Secretary shall withhold from any State or In-  
14 dian tribe that violates paragraph (1) and does not  
15 receive a waiver pursuant to paragraph (3) any  
16 amount that would otherwise be available to the  
17 State or Indian tribe under this Act until such State  
18 or Indian tribe has made significant efforts to cor-  
19 rect such violation.

20 (e) ANNUAL REPORT.—

21 (1) IN GENERAL.—A State or Indian Tribe re-  
22 ceiving a grant under this subtitle shall submit an  
23 annual report to the Secretary describing the uses of  
24 grant funds under this subtitle, the progress made  
25 in fulfilling the requirements of the grant, and rates

1 of graduation, transfer and attainment of recognized  
2 postsecondary credentials at participating commu-  
3 nity colleges, and including any other information as  
4 the Secretary may require.

5 (2) INCLUSION IN HEA ANNUAL REPORT.—At  
6 the discretion of the Secretary, the information re-  
7 quired in the report under paragraph (1) may be in-  
8 cluded in an annual report on higher education re-  
9 quired under the Higher Education Act of 1965 (20  
10 U.S.C. 1001 et seq.).

11 (f) REPORTING BY SECRETARY.—The Secretary an-  
12 nually shall—

13 (1) compile and analyze the information de-  
14 scribed in subsection (e); and

15 (2) prepare and submit a report to the Com-  
16 mittee on Health, Education, Labor, and Pensions  
17 of the Senate and the Committee on Education and  
18 Labor of the House of Representatives containing  
19 the analysis described in paragraph (1) and an iden-  
20 tification of State and Indian Tribe best practices  
21 for achieving the purpose of this subtitle.

22 (g) TECHNICAL ASSISTANCE.—The Secretary shall  
23 provide technical assistance to eligible States and Indian  
24 Tribes concerning best practices regarding the promising  
25 and evidence-based institutional reforms and innovative

1 practices to improve student outcomes as described in sec-  
2 tion 114(b)(3) and shall disseminate such best practices  
3 among the States and Indian Tribes.

4 (h) CONTINUATION OF FUNDING.—

5 (1) IN GENERAL.—A State or Indian Tribe re-  
6 ceiving a grant under this subtitle for a fiscal year  
7 may continue to receive funding under this title for  
8 future fiscal years conditioned on the availability of  
9 budget authority and on meeting the requirements  
10 of the grant, as determined by the Secretary.

11 (2) DISCONTINUATION.—The Secretary may  
12 discontinue funding of the Federal share of a grant  
13 under this subtitle if the State or Indian Tribe has  
14 violated the terms of the grant or is not making ade-  
15 quate progress in implementing the reforms de-  
16 scribed in the application submitted under section  
17 114.

18 **SEC. 116. DEFINITIONS.**

19 In this subtitle:

20 (1) CAREER PATHWAY.—The term “career  
21 pathway” has the meaning given the term in section  
22 3 of the Workforce Innovation and Opportunity Act  
23 (29 U.S.C. 3102).

24 (2) COMMUNITY COLLEGE.—The term “commu-  
25 nity college” means a public institution of higher

1 education at which the highest degree that is pre-  
2 dominantly awarded to students is an associate's de-  
3 gree, including 2-year tribally controlled colleges  
4 under section 316 of the Higher Education Act of  
5 1965 (20 U.S.C. 1059c) and public 2-year State in-  
6 stitutions of higher education.

7 (3) DUAL OR CONCURRENT ENROLLMENT PRO-  
8 GRAM.—The term “dual or concurrent enrollment  
9 program” has the meaning given the term in section  
10 8101 of the Elementary and Secondary Education  
11 Act of 1965 (20 U.S.C. 7801).

12 (4) EARLY COLLEGE HIGH SCHOOL.—The term  
13 “early college high school” has the meaning given  
14 the term in section 8101 of the Elementary and Sec-  
15 ondary Education Act of 1965 (20 U.S.C. 7801).

16 (5) ELIGIBLE STUDENT.—

17 (A) DEFINITION.—The term “eligible stu-  
18 dent” means a student who—

19 (i)(I) enrolls in a community college  
20 after the date of enactment of this Act; or

21 (II) is enrolled in a community college  
22 as of the date of enactment of this Act;

23 (ii) attends the community college on  
24 not less than a half-time basis;



1 (iii) is maintaining satisfactory  
2 progress, as defined in section 484(c) of  
3 the Higher Education Act of 1965 (20  
4 U.S.C. 1091(c)), in the student’s course of  
5 study;

6 (iv) qualifies for resident tuition, as  
7 determined by the State or Indian Tribe;  
8 and

9 (v) is enrolled in an eligible program  
10 described in section 114(b)(2).

11 (B) SPECIAL RULE.—An otherwise eligible  
12 student shall lose eligibility 3 calendar years  
13 after first receiving benefits under this subtitle.

14 (6) IN-DEMAND INDUSTRY SECTOR OR OCCUPA-  
15 TION.—The term “in-demand industry sector or oc-  
16 cupation” has the meaning given the term in section  
17 3 of the Workforce Innovation and Opportunity Act  
18 (29 U.S.C. 3102).

19 (7) INDIAN TRIBE.—The term “Indian Tribe”  
20 has the meaning given the term (without regard to  
21 capitalization) in section 102(2) of the Federally  
22 Recognized Indian Tribe List Act of 1994 (25  
23 U.S.C. 5130(2)).

24 (8) INSTITUTION OF HIGHER EDUCATION.—The  
25 term “institution of higher education” has the

1 meaning given the term in section 101 of the Higher  
2 Education Act of 1965 (20 U.S.C. 1001).

3 (9) RECOGNIZED POSTSECONDARY CREDEN-  
4 TIAL.—The term “recognized postsecondary creden-  
5 tial” has the meaning as described in section 3 of  
6 the Workforce Innovation and Opportunity Act (29  
7 U.S.C. 3102).

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

10 (11) STATE.—The term “State” has the mean-  
11 ing given the term in section 103 of the Higher  
12 Education Act of 1965 (20 U.S.C. 1003).

13 **SEC. 117. APPROPRIATIONS.**

14 (a) AUTHORIZATION AND APPROPRIATIONS.—For  
15 the purpose of making grants under this subtitle, there  
16 are authorized to be appropriated, and there are appro-  
17 priated—

18 (1) \$1,515,150,000 for fiscal year 2020;

19 (2) \$3,352,200,000 for fiscal year 2021;

20 (3) \$4,277,940,000 for fiscal year 2022;

21 (4) \$5,988,450,000 for fiscal year 2023;

22 (5) \$7,837,710,000 for fiscal year 2024;

23 (6) \$8,974,350,000 for fiscal year 2025;

24 (7) \$11,302,020,000 for fiscal year 2026;

25 (8) \$14,451,090,000 for fiscal year 2027;

1           (9) \$15,077,130,000 for fiscal year 2028; and

2           (10) \$15,729,810,000 for fiscal year 2029 and

3           each succeeding fiscal year.

4           (b) AVAILABILITY.—Funds appropriated under sub-  
5 section (a) shall remain available to the Secretary until  
6 expended.

7           (c) INSUFFICIENT FUNDS.—If the amount appro-  
8 priated under subsection (a) for a fiscal year is not suffi-  
9 cient to award each participating State and Indian Tribe  
10 a grant under this subtitle that is equal to the minimum  
11 amount of the Federal share described in section 112(a),  
12 the Secretary may ratably reduce the amount of each such  
13 grant or take other actions necessary to ensure an equi-  
14 table distribution of such amount.

1 **Subtitle B—Grants to Historically**  
 2 **Black Colleges and Universities,**  
 3 **Hispanic-Serving Institutions,**  
 4 **Asian American and Native**  
 5 **American Pacific Islander-Serv-**  
 6 **ing Institutions, Tribal Colleges**  
 7 **and Universities, Alaska Native-**  
 8 **Serving Institutions, Native Ha-**  
 9 **waiian-Serving Institutions,**  
 10 **Predominantly Black Institu-**  
 11 **tions, and Native American-**  
 12 **Serving Nontribal Institutions**

13 **SEC. 121. PATHWAYS TO STUDENT SUCCESS FOR HISTORI-**  
 14 **CALLY BLACK COLLEGES AND UNIVERSITIES.**

15 (a) IN GENERAL.—From amounts appropriated  
 16 under section 124(a) for any fiscal year, the Secretary  
 17 shall award grants to participating 4-year historically  
 18 Black colleges or universities that meet the requirements  
 19 of subsection (b) to—

20 (1) encourage students to enroll and success-  
 21 fully complete a bachelor’s degree at institutions eli-  
 22 gible under subsection (b);

23 (2) provide incentives to community college stu-  
 24 dents to transfer to institutions eligible under sub-

1 section (b) through strong transfer pathways to  
2 complete a bachelor's degree program; and

3 (3) support institutions eligible under sub-  
4 section (b) to better serve new and existing students  
5 by engaging in reforms and innovations designed to  
6 improve completion rates and other student out-  
7 comes.

8 (b) ELIGIBILITY.—To be eligible to receive a grant  
9 under the program under this section, an institution shall  
10 be a historically Black college or university that—

11 (1) has a student body of which not less than  
12 35 percent are low-income students;

13 (2) commits to maintaining or adopting and im-  
14 plementing promising and evidence-based institu-  
15 tional reforms and innovative practices to improve  
16 the completion rates and other student outcomes,  
17 such as—

18 (A) providing comprehensive academic and  
19 student support services, including mentoring  
20 and advising;

21 (B) providing accelerated learning opportu-  
22 nities and degree pathways, such as dual or  
23 concurrent enrollment programs and pathways  
24 to graduate and professional degree programs;

1 (C) advancing distance and competency-  
2 based education;

3 (D) partnering with employers, industry,  
4 nonprofit associations, and other groups to pro-  
5 vide opportunities to advance learning outside  
6 the classroom, including work-based learning  
7 opportunities such as internships or apprentice-  
8 ships or programs designed to improve inter-  
9 cultural development and personal growth, such  
10 as foreign exchange and study abroad pro-  
11 grams;

12 (E) reforming remedial education, espe-  
13 cially for low-income students, first generation  
14 college students, adult students, and other  
15 underrepresented students; or

16 (F) implementing course redesigns of high-  
17 enrollment courses to improve student outcomes  
18 and reduce cost;

19 (3) sets performance goals for improving stu-  
20 dent outcomes for the duration of the grant; and

21 (4) if receiving a grant for transfer students,  
22 has articulation agreements with community colleges  
23 at the national, State, or local level to ensure that  
24 community college credits can fully transfer to the  
25 institution.

1 (c) GRANT AMOUNT.—

2 (1) INITIAL AMOUNT.—For the first year that  
3 an eligible institution, as described in subsection (b),  
4 participates in the grant program under this section  
5 and subject to paragraph (3), such eligible institu-  
6 tion shall receive a grant in an amount based on the  
7 product of—

8 (A) the actual cost of tuition and fees at  
9 the eligible institution in such year (referred to  
10 in this section as the per-student rebate); multi-  
11 plied by

12 (B) the number of eligible students en-  
13 rolled in the eligible institution for the pre-  
14 ceding year.

15 (2) SUBSEQUENT INCREASES.—For each suc-  
16 ceeding year after the first year of the grant pro-  
17 gram under this section, each eligible institution, as  
18 described in subsection (b), that participate in the  
19 grant program shall receive a grant in the amount  
20 determined under paragraph (1) for such year, ex-  
21 cept that in no case shall the amount of the per-stu-  
22 dent rebate for an eligible institution increase by  
23 more than 3 percent as compared to the amount of  
24 such rebate for the preceding year.

25 (3) LIMITATIONS.—

1 (A) MAXIMUM PER-STUDENT REBATE.—

2 No eligible institution, as described in sub-  
3 section (b), participating in the grant program  
4 under this section shall receive a per-student re-  
5 bate amount for any year that is greater than  
6 the national average of annual tuition and fees  
7 at public 4-year institutions of higher education  
8 for such year, as determined by the Secretary.

9 (B) FIRST YEAR TUITION AND FEES.—

10 During the first year of participation in the  
11 grant program under this section, no eligible in-  
12 stitution, as described in subsection (b), may in-  
13 crease tuition and fees at a rate greater than  
14 any annual increase at the eligible institution in  
15 the previous 5 years.

16 (d) APPLICATION.—An eligible institution, as de-  
17 scribed in subsection (b), that desires a grant under this  
18 section shall submit an application to the Secretary at  
19 such time, in such manner, and containing such informa-  
20 tion as the Secretary may require.

21 (e) USE OF FUNDS.—Funds awarded under this sec-  
22 tion to an eligible institution, as described in subsection  
23 (b), shall be used to waive or significantly reduce tuition  
24 and fees for eligible students in an amount of not more  
25 than up to the annual per-student rebate amount for each



1 student, for not more than the first 60 credits an eligible  
 2 student enrolls in the eligible institution.

3 **SEC. 122. PATHWAYS TO STUDENT SUCCESS FOR HISPANIC-**  
 4 **SERVING INSTITUTIONS, ASIAN AMERICAN**  
 5 **AND NATIVE AMERICAN PACIFIC ISLANDER-**  
 6 **SERVING INSTITUTIONS, TRIBAL COLLEGES**  
 7 **AND UNIVERSITIES, ALASKA NATIVE-SERV-**  
 8 **ING INSTITUTIONS, NATIVE HAWAIIAN-SERV-**  
 9 **ING INSTITUTIONS, PREDOMINANTLY BLACK**  
 10 **INSTITUTIONS, AND NATIVE AMERICAN-SERV-**  
 11 **ING NONTRIBAL INSTITUTIONS.**

12 (a) IN GENERAL.—From amounts appropriated  
 13 under section 124(a) for any fiscal year, the Secretary  
 14 shall award grants to eligible 4-year minority-serving insti-  
 15 tutions to—

16 (1) encourage students to enroll and success-  
 17 fully complete a bachelor's degree at institutions eli-  
 18 gible under subsection (b);

19 (2) provide incentives to community college stu-  
 20 dents to transfer to institutions eligible under sub-  
 21 section (b) through strong transfer pathways to  
 22 complete a bachelor's degree program; and

23 (3) support institutions eligible under sub-  
 24 section (b) to better serve new and existing students  
 25 by engaging in reforms and innovations designed to

1 improve completion rates and other student out-  
2 comes.

3 (b) INSTITUTIONAL ELIGIBILITY.—To be eligible to  
4 participate and receive a grant under this section, an insti-  
5 tution shall be a minority-serving institution with respect  
6 to which the majority of degrees awarded are baccalaureate  
7 degrees or higher that—

8 (1) has a student body of which not less than  
9 35 percent are low-income students;

10 (2) commits to maintaining or adopting and im-  
11 plementing promising and evidence-based institu-  
12 tional reforms and innovative practices to improve  
13 the completion rates and other student outcomes,  
14 such as—

15 (A) providing comprehensive academic and  
16 student support services, including mentoring  
17 and advising;

18 (B) providing accelerated learning opportu-  
19 nities and degree pathways, such as dual or  
20 concurrent enrollment programs and pathways  
21 to graduate and professional degree programs;

22 (C) advancing distance and competency-  
23 based education;

24 (D) partnering with employers, industry,  
25 nonprofit associations, and other groups to pro-

1           vide opportunities to advance learning outside  
2           the classroom, including work-based learning  
3           opportunities such as internships or apprentice-  
4           ships or programs designed to improve inter-  
5           cultural development and personal growth, such  
6           as foreign exchange and study abroad pro-  
7           grams;

8           (E) reforming remedial education, espe-  
9           cially for low-income students, first generation  
10          college students, adult students, and other  
11          underrepresented students; and

12          (F) implementing course redesigns of high-  
13          enrollment courses to improve student outcomes  
14          and reduce cost;

15          (3) sets performance goals for improving stu-  
16          dent outcomes for the duration of the grant; and

17          (4) if receiving a grant for transfer students,  
18          has articulation agreements with community colleges  
19          at the national, State, or local levels to ensure that  
20          community college credits can fully transfer to the  
21          institution.

22          (c) GRANT AMOUNT.—

23                  (1) INITIAL AMOUNT.—For the first year that  
24                  an eligible institution, as described in subsection (b),  
25                  participates in the grant program under this section

1 and subject to paragraph (3), such eligible institu-  
2 tion shall receive a grant in an amount based on the  
3 product of—

4 (A) the actual cost of tuition and fees at  
5 the eligible institution in such year (referred to  
6 in this section as the per-student rebate); multi-  
7 plied by

8 (B) the number of eligible students en-  
9 rolled in the eligible institution for the pre-  
10 ceeding year.

11 (2) SUBSEQUENT INCREASES.—For each suc-  
12 ceeding year after the first year of the grant pro-  
13 gram under this section, each eligible institution, as  
14 described in subsection (b), that participate in the  
15 grant program shall receive a grant in the amount  
16 determined under paragraph (1) for such year, ex-  
17 cept that in no case shall the amount of the per-stu-  
18 dent rebate increase by more than 3 percent as com-  
19 pared to the amount of such rebate for the pre-  
20 ceeding year.

21 (3) LIMITATIONS.—

22 (A) MAXIMUM PER-STUDENT REBATE.—

23 No eligible institution, as described in sub-  
24 section (b), participating in the grant program  
25 under this section shall receive a per-student re-

1           bate amount for a grant year greater than the  
2           national average of public 4-year institutional  
3           tuition and fees, as determined by the Sec-  
4           retary.

5           (B) FIRST YEAR TUITION AND FEES.—  
6           During the first year of participation in the  
7           grant program under this section, no eligible in-  
8           stitution, as described in subsection (b), may in-  
9           crease tuition and fees at a rate greater than  
10          any annual increase made by the institution in  
11          the previous 5 years.

12          (d) APPLICATION.—An eligible institution, as de-  
13          scribed in subsection (b), shall submit an application to  
14          the Secretary at such time, in such a manner, and con-  
15          taining such information as determined by the Secretary.

16          (e) USE OF FUNDS.—Funds awarded under this sec-  
17          tion to an eligible institution, as described in subsection  
18          (b), shall be used to waive or significantly reduce tuition  
19          and fees for eligible students in an amount of not more  
20          than up to the annual per-student rebate amount for each  
21          student, for not more than the first 60 credits an eligible  
22          student enrolls in the eligible institution.

23   **SEC. 123. DEFINITIONS.**

24          In this subtitle:

25               (1) ELIGIBLE STUDENT.—

1 (A) DEFINITION.—The term “eligible stu-  
2 dent” means a student, regardless of age,  
3 who—

4 (i)(I) enrolls in a historically Black  
5 college or university, or minority-serving  
6 institution; or

7 (II) transfers from a community col-  
8 lege into a historically Black college or uni-  
9 versity, or minority-serving institution;

10 (ii) attends the historically Black col-  
11 lege or university, or minority serving in-  
12 stitution, on at least a half-time basis; and

13 (iii) is maintaining satisfactory  
14 progress, as defined in section 484(c) of  
15 the Higher Education Act of 1965 (20  
16 U.S.C. 1091(c)), in the student’s course of  
17 study.

18 (B) SPECIAL RULE.—An otherwise eligible  
19 student shall lose eligibility 3 calendar years  
20 after first receiving benefits under this subtitle.

21 (2) HISTORICALLY BLACK COLLEGE OR UNI-  
22 VERSITY.—The term “historically Black college or  
23 university” means a part B institution described in  
24 section 322(2) of the Higher Education Act of 1965  
25 (20 U.S.C. 1061(2)).

1           (3) LOW-INCOME STUDENT.—The term “low-in-  
2           come student”—

3           (A) shall include any student eligible for a  
4           Federal Pell Grant under section 401 of the  
5           Higher Education Act of 1965 (20 U.S.C.  
6           1070a); and

7           (B) may include a student ineligible for a  
8           Federal Pell Grant under section 401 of the  
9           Higher Education Act of 1965 (20 U.S.C.  
10          1070a) who is determined by the institution of  
11          higher education in which the student is en-  
12          rolled to be a low-income student based on an  
13          analysis of the student’s ability to afford the  
14          cost of attendance at the institution.

15          (4) MINORITY-SERVING INSTITUTION.—The  
16          term “minority-serving institution” means any pub-  
17          lic or nonprofit institution of higher education—

18          (A) described in paragraphs (2) through  
19          (7) of section 371(a) of the Higher Education  
20          Act of 1965 (20 U.S.C. 1067q(a)); and

21          (B) designated as a minority-serving insti-  
22          tution by the Secretary.

23          (5) SECRETARY.—The term “Secretary” means  
24          the Secretary of Education.

1 **SEC. 124. APPROPRIATIONS.**

2 (a) AUTHORIZATION AND APPROPRIATIONS FOR  
3 HBCU AND MSI GRANTS.—For the purpose of carrying  
4 out sections 121 and 122, there are authorized to be ap-  
5 propriated, and there are appropriated—

- 6 (1) \$61,050,000 for fiscal year 2020;  
7 (2) \$199,800,000 for fiscal year 2021;  
8 (3) \$1,189,920,000 for fiscal year 2022;  
9 (4) \$1,237,650,000 for fiscal year 2023;  
10 (5) \$1,287,600,000 for fiscal year 2024;  
11 (6) \$1,338,660,000 for fiscal year 2025;  
12 (7) \$1,359,750,000 for fiscal year 2026;  
13 (8) \$1,449,660,000 for fiscal year 2027;  
14 (9) \$1,508,490,000 for fiscal year 2028; and  
15 (10) \$1,569,540,000 for fiscal year 2029 and  
16 each succeeding fiscal year.

17 (b) AVAILABILITY.—Funds appropriated under sub-  
18 section (a) are to remain available to the Secretary until  
19 expended.

20 (c) INSUFFICIENT FUNDS.—If the amount appro-  
21 priated under subsection (a) for a fiscal year is not suffi-  
22 cient to award each participating institution in the grant  
23 programs under sections 121 and 122 a grant under this  
24 subtitle that is equal to 100 percent of the grant amount  
25 determined under sections 121(c) and 122(c), as applica-  
26 ble, the Secretary may ratably reduce the amount of each



1 such grant or take other actions necessary to ensure an  
 2 equitable distribution of such amount.

3 **TITLE II—NATIONAL PUBLIC**  
 4 **SERVICE EDUCATION GRANT**  
 5 **PROGRAM**

6 **SEC. 201. NATIONAL PUBLIC SERVICE EDUCATION GRANT**  
 7 **PROGRAM.**

8 Part A of title IV of the Higher Education Act of  
 9 1965 (20 U.S.C. 1070 et seq.) is amended by adding at  
 10 the end the following:

11 **“Subpart 11—National Public Service Education**  
 12 **Grant Program**

13 **“SEC. 420T. NATIONAL PUBLIC SERVICE EDUCATION**  
 14 **GRANT PROGRAM.**

15 “(a) DEFINITIONS.—In this section:

16 “(1) COST OF ATTENDANCE.—

17 “(A) IN GENERAL.—The term ‘cost of at-  
 18 tendance’ means tuition, fees, on-campus room  
 19 and board, books and supplies, personal ex-  
 20 penses, and transportation.

21 “(B) ON-CAMPUS ROOM AND BOARD.—The  
 22 term ‘on-campus room and board’ means—

23 “(i) the cost to a student of a double  
 24 room on campus; and

1                   “(ii) the cost of a resident student  
2                   meal plan.

3                   “(2) ELIGIBLE INSTITUTION.—The term ‘eligi-  
4                   ble institution’ means a public 4-year institution of  
5                   higher education or a private, nonprofit 4-year insti-  
6                   tution of higher education.

7                   “(3) ELIGIBLE STUDENT.—The term ‘eligible  
8                   student’ means a student who—

9                   “(A) has received an associate’s degree or  
10                  has earned not less than 60 credits toward a  
11                  baccalaureate degree;

12                  “(B) is enrolled, at an eligible institution  
13                  awarded a grant under this section, on a full-  
14                  time basis in a course of study that will lead to  
15                  employment in a public service job; and

16                  “(C) has submitted a Free Application for  
17                  Federal Student Aid (FAFSA) to the Depart-  
18                  ment.

19                  “(4) PUBLIC SERVICE JOB.—The term ‘public  
20                  service job’ has the meaning given the term in sec-  
21                  tion 455(m)(3)(B).

22                  “(b) ESTABLISHMENT OF PROGRAM.—The Secretary  
23                  shall establish a National Public Service Education Grant  
24                  program to assist in paying for the cost of attendance for  
25                  an undergraduate education to students who commit to

1 work for not less than 3 years in a public service job upon  
2 completion of their baccalaureate degree.

3 “(c) GRANTS FROM THE DEPARTMENT TO ELIGIBLE  
4 INSTITUTIONS.—

5 “(1) IN GENERAL.—The Secretary shall award  
6 grants to eligible institutions to enable the eligible  
7 institutions to award grants to eligible students who  
8 commit to work for not less than 3 years in a public  
9 service job upon completion of their baccalaureate  
10 degree.

11 “(2) DURATION.—Grants awarded to eligible  
12 institutions under this subsection shall be 5 years in  
13 duration. Subject to subsection (e), such a grant  
14 may be extended for additional 5-year periods.

15 “(3) AMOUNTS.—

16 “(A) IN GENERAL.—Except as provided in  
17 subparagraph (B), the Secretary shall award a  
18 grant to an eligible institution under this sub-  
19 section for a fiscal year in an amount equal to  
20 the lesser of—

21 “(i) the average annual cost of in-  
22 State tuition, fees, and on-campus room  
23 and board in the State in which the insti-  
24 tution is located at a public 4-year institu-  
25 tion of higher education during the fiscal

1 year multiplied by the number of eligible  
2 students enrolled at the institution who  
3 apply for a grant under this section during  
4 the fiscal year; or

5 “(ii) the actual annual cost of tuition,  
6 fees, and on-campus room and board at  
7 the eligible institution during the fiscal  
8 year multiplied by the number of eligible  
9 students enrolled at the institution who  
10 apply for a grant under this section during  
11 the fiscal year.

12 “(B) NONTRADITIONAL CALENDAR.—The  
13 calculation of the cost of tuition, fees, and on-  
14 campus room and board under subparagraph  
15 (A) with respect to an eligible student who ap-  
16 plies for a grant under this section for enroll-  
17 ment during the summer or other nontradi-  
18 tional period shall be the cost of the cost of tui-  
19 tion, fees, and on-campus room and board for  
20 such summer or other nontraditional period.

21 “(4) APPLICATIONS.—The Secretary shall de-  
22 sign an application for eligible institutions to partici-  
23 pate in the grant program under this subsection that  
24 includes a description of how the eligible institution,

1 if awarded a grant under this subsection, will pro-  
2 vide services to students as follows:

3 “(A) Provide comprehensive academic and  
4 student support services for eligible students  
5 awarded grants under this section, including  
6 mentoring and advising, particularly for first-  
7 generation and minority students.

8 “(B) Provide accelerated learning opportu-  
9 nities for eligible students awarded grants  
10 under this section to receive their baccalaureate  
11 degree and any required certificate or license to  
12 work in their respective public service job in  
13 less than 2 years if an eligible student seeks to  
14 complete the degree in less than 2 years.

15 “(C) Foster opportunities for eligible stu-  
16 dents awarded grants under this section to con-  
17 nect with potential public service job employers  
18 through the Corporation for National and Com-  
19 munity Service.

20 “(D) Any additional information deter-  
21 mined necessary by the Secretary.

22 “(d) GRANTS TO ELIGIBLE STUDENTS.—

23 “(1) IN GENERAL.—Each eligible institution  
24 that receives a grant under subsection (c) shall

1 award grants to eligible students enrolled at the in-  
2 stitution.

3 “(2) APPLICATION.—An eligible student who  
4 desires to receive a grant under this section shall  
5 submit an application to the eligible institution that  
6 includes the following:

7 “(A) An agreement to work for not less  
8 than 3 years in a public service job upon com-  
9 pletion of their baccalaureate degree.

10 “(B) Information that demonstrates that  
11 the student is an eligible student for purposes  
12 of section 484.

13 “(C) Information that demonstrates that  
14 the student has received counseling from the  
15 Department that explains the terms and condi-  
16 tions of the grant award.

17 “(D) Any additional information deter-  
18 mined necessary by the Secretary.

19 “(3) GRANT AMOUNT.—

20 “(A) IN GENERAL.—Except as provided in  
21 subparagraph (B), an eligible institution shall  
22 award a grant to an eligible student enrolled at  
23 the institution for an academic year in an  
24 amount equal to the total grant amount re-  
25 ceived by the eligible institution under sub-

1 section (c) for the fiscal year preceding the aca-  
 2 demic year divided by the number of students  
 3 to whom the eligible institution awards grants  
 4 under this subsection for such academic year.

5 “(B) NONTRADITIONAL CALENDAR.—An  
 6 eligible institution shall award a grant to an eli-  
 7 gible student who applies for a grant under this  
 8 section for enrollment during the summer or  
 9 other nontraditional period in an amount, from  
 10 the total grant amount received by the eligible  
 11 institution under subsection (c), that is pro-  
 12 rated to reflect the cost of tuition, fees, and on-  
 13 campus room and board for such summer or  
 14 other nontraditional period.

15 “(4) COST OF ATTENDANCE BEYOND GRANT  
 16 AMOUNT.—

17 “(A) AMOUNTS NOT COVERED BY NPSEG  
 18 GRANTS.—

19 “(i) PUBLIC INSTITUTIONS.—

20 “(I) IN GENERAL.—An eligible  
 21 institution that is a public institution  
 22 of higher education shall cover the ex-  
 23 cess costs to meet the difference be-  
 24 tween the in-State tuition, fees, and  
 25 on-campus room and board at the in-

1                   stitution and the amount awarded to  
2                   the eligible student through the grant  
3                   award under paragraph (3), through a  
4                   combination of grant and work-study  
5                   awards under this title for which the  
6                   eligible student may be eligible, cam-  
7                   pus-based aid programs, State-based  
8                   merit or need-based aid, or other in-  
9                   stitutional-based merit- or need-based  
10                  aid. An eligible institution that is a  
11                  public institution of higher education  
12                  may cover, with respect to an eligible  
13                  student, any amounts of the cost of  
14                  attendance that are in excess of the  
15                  total amount awarded to the eligible  
16                  student through the grant award  
17                  under paragraph (3) and the amount  
18                  of excess costs provided under this  
19                  subclause based on the demonstrated  
20                  financial need of the student.

21                               “(II)     STUDENT     CONTRIBU-  
22                               TION.—The eligible student shall be  
23                               responsible for any amounts of the  
24                               cost of attendance that are in excess  
25                               of the total amount awarded to the el-



1 eligible student through the grant  
2 award under paragraph (3) and the  
3 amount of excess costs provided under  
4 subclause (I). The eligible student  
5 may be eligible for Federal student  
6 aid in accordance with subparagraph  
7 (B) for the remaining cost of attend-  
8 ance amount for which the student is  
9 responsible.

10 “(ii) PRIVATE INSTITUTION.—

11 “(I) MATCHING AMOUNT.—

12 “(aa) IN GENERAL.—An eli-  
13 gible institution that is a private,  
14 nonprofit institution of higher  
15 education shall—

16 “(AA) with respect to  
17 an eligible student described  
18 in item (bb), cover excess  
19 costs toward meeting an eli-  
20 gible student’s cost of at-  
21 tendance in an amount  
22 equal to or greater than the  
23 amount of the grant award  
24 to the eligible student de-

1                   scribed in paragraph (3);  
2                   and

3                   “(BB) with respect to  
4                   an eligible student not de-  
5                   scribed in item (bb), not be  
6                   obligated to provide addi-  
7                   tional institutional-based fi-  
8                   nancial aid to such student.

9                   “(bb)     ELIGIBLE     STU-  
10                  DENTS.—An eligible student is  
11                  described in this item if the stu-  
12                  dent’s (or the student’s parents’  
13                  in the case of a dependent stu-  
14                  dent) adjusted gross income for  
15                  the taxable year that is 1 year  
16                  prior to the taxable year that  
17                  ends immediately prior to the be-  
18                  ginning of the first award year of  
19                  the program under this section is  
20                  equal to or less than \$125,000,  
21                  indexed for inflation by regula-  
22                  tion of the Secretary.

23                  “(cc) SOURCE OF AID.—The  
24                  required amount described in  
25                  item (aa)(AA) may be provided

1 through a combination of grant  
2 and work-study awards under  
3 this title for which the eligible  
4 student may be eligible, campus-  
5 based aid programs, State-based  
6 merit or need-based aid, or other  
7 institutional-based merit- or  
8 need-based aid.

9 “(II) STUDENT CONTRIBU-  
10 TION.—The eligible student shall be  
11 responsible for any amounts of the  
12 cost of attendance that are in excess  
13 of the total amount awarded to that  
14 eligible student through the grant  
15 award under paragraph (3) and the  
16 amount of excess costs provided under  
17 subclause (I). The eligible student  
18 may be eligible for Federal student  
19 aid in accordance with subparagraph  
20 (B) for the remaining cost of attend-  
21 ance amount for which the student is  
22 responsible.

23 “(iii) STUDENT CHOICE.—An eligible  
24 student who receives a Federal work-study  
25 award by an eligible institution to meet the

1 cost of attendance beyond a grant awarded  
2 under this section may choose to decline  
3 the Federal work-study award and take  
4 out a Federal Direct Unsubsidized Staf-  
5 ford Loan. An eligible institution shall be  
6 considered to have met the institution's re-  
7 sponsibilities if a student chooses to take  
8 out such a loan in lieu of a Federal work-  
9 study award.

10 “(B) FIRST DOLLAR AWARD.—An eligible  
11 institution shall consider the grant award under  
12 this subsection as the first dollar award, to be  
13 available prior to other funds awarded by the  
14 Department of Education under this title, the  
15 State involved, or the institution.

16 “(C) HOUSING.—An eligible student who  
17 receives a grant under this subsection may use  
18 the grant amounts for off-campus housing but  
19 the student may not use such grant amounts  
20 for any amounts for such off-campus housing  
21 that are in excess of the cost of on-campus  
22 room and board.

23 “(5) CLASSES IN NONTRADITIONAL CAL-  
24 ENDARS.—An eligible student who receives a grant

1 under this subsection may use the grant amounts for  
2 enrollment during any period of study.

3 “(e) INSTITUTIONAL ACCOUNTABILITY.—

4 “(1) IN GENERAL.—Each eligible institution  
5 that receives a grant under subsection (c) shall—

6 “(A) provide comprehensive academic and  
7 student support services for eligible students  
8 awarded grants under this section, including  
9 mentoring and advising, particularly for first-  
10 generation and minority students;

11 “(B) provide accelerated learning opportu-  
12 nities for eligible students awarded grants  
13 under this section to receive their baccalaureate  
14 degree and any required certificate or license to  
15 work in their respective public service job in  
16 less than 2 years if an eligible student seeks to  
17 complete the degree in less than 2 years; and

18 “(C) foster opportunities for eligible stu-  
19 dents awarded grants under this section to con-  
20 nect with potential public service job employers  
21 through the Corporation for National and Com-  
22 munity Service.

23 “(2) BIENNIAL REPORT.—

24 “(A) IN GENERAL.—Each eligible institu-  
25 tion that receives a grant under subsection (c)

1 shall submit a biennial report to the Secretary  
2 describing the following:

3 “(i) Academic and student support  
4 services offered to eligible students award-  
5 ed grants under this section.

6 “(ii) Such students’ progress towards  
7 baccalaureate degree completion and grad-  
8 uation.

9 “(iii) Outreach to potential public  
10 service job employers for the eligible stu-  
11 dents awarded grants under this section.

12 “(B) CONTINUING GRANT AWARDS TO ELI-  
13 GIBLE INSTITUTIONS.—The Secretary may con-  
14 tinue grant awards to an eligible institution  
15 under subsection (c) after the initial 5-year  
16 grant period for additional 5-year periods if—

17 “(i) the institution complies with the  
18 requirements of paragraph (1); and

19 “(ii) the eligible students awarded  
20 grants under this section who are enrolled  
21 at the institution have a baccalaureate de-  
22 gree graduation rate that meets or exceeds  
23 a rate determined appropriate by the Sec-  
24 retary.

1                   “(C) DISCONTINUING GRANT AWARDS TO  
2 ELIGIBLE INSTITUTIONS.—

3                   “(i) IN GENERAL.—The Secretary  
4 may discontinue grant awards to an eligi-  
5 ble institution under subsection (c) after  
6 the initial 5-year grant period based on the  
7 outcome of the biennial reports under sub-  
8 paragraph (A).

9                   “(ii) NOTIFICATION.—Prior to the  
10 Secretary discontinuing a grant award  
11 under clause (i), the Secretary shall notify  
12 the institution, prior to the start of the 5th  
13 year of the 5-year grant period, in a pub-  
14 lically available format, that the institution  
15 is, or is potentially, out of compliance with  
16 the requirements of the grant award and  
17 may have the institution’s grant awards  
18 discontinued.

19                   “(iii) MODIFICATIONS.—In the 5th  
20 year of the 5-year grant period, an eligible  
21 institution may make modifications to the  
22 institution’s grant program and appeal to  
23 the Secretary for a renewal of the institu-  
24 tion’s grant.

1                   “(iv) DECISION.—The Secretary, prior  
2                   to the conclusion of the 5-year grant pe-  
3                   riod, shall render a decision on whether to  
4                   continue grant awards to an eligible insti-  
5                   tution.

6                   “(v) REMAINING RESPONSIBILITY.—If  
7                   the Secretary discontinues grant awards to  
8                   an eligible institution under subsection (c),  
9                   the institution shall be responsible for  
10                  maintaining academic and student support  
11                  services and providing the full remaining  
12                  costs for eligible students awarded a grant  
13                  under this section prior to such discontinu-  
14                  ation to receive their baccalaureate degree  
15                  debt free.

16                  “(3) INSTITUTIONAL PROHIBITIONS.—Each eli-  
17                  gible institution that receives a grant under sub-  
18                  section (c) may not—

19                         “(A) use grant funds for administrative  
20                         purposes; or

21                         “(B) establish different tuition prices be-  
22                         tween eligible students who receive grants  
23                         under this section and students who do not re-  
24                         ceive grants under this section for pursuing the  
25                         same course of study.



1 “(f) STUDENT ACCOUNTABILITY.—

2 “(1) ENROLLMENT; GPA; SERVICE.—

3 “(A) IN GENERAL.—An eligible student  
4 awarded a grant under this section shall—

5 “(i) maintain full-time enrollment in  
6 order to complete the student’s bacca-  
7 laurate degree in not more than 2 years;  
8 and

9 “(ii) maintain satisfactory academic  
10 progress, defined as a 3.0 grade point av-  
11 erage (GPA) or higher, and meet all other  
12 institutional standards for academic  
13 progress.

14 “(B) TWO WEEKS OF SERVICE.—

15 “(i) IN GENERAL.—Except as other-  
16 wise provided in this subparagraph, an eli-  
17 gible student awarded a grant under this  
18 section shall serve for 80 hours as a partic-  
19 ipant in a Corporation for National and  
20 Community Service national service project  
21 for each year the eligible student receives  
22 the grant. The eligible institution shall as-  
23 sist in placing the eligible student in such  
24 a project relevant to the eligible student’s  
25 course of study. Such required hours may

1 be completed at any point during the stu-  
2 dent's enrollment but shall be completed  
3 prior to the date the eligible student re-  
4 ceives the student's baccalaureate degree.

5 “(ii) OTHER PROJECT.—If an eligible  
6 student resides in an area without a local  
7 Corporation for National and Community  
8 Service national service project available,  
9 the student may instead participate in a  
10 service project with a community action  
11 agency, a local government agency, or an  
12 organization described in section 501(c)(3)  
13 of the Internal Revenue Code of 1986.

14 “(iii) MEDICAL EXEMPTION.—The  
15 Secretary may grant an eligible student a  
16 medical exemption from the service com-  
17 mitment under this subparagraph if the  
18 student becomes medically unable to com-  
19 plete the service commitment over the  
20 course of the academic year. An eligible  
21 student granted such an exemption shall  
22 complete the service commitment upon re-  
23 covery without risking eligibility status in  
24 the grant program under this section.

25 “(2) SATISFACTORY PROGRESS.—

1           “(A) AFTER ONE YEAR.—In the case in  
2           which an eligible student awarded a grant  
3           under this section does not maintain satisfac-  
4           tory academic progress, as described in para-  
5           graph (1)(A)(ii), after the first academic year  
6           for which the student received the grant, the  
7           student shall—

8                   “(i) serve an additional year in a pub-  
9                   lic service job beyond the 3-year commit-  
10                  ment upon receiving the student’s bacca-  
11                  laureate degree; and

12                  “(ii) receive additional academic sup-  
13                  ports from the eligible institution in which  
14                  the student is enrolled.

15           “(B) AFTER TWO YEARS.—In the case in  
16           which an eligible student awarded a grant  
17           under this section does not receive a bacca-  
18           laureate degree after the second academic year  
19           for which the student received the grant, the  
20           total of the grant award amount and remaining  
21           funds provided by the institution shall be treat-  
22           ed as a Federal Direct Unsubsidized Stafford  
23           Loan under part D of title IV, and shall be sub-  
24           ject to repayment, as described in paragraph  
25           (4).

1           “(C) APPEALS.—In the case in which an  
2 eligible student awarded a grant under this sec-  
3 tion does not maintain satisfactory academic  
4 progress, as described in paragraph (1)(A)(ii),  
5 after the first academic year for which the stu-  
6 dent received the grant, the student may appeal  
7 the decision to serve an additional year, as de-  
8 scribed in subparagraph (A)(i). The appeal  
9 shall be made in writing to the eligible institu-  
10 tion and include an academic plan approved by  
11 the student’s adviser. The academic plan shall  
12 show a clear pathway to graduation within 1  
13 year.

14           “(3) PUBLIC SERVICE JOB WORK OBLIGA-  
15 TION.—

16           “(A) IN GENERAL.—Except as provided in  
17 paragraph (2)(A)(i) and subparagraph (C), an  
18 eligible student awarded a grant under this sec-  
19 tion shall work for not less than 3 years in a  
20 public service job after receiving the student’s  
21 baccalaureate degree. Such 3 years (or 4 years,  
22 in the case of a scenario described in paragraph  
23 (2)(A)(i)) may be consecutive or nonconsecutive  
24 but shall be completed not later than 5 years  
25 (or 6 years, in the case of a scenario described

1 in paragraph (2)(A)(i)) after the date the stu-  
2 dent receives the student's baccalaureate de-  
3 gree.

4 “(B) NOTIFICATION.—An eligible student  
5 awarded a grant under this section shall notify  
6 the Department, utilizing a form designed by  
7 the Secretary, of the student's compliance or  
8 noncompliance with subparagraph (A) annually  
9 until such student completes the student's work  
10 obligation.

11 “(C) DEFERMENT FOR GRADUATE  
12 SCHOOL.—The work obligation described in  
13 subparagraph (A) of an eligible student award-  
14 ed a grant under this section who enrolls as a  
15 full-time student in a post-baccalaureate degree  
16 program not later than 3 years after the date  
17 the student receives the student's baccalaureate  
18 degree shall be deferred during the period of  
19 such full-time enrollment. Any years of service  
20 completed prior to full-time enrollment in a  
21 post-baccalaureate degree program shall count  
22 toward such work obligation.

23 “(4) REPAYMENT FOR NONCOMPLIANCE.—In  
24 the event that an eligible student awarded a grant  
25 under this section fails or refuses to comply with the

1 work obligation as described in paragraph (3), or the  
2 student does not receive a baccalaureate degree after  
3 the second academic year for which the student re-  
4 ceived the grant, as described in paragraph (2)(B),  
5 the sum of the amounts of any grants received by  
6 the student shall, upon a determination of such a  
7 failure or refusal in such service obligation or failure  
8 to receive a baccalaureate degree, be treated as a  
9 Federal Direct Unsubsidized Stafford Loan under  
10 part D of title IV, and shall be subject to repay-  
11 ment, together with interest thereon accruing from  
12 the date of the grant award, in accordance with  
13 terms and conditions specified by the Secretary in  
14 regulations under this section.

15 “(5) MEDICAL EXEMPTION.—The Secretary  
16 may grant an eligible student awarded a grant under  
17 this section a medical exemption—

18 “(A) from the requirement of maintaining  
19 satisfactory academic progress under paragraph  
20 (1)(A)(ii); or

21 “(B) from a term or condition of the work  
22 obligation of the student if the student becomes  
23 medically unable to complete the student’s stud-  
24 ies or public service job work obligation.

1 **“SEC. 420U. NATIONAL PUBLIC SERVICE EDUCATION**  
2 **GRANT PROGRAM FOR MINORITY-SERVING**  
3 **INSTITUTIONS AND HBCUS.**

4 “(a) DEFINITIONS.—In this section:

5 “(1) ELIGIBLE INSTITUTION.—The term ‘eligi-  
6 ble institution’ means a minority-serving institution  
7 or historically black college or university that is a  
8 public 4-year institution of higher education or a  
9 private, nonprofit 4-year institution of higher edu-  
10 cation.

11 “(2) ELIGIBLE STUDENT.—The term ‘eligible  
12 student’ means a student who—

13 “(A) has received an associate’s degree or  
14 has earned not less than 60 credits toward a  
15 baccalaureate degree;

16 “(B) is enrolled, at an eligible institution  
17 awarded a grant under this section, on a full-  
18 time basis in a course of study that will lead to  
19 employment in a public service job; and

20 “(C) has submitted a Free Application for  
21 Federal Student Aid (FAFSA) to the Depart-  
22 ment.

23 “(3) HISTORICALLY BLACK COLLEGE OR UNI-  
24 VERSITY.—The term ‘historically black college or  
25 university’ means a part B institution described in  
26 section 322(2).

1           “(4) MINORITY-SERVING INSTITUTION.—The  
2 term ‘minority-serving institution’ means any public  
3 or nonprofit institution of higher education—

4           “(A) described in paragraphs (2) through  
5 (7) of section 371(a); and

6           “(B) designated as a minority-serving in-  
7 stitution by the Secretary.

8           “(5) ON-CAMPUS ROOM AND BOARD.—The term  
9 ‘on-campus room and board’ means—

10           “(A) the cost to a student of a double  
11 room on campus; and

12           “(B) the cost of a resident student meal  
13 plan.

14           “(6) PUBLIC SERVICE JOB.—The term ‘public  
15 service job’ has the meaning given the term in sec-  
16 tion 455(m)(3)(B).

17           “(b) ESTABLISHMENT OF PROGRAM.—The Secretary  
18 shall establish a National Public Service Education Grant  
19 program for eligible institutions to provide a debt-free un-  
20 dergraduate education to students who commit to work  
21 for not less than 3 years in a public service job upon com-  
22 pletion of their baccalaureate degree.

23           “(c) GRANTS FROM THE DEPARTMENT TO ELIGIBLE  
24 INSTITUTIONS.—



1           “(1) IN GENERAL.—The Secretary shall award  
2 grants to eligible institutions to enable the eligible  
3 institutions to award grants to eligible students who  
4 commit to work for not less than 3 years in a public  
5 service job upon completion of their baccalaureate  
6 degree.

7           “(2) DURATION.—Grants awarded to eligible  
8 institutions under this subsection shall be 5 years in  
9 duration. Subject to subsection (e), such a grant  
10 may be extended for additional 5-year periods.

11           “(3) AMOUNTS.—

12           “(A) IN GENERAL.—Except as provided in  
13 subparagraph (B), the Secretary shall award a  
14 grant to an eligible institution under this sub-  
15 section for a fiscal year in an amount equal to  
16 the actual annual cost of in-State tuition, fees,  
17 and on-campus room and board at the eligible  
18 institution during the fiscal year multiplied by  
19 the number of eligible students enrolled at the  
20 institution who apply for a grant under this  
21 section during the fiscal year.

22           “(B) NONTRADITIONAL CALENDAR.—The  
23 calculation of the cost of tuition, fees, and on-  
24 campus room and board under subparagraph  
25 (A) with respect to an eligible student who ap-

1           plies for a grant under this section for enroll-  
2           ment during the summer or other nontradi-  
3           tional period shall be the cost of the cost of tui-  
4           tion, fees, and on-campus room and board for  
5           such summer or other nontraditional period.

6           “(4) APPLICATIONS.—The Secretary shall de-  
7           sign an application for eligible institutions to partici-  
8           pate in the grant program under this subsection that  
9           includes a description of how the eligible institution,  
10          if awarded a grant under this subsection, will pro-  
11          vide services to students as follows:

12                   “(A) Provide comprehensive academic and  
13                   student support services for eligible students  
14                   awarded grants under this section, including  
15                   mentoring and advising, particularly for first-  
16                   generation and minority students.

17                   “(B) Provide accelerated learning opportu-  
18                   nities for eligible students awarded grants  
19                   under this section to receive their baccalaureate  
20                   degree and any required certificate or license to  
21                   work in their respective public service job in  
22                   less than 2 years if an eligible student seeks to  
23                   complete the degree in less than 2 years.

24                   “(C) Foster opportunities for eligible stu-  
25                   dents awarded grants under this section to con-

1           nect with potential public service job employers  
2           through the Corporation for National and Com-  
3           munity Service.

4           “(D) Any additional information deter-  
5           mined necessary by the Secretary.

6           “(d) GRANTS TO ELIGIBLE STUDENTS.—

7           “(1) IN GENERAL.—Each eligible institution  
8           that receives a grant under subsection (c) shall  
9           award grants to eligible students enrolled at the in-  
10          stitution.

11          “(2) APPLICATION.—An eligible student who  
12          desires to receive a grant under this section shall  
13          submit an application to the eligible institution that  
14          includes the following:

15                 “(A) An agreement to work for not less  
16                 than 3 years in a public service job upon com-  
17                 pletion of their baccalaureate degree.

18                 “(B) Information that demonstrates that  
19                 the student is an eligible student for purposes  
20                 of section 484.

21                 “(C) Information that demonstrates that  
22                 the student has received counseling from the  
23                 Department that explains the terms and condi-  
24                 tions of the grant award.

1           “(D) Any additional information deter-  
2 mined necessary by the Secretary.

3           “(3) GRANT AMOUNT.—

4           “(A) IN GENERAL.—An eligible institution  
5 shall award a grant to an eligible student en-  
6 rolled at the institution for an academic year in  
7 an amount equal to the total grant amount re-  
8 ceived by the eligible institution under sub-  
9 section (c) for the fiscal year preceding the aca-  
10 demic year divided by the number of students  
11 to whom the eligible institution awards grants  
12 under this subsection for such academic year.

13           “(B) NONTRADITIONAL CALENDAR.—An  
14 eligible institution shall award a grant to an eli-  
15 gible student who applies for a grant under this  
16 section for enrollment during the summer or  
17 other nontraditional period in an amount, from  
18 the total grant amount received by the eligible  
19 institution under subsection (c), that is pro-  
20 rated to reflect the cost of tuition, fees, and on-  
21 campus room and board for such summer or  
22 other nontraditional period.

23           “(4) COST OF ATTENDANCE BEYOND GRANT  
24 AMOUNT.—

1                   “(A) AMOUNTS NOT COVERED BY NPSEG  
2 GRANTS.—

3                   “(i) PUBLIC INSTITUTION.—An eligi-  
4 ble institution that is a public institution  
5 of higher education may cover, with re-  
6 spect to an eligible student, any amounts  
7 of the cost of attendance that are in excess  
8 of the total amount awarded to the eligible  
9 student through the grant award under  
10 paragraph (3), based on the demonstrated  
11 financial need of the student. For the re-  
12 maining costs, the eligible student enrolled  
13 at an eligible institution that is a public in-  
14 stitution shall be responsible for any  
15 amounts of the cost of attendance that are  
16 in excess of the total amount awarded to  
17 that eligible student through the grant  
18 award under paragraph (3) and any  
19 amount provided pursuant to the preceding  
20 sentence. The eligible student may be eligi-  
21 ble for Federal student aid in accordance  
22 with subparagraph (B) for the remaining  
23 cost of attendance amount for which the  
24 student is responsible.

25                   “(ii) PRIVATE INSTITUTION.—

1           “(I) IN GENERAL.—An eligible  
2 institution that is a private, nonprofit  
3 institution of higher education shall—

4                   “(aa) with respect to an eli-  
5 gible student described in sub-  
6 clause (II), cover excess costs to-  
7 ward meeting an eligible stu-  
8 dent’s cost of attendance in an  
9 amount equal to or greater than  
10 the amount of the grant award to  
11 the eligible student described in  
12 paragraph (3); and

13                   “(bb) with respect to an eli-  
14 gible student not described in  
15 subclause (II), not be obligated  
16 to provide additional institu-  
17 tional-based financial aid to such  
18 student.

19           “(II) ELIGIBLE STUDENTS.—An  
20 eligible student is described in this  
21 subclause if the student’s (or the stu-  
22 dent’s parents’ in the case of a de-  
23 pendent student) adjusted gross in-  
24 come for the taxable year that is 1  
25 year prior to the taxable year that

1 ends immediately prior to the begin-  
2 ning of the first award year of the  
3 program under this section is equal to  
4 or less than \$125,000, indexed for in-  
5 flation by regulation of the Secretary.

6 “(III) SOURCE OF AID.—The re-  
7 quired amount described in subclause  
8 (I)(aa) may be provided through a  
9 combination of grant and work-study  
10 awards under this title for which the  
11 eligible student may be eligible, cam-  
12 pus-based aid programs, State-based  
13 merit or need-based aid, or other in-  
14 stitutional-based merit- or need-based  
15 aid.

16 “(IV) STUDENT CONTRIBU-  
17 TION.—The eligible student shall be  
18 responsible for any amounts of the  
19 cost of attendance that are in excess  
20 of the total amount awarded to that  
21 eligible student through the grant  
22 award under paragraph (3) and the  
23 amount of excess costs provided under  
24 subclause (I). The eligible student  
25 may be eligible for Federal student

1 aid in accordance with subparagraph  
2 (B) for the remaining cost of attend-  
3 ance amount for which the student is  
4 responsible.

5 “(iii) STUDENT CHOICE.—An eligible  
6 student who receives a Federal work-study  
7 award by an eligible institution to meet the  
8 cost of attendance beyond a grant awarded  
9 under this section may choose to decline  
10 the Federal work-study award and take  
11 out a Federal Direct Unsubsidized Staf-  
12 ford Loan. An eligible institution shall be  
13 considered to have met the institution’s re-  
14 sponsibilities if a student chooses to take  
15 out such a loan in lieu of a Federal work-  
16 study award.

17 “(B) FIRST DOLLAR AWARD.—In calcu-  
18 lating an eligible student’s financial need to  
19 cover excess costs described in subparagraph  
20 (A), the eligible institution shall consider the  
21 grant award under this subsection as the first  
22 dollar award, to be available prior to other  
23 funds awarded by the Department of Education  
24 under this title, the State involved, or the insti-  
25 tution. If a grant awarded to an eligible student



1 under this section is equal to the cost of tuition,  
2 fees, and on-campus room and board for such  
3 student, the eligible institution shall not be re-  
4 quired to provide additional institutional schol-  
5 arship or grant based aid to the eligible stu-  
6 dent.

7 “(C) HOUSING.—An eligible student who  
8 receives a grant under this subsection may use  
9 the grant amounts for off-campus housing but  
10 the student may not use such grant amounts  
11 for any amounts for such off-campus housing  
12 that are in excess of the cost of on-campus  
13 room and board.

14 “(5) CLASSES IN NONTRADITIONAL CAL-  
15 ENDARS.—An eligible student who receives a grant  
16 under this subsection may use the grant amounts for  
17 enrollment during any period of study.

18 “(e) INSTITUTIONAL ACCOUNTABILITY.—

19 “(1) IN GENERAL.—Each eligible institution  
20 that receives a grant under subsection (e) shall—

21 “(A) provide comprehensive academic and  
22 student support services for eligible students  
23 awarded grants under this section, including  
24 mentoring and advising, particularly for first-  
25 generation and minority students;

1           “(B) provide accelerated learning opportu-  
2           nities for eligible students awarded grants  
3           under this section to receive their baccalaureate  
4           degree and any required certificate or license to  
5           work in their respective public service job in  
6           less than 2 years if an eligible student seeks to  
7           complete the degree in less than 2 years; and

8           “(C) foster opportunities for eligible stu-  
9           dents awarded grants under this section to con-  
10          nect with potential public service job employers  
11          through the Corporation for National and Com-  
12          munity Service.

13          “(2) BIENNIAL REPORT.—

14                 “(A) IN GENERAL.—Each eligible institu-  
15                 tion that receives a grant under subsection (c)  
16                 shall submit a biennial report to the Secretary  
17                 describing the following:

18                         “(i) Academic and student support  
19                         services offered to eligible students award-  
20                         ed grants under this section.

21                         “(ii) Such students’ progress towards  
22                         baccalaureate degree completion and grad-  
23                         uation.

1           “(iii) Outreach to potential public  
2           service job employers for the eligible stu-  
3           dents awarded grants under this section.

4           “(B) CONTINUING GRANT AWARDS TO ELI-  
5           GIBLE INSTITUTIONS.—The Secretary may con-  
6           tinue grant awards to an eligible institution  
7           under subsection (c) after the initial 5-year  
8           grant period for additional 5-year periods if—

9                   “(i) the institution complies with the  
10                  requirements of paragraph (1); and

11                   “(ii) the eligible students awarded  
12                  grants under this section who are enrolled  
13                  at the institution have a baccalaureate de-  
14                  gree graduation rate that meets or exceeds  
15                  a rate determined appropriate by the Sec-  
16                  retary.

17           “(C) DISCONTINUING GRANT AWARDS TO  
18           ELIGIBLE INSTITUTIONS.—

19                   “(i) IN GENERAL.—The Secretary  
20                  may discontinue grant awards to an eligi-  
21                  ble institution under subsection (c) after  
22                  the initial 5-year grant period based on the  
23                  outcome of the biennial reports under sub-  
24                  paragraph (A).

1           “(ii) NOTIFICATION.—Prior to the  
2           Secretary discontinuing a grant award  
3           under clause (i), the Secretary shall notify  
4           the institution, prior to the start of the 5th  
5           year of the 5-year grant period, in a pub-  
6           lically available format, that the institution  
7           is, or is potentially, out of compliance with  
8           the requirements of the grant award and  
9           may have the institution’s grant awards  
10          discontinued.

11          “(iii) MODIFICATIONS.—In the 5th  
12          year of the 5-year grant period, an eligible  
13          institution may make modifications to the  
14          institution’s grant program and appeal to  
15          the Secretary for a renewal of the institu-  
16          tion’s grant.

17          “(iv) DECISION.—The Secretary, prior  
18          to the conclusion of the 5-year grant pe-  
19          riod, shall render a decision on whether to  
20          continue grant awards to an eligible insti-  
21          tution.

22          “(v) REMAINING RESPONSIBILITY.—If  
23          the Secretary discontinues grant awards to  
24          an eligible institution under subsection (c),  
25          the institution shall be responsible for

1 maintaining academic and student support  
2 services and providing the full remaining  
3 costs for eligible students awarded a grant  
4 under this section prior to such discontinu-  
5 ation to receive their baccalaureate degree  
6 debt free.

7 “(3) INSTITUTIONAL PROHIBITIONS.—Each eli-  
8 gible institution that receives a grant under sub-  
9 section (c) may not—

10 “(A) use grant funds for administrative  
11 purposes; or

12 “(B) establish different tuition prices be-  
13 tween eligible students who receive grants  
14 under this section and students who do not re-  
15 ceive grants under this section for pursuing the  
16 same course of study.

17 “(f) STUDENT ACCOUNTABILITY.—

18 “(1) ENROLLMENT; GPA; SERVICE.—

19 “(A) IN GENERAL.—An eligible student  
20 awarded a grant under this section shall—

21 “(i) maintain full-time enrollment in  
22 order to complete the student’s bacca-  
23 laureate degree in not more than 2 years;  
24 and

1           “(ii) maintain satisfactory academic  
2 progress, defined as a 3.0 grade point av-  
3 erage (GPA) or higher, and meet all other  
4 institutional standards for academic  
5 progress.

6           “(B) TWO WEEKS OF SERVICE.—

7           “(i) IN GENERAL.—Except as other-  
8 wise provided in this subparagraph, an eli-  
9 gible student awarded a grant under this  
10 section shall serve for 80 hours as a partic-  
11 ipant in a Corporation for National and  
12 Community Service national service project  
13 for each year the eligible student receives  
14 the grant. The eligible institution shall as-  
15 sist in placing the eligible student in such  
16 a project relevant to the eligible student’s  
17 course of study. Such required hours may  
18 be completed at any point during the stu-  
19 dent’s enrollment but shall be completed  
20 prior to the date the eligible student re-  
21 ceives the student’s baccalaureate degree.

22           “(ii) OTHER PROJECT.—If an eligible  
23 student resides in an area without a local  
24 Corporation for National and Community  
25 Service national service project available,

1 the student may instead participate in a  
2 service project with a community action  
3 agency, a local government agency, or an  
4 organization described in section 501(c)(3)  
5 of the Internal Revenue Code of 1986.

6 “(iii) MEDICAL EXEMPTION.—The  
7 Secretary may grant an eligible student a  
8 medical exemption from the service com-  
9 mitment under this subparagraph if the  
10 student becomes medically unable to com-  
11 plete the service commitment over the  
12 course of the academic year. An eligible  
13 student granted such an exemption shall  
14 complete the service commitment upon re-  
15 covery without risking eligibility status in  
16 the grant program under this section.

17 “(2) SATISFACTORY PROGRESS.—

18 “(A) AFTER ONE YEAR.—In the case in  
19 which an eligible student awarded a grant  
20 under this section does not maintain satisfac-  
21 tory academic progress, as described in para-  
22 graph (1)(A)(ii), after the first academic year  
23 for which the student received the grant, the  
24 student shall—

1                   “(i) serve an additional year in a pub-  
2                   lic service job beyond the 3-year commit-  
3                   ment upon receiving the student’s bacca-  
4                   laureate degree; and

5                   “(ii) receive additional academic sup-  
6                   ports from the eligible institution in which  
7                   the student is enrolled.

8                   “(B) AFTER TWO YEARS.—In the case in  
9                   which an eligible student awarded a grant  
10                  under this section does not receive a bacca-  
11                  laureate degree after the second academic year  
12                  for which the student received the grant, the  
13                  total of the grant award amount and remaining  
14                  funds provided by the institution shall be treat-  
15                  ed as a Federal Direct Unsubsidized Stafford  
16                  Loan under part D of title IV, and shall be sub-  
17                  ject to repayment, as described in paragraph  
18                  (4).

19                  “(C) APPEALS.—In the case in which an  
20                  eligible student awarded a grant under this sec-  
21                  tion does not maintain satisfactory academic  
22                  progress, as described in paragraph (1)(A)(ii),  
23                  after the first academic year for which the stu-  
24                  dent received the grant, the student may appeal  
25                  the decision to serve an additional year, as de-



1           scribed in subparagraph (A)(i). The appeal  
2           shall be made in writing to the eligible institu-  
3           tion and include an academic plan approved by  
4           the student’s adviser. The academic plan shall  
5           show a clear pathway to graduation within 1  
6           year.

7           “(3) PUBLIC SERVICE JOB WORK OBLIGA-  
8           TION.—

9                   “(A) IN GENERAL.—Except as provided in  
10                  paragraph (2)(A)(i) and subparagraph (C), an  
11                  eligible student awarded a grant under this sec-  
12                  tion shall work for not less than 3 years in a  
13                  public service job after receiving the student’s  
14                  baccalaureate degree. Such 3 years (or 4 years,  
15                  in the case of a scenario described in paragraph  
16                  (2)(A)(i)) may be consecutive or nonconsecutive  
17                  but shall be completed not later than 5 years  
18                  (or 6 years, in the case of a scenario described  
19                  in paragraph (2)(A)(i)) after the date the stu-  
20                  dent receives the student’s baccalaureate de-  
21                  gree.

22                   “(B) NOTIFICATION.—An eligible student  
23                  awarded a grant under this section shall notify  
24                  the Department, utilizing a form designed by  
25                  the Secretary, of the student’s compliance or

1 noncompliance with subparagraph (A) annually  
2 until such student completes the student's work  
3 obligation.

4 “(C) DEFERMENT FOR GRADUATE  
5 SCHOOL.—The work obligation described in  
6 subparagraph (A) of an eligible student award-  
7 ed a grant under this section who enrolls as a  
8 full-time student in a post-baccalaureate degree  
9 program not later than 3 years after the date  
10 the student receives the student's baccalaureate  
11 degree shall be deferred during the period of  
12 such full-time enrollment. Any years of service  
13 completed prior to full-time enrollment in a  
14 post-baccalaureate degree program shall count  
15 toward such work obligation.

16 “(4) REPAYMENT FOR NONCOMPLIANCE.—In  
17 the event that an eligible student awarded a grant  
18 under this section fails or refuses to comply with the  
19 work obligation as described in paragraph (3), or the  
20 student does not receive a baccalaureate degree after  
21 the second academic year for which the student re-  
22 ceived the grant, as described in paragraph (2)(B),  
23 the sum of the amounts of any grants received by  
24 the student shall, upon a determination of such a  
25 failure or refusal in such service obligation or failure

1 to meet satisfactory academic progress, be treated as  
 2 a Federal Direct Unsubsidized Stafford Loan under  
 3 part D of title IV, and shall be subject to repay-  
 4 ment, together with interest thereon accruing from  
 5 the date of the grant award, in accordance with  
 6 terms and conditions specified by the Secretary in  
 7 regulations under this section.

8 “(5) MEDICAL EXEMPTION.—The Secretary  
 9 may grant an eligible student awarded a grant under  
 10 this section a medical exemption—

11 “(A) from the requirement of maintaining  
 12 satisfactory academic progress under paragraph  
 13 (1)(A)(ii); or

14 “(B) from a term or condition of the work  
 15 obligation of the student if the student becomes  
 16 medically unable to complete the student’s stud-  
 17 ies or public service job work obligation.”.

18 **TITLE III—DEBT-FREE PUBLIC**  
 19 **SERVICE LOAN FORGIVENESS**  
 20 **PROGRAM**

21 **SEC. 301. DEBT-FREE PUBLIC SERVICE LOAN FORGIVENESS**  
 22 **PROGRAM.**

23 (a) IN GENERAL.—Section 455(m) of the Higher  
 24 Education Act of 1965 (20 U.S.C. 1087e(m)) is amended  
 25 by adding at the end the following:

1           “(5) DEBT-FREE PUBLIC SERVICE LOAN FOR-  
2           GIVENESS PROGRAM.—

3           “(A) IN GENERAL.—Beginning after the  
4           date of enactment of the Strengthening Amer-  
5           ican Communities Act of 2019, after the con-  
6           clusion of each employment period in a public  
7           service job, as described in subparagraph (B),  
8           the Secretary shall cancel the percent specified  
9           in such subparagraph of the total amount due  
10          on any eligible Federal Direct Loan made after  
11          the date of enactment of the Strengthening  
12          American Communities Act of 2019 for a bor-  
13          rower who—

14                 “(i) is employed in such public service  
15                 job;

16                 “(ii) submits an employment certifi-  
17                 cation form described in subparagraph (C);

18                 “(iii) is enrolled in a repayment plan  
19                 described in paragraph (1)(A); and

20                 “(iv) notifies the Department that the  
21                 borrower seeks loan cancellation under this  
22                 paragraph.

23          “(B) PERCENT AMOUNT.—The percent of  
24          a loan that shall be canceled under subpara-  
25          graph (A) is as follows:

1           “(i) In the case of a borrower who  
2           completes 2 years of employment in a pub-  
3           lic service job, 15 percent of the total  
4           amount due on the eligible Federal Direct  
5           Loan on the date the borrower commenced  
6           employment in such public service job.

7           “(ii) In the case of a borrower who  
8           completes 4 years of employment in a pub-  
9           lic service job, 15 percent of the total  
10          amount due on the eligible Federal Direct  
11          Loan on the date the borrower commenced  
12          employment in such public service job.

13          “(iii) In the case of a borrower who  
14          completes 6 years of employment in a pub-  
15          lic service job, 20 percent of the total  
16          amount due on the eligible Federal Direct  
17          Loan on the date the borrower commenced  
18          employment in such public service job.

19          “(iv) In the case of a borrower who  
20          completes 8 years of employment in a pub-  
21          lic service job, 20 percent of the total  
22          amount due on the eligible Federal Direct  
23          Loan on the date the borrower commenced  
24          employment in such public service job.

1           “(v) In the case of a borrower who  
2           completes 10 years of employment in a  
3           public service job, 30 percent of the total  
4           amount due on the eligible Federal Direct  
5           Loan on the date the borrower commenced  
6           employment in such public service job.

7           “(C)     EMPLOYMENT     CERTIFICATION  
8           FORM.—

9           “(i) IN GENERAL.—In order to receive  
10          loan cancellation under this paragraph, a  
11          borrower shall submit to the Secretary an  
12          employment certification form that is de-  
13          veloped by the Secretary and includes at  
14          least self-certification of employment, a  
15          separate part for employer certification  
16          that indicates the dates of employment,  
17          and any additional information required by  
18          the Secretary.

19          “(ii) DEFERMENT.—If a borrower  
20          submits to the Secretary the employment  
21          certification form described in clause (i),  
22          during the period in which the borrower is  
23          employed in a public service job for which  
24          loan cancellation is eligible under this

1 paragraph, the borrower's eligible Federal  
2 Direct Loan shall be placed in deferment.

3 “(D) INTEREST CANCELED.—If a portion  
4 of a loan is canceled under this paragraph for  
5 any year, the entire amount of interest on such  
6 loan that accrues for such year shall be can-  
7 celed.

8 “(E) NO RETROACTIVITY.—A borrower  
9 may not receive credit for purposes of loan for-  
10 givenness under this paragraph for years of em-  
11 ployment in a public service job that occurred  
12 before the date of enactment of the Strength-  
13 ening American Communities Act of 2019.

14 “(F) LEAVING PUBLIC SERVICE.—

15 “(i) IN GENERAL.—If a borrower who  
16 receives loan cancellation under this para-  
17 graph leaves the public service job, either  
18 voluntarily or involuntarily, for which the  
19 borrower received loan cancellation before  
20 the total amount due on the eligible Fed-  
21 eral Direct Loan is canceled under this  
22 paragraph, such borrower shall retain eligi-  
23 bility for accelerated loan cancellation  
24 under this paragraph for such eligible Fed-  
25 eral Direct Loan if the borrower com-

1 mences employment in a public service job  
2 not later than 3 years after the date the  
3 borrower left the public service job for  
4 which the borrower received loan cancella-  
5 tion.

6 “(ii) ELIGIBILITY STATUS.—If a bor-  
7 rower described in clause (i) commences  
8 employment in a public service job within  
9 the time period described in clause (i),  
10 such borrower shall resume eligibility for  
11 accelerated loan cancellation under this  
12 paragraph for such eligible Federal Direct  
13 Loan. Such borrower upon resumption of  
14 eligibility shall be considered to have com-  
15 pleted the number of years of employment  
16 in a public service job at the last completed  
17 loan cancellation period described in sub-  
18 paragraph (B) for such borrower, even if  
19 the borrower had actually completed an ad-  
20 ditional year of employment in a public  
21 service job.

22 “(iii) LOSS OF ELIGIBILITY.—If a  
23 borrower described in clause (i) does not  
24 commence employment in a public service  
25 job within the time period described in



1 clause (i), such borrower shall no longer be  
2 eligible for loan cancellation under this  
3 paragraph but may be eligible for loan can-  
4 cellation for such loan under paragraph  
5 (1).”.

6 (b) NOTIFICATION OF PROGRAM.—The Secretary of  
7 Education, in order to inform public servants of the bene-  
8 fits of the debt-free public service loan cancellation pro-  
9 gram established under section 455(m)(5) of the Higher  
10 Education Act of 1965 (20 U.S.C. 1087e(m))—

11 (1) shall make guidance publicly available to  
12 the employers of public servants to make public serv-  
13 ants aware of such program; and

14 (2) is encouraged to work in partnership with  
15 State licensing agencies to make recently licensed  
16 public servants aware of such program.

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