

119TH CONGRESS
1ST SESSION

S. 1832

To amend the Higher Education Act of 1965 to ensure College for All.

IN THE SENATE OF THE UNITED STATES

MAY 21, 2025

Mr. SANDERS (for himself, Mr. BLUMENTHAL, Mr. PADILLA, Mr. MURPHY, Mr. WELCH, Ms. WARREN, Mr. MARKEY, Mr. VAN HOLLEN, Mr. MERKLEY, and Mr. BOOKER) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Higher Education Act of 1965 to ensure
College for All.

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 “College for All Act
5 of 2025”.

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

7 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—FEDERAL-STATE PARTNERSHIP TO FULLY ELIMINATE
TUITION AND REQUIRED FEES

Sec. 101. Federal-state partnership to fully eliminate tuition and required fees.

TITLE II—GRANT PROGRAM TO ELIMINATE TUITION AND FEES FOR ELIGIBLE STUDENTS AT PRIVATE NONPROFIT HISTORICALLY BLACK COLLEGES AND UNIVERSITIES AND MINORITY-SERVING INSTITUTIONS

Sec. 201. Grant program to eliminate tuition and fees for eligible students at private nonprofit historically Black colleges and universities and minority-serving institutions.

Sec. 202. Northern Mariana Islands, American Samoa, United States Virgin Islands, Guam, and Freely Associated States college access.

TITLE III—FEDERAL PELL GRANT IMPROVEMENTS

Sec. 301. Federal Pell Grant improvements.

TITLE IV—INCLUSIVE STUDENT SUCCESS GRANTS

Sec. 401. Inclusive student success grants.

TITLE V—INCREASING SUPPORT FOR STUDENTS

Sec. 501. Increasing success for low-income and first generation students.

TITLE VI—INVESTMENTS IN HISTORICALLY BLACK COLLEGES AND UNIVERSITIES, TRIBAL COLLEGES OR UNIVERSITIES, AND OTHER MINORITY-SERVING INSTITUTIONS

Sec. 601. Appropriations for historically Black colleges and universities, Tribal colleges and universities, and minority-serving institutions.

TITLE VII—SNYDER ACT

Sec. 701. Rule of construction regarding the Snyder Act.

1 **TITLE I—FEDERAL-STATE PART-**
2 **nership to fully elimi-**
3 **nate tuition and re-**
4 **quired fees**

5 **SEC. 101. FEDERAL-STATE PARTNERSHIP TO FULLY ELIMI-**
6 **nate tuition and required fees.**

7 Title VII of the Higher Education Act of 1965 (20
8 U.S.C. 1133 et seq.) is amended by adding at the end
9 the following:

1 **“PART F—COLLEGE FOR ALL**
 2 **“Subpart 1—Grants for Tuition-Free Public College**

3 **“SEC. 783. PURPOSE.**

4 “The purpose of this subpart is to establish a Fed-
 5 eral-State partnership with States and Tribal Colleges and
 6 Universities to provide for the elimination of tuition and
 7 required fees for eligible students.

8 **“SEC. 784. DEFINITIONS.**

9 “In this subpart:

10 “(1) AWARD YEAR.—The term ‘award year’ has
 11 the meaning given the term in section 481(a).

12 “(2) COMMUNITY COLLEGE.—

13 “(A) IN GENERAL.—The term ‘community
 14 college’ means—

15 “(i) a public institution of higher edu-
 16 cation at which—

17 “(I) the highest degree awarded
 18 is an associate degree; or

19 “(II) an associate degree is the
 20 most frequently awarded degree;

21 “(ii) a public postsecondary vocational
 22 institution, as defined under section
 23 102(c); or

24 “(iii) at the designation of the Sec-
 25 retary, in the case of a State in which
 26 there is no community college operated or

1 controlled by the State that meets a defini-
 2 tion under clause (i) or (ii), a college or
 3 similarly defined and structured academic
 4 entity—

5 “(I) that was in existence on
 6 July 1, 2025;

7 “(II) within a public 4-year insti-
 8 tution of higher education; and

9 “(III) at which—

10 “(aa) the highest degree
 11 awarded is an associate degree;
 12 or

13 “(bb) an associate degree is
 14 the most frequently awarded de-
 15 gree.

16 “(B) COMMUNITY COLLEGES OPERATED
 17 OR CONTROLLED BY A STATE TO INCLUDE COM-
 18 MUNITY COLLEGES OPERATED OR CONTROLLED
 19 BY LOCAL GOVERNMENTS WITHIN THE
 20 STATE.—The terms ‘community college oper-
 21 ated or controlled by a State’ and ‘community
 22 college operated or controlled by the State’ in-
 23 cludes a community college operated or con-
 24 trolled by a local government within such State.

1 “(3) COST OF ATTENDANCE.—The term ‘cost of
2 attendance’ has the meaning given the term in sec-
3 tion 472.

4 “(4) DUAL OR CONCURRENT ENROLLMENT
5 PROGRAM.—The term ‘dual or concurrent enrollment
6 program’ has the meaning given the term in section
7 8101 of the Elementary and Secondary Education
8 Act of 1965.

9 “(5) EARLY COLLEGE HIGH SCHOOL.—The
10 term ‘early college high school’ has the meaning
11 given the term in section 8101 of the Elementary
12 and Secondary Education Act of 1965.

13 “(6) ELIGIBLE STUDENT.—

14 “(A) IN GENERAL.—The term ‘eligible stu-
15 dent’ means an individual, regardless of age or
16 immigration status, who has not obtained a
17 baccalaureate degree or higher degree and—

18 “(i) in the case of a student enrolled
19 in a community college or a 2-year Tribal
20 College or University—

21 “(I) is enrolled, or plans to en-
22 roll, as an undergraduate student in
23 an eligible program (as defined in sec-
24 tion 481(b)) at a community college in
25 the State in which the individual is a

1 resident or in a 2-year Tribal College
2 or University;

3 “(II) and who is enrolled in a
4 community college that charges dif-
5 ferent tuition rates on the basis on
6 residency, either—

7 “(aa) qualifies for in-State
8 resident tuition at such commu-
9 nity college; or

10 “(bb) would qualify for such
11 in-State resident tuition at such
12 community college, but for the
13 student’s immigration status;

14 “(III) is not enrolled in a dual or
15 concurrent enrollment program or an
16 early college high school; and

17 “(IV) who is eligible to complete
18 the Free Application for Federal Stu-
19 dent Aid under section 483(a), has
20 filed such application for the applica-
21 ble award year for which the student
22 is enrolled; or

23 “(ii) in the case of a student enrolled
24 in an eligible 4-year institution of higher
25 education—

1 “(I) is enrolled, or plans to en-
2 roll, as an undergraduate student in
3 an eligible program (as defined in sec-
4 tion 481(b)) at a public 4-year institu-
5 tion of higher education or in a 4-year
6 Tribal College or University;

7 “(II) is a working class or middle
8 class student, as described in section
9 787(a)(3);

10 “(III) who is enrolled in a public
11 4-year institution of higher education
12 that charges different tuition rates
13 based on residency, either—

14 “(aa) qualifies for in-State
15 resident tuition at such institu-
16 tion; or

17 “(bb) would qualify for such
18 in-State resident tuition at such
19 institution, but for the student’s
20 immigration status;

21 “(IV) is not enrolled in a dual or
22 concurrent enrollment program or an
23 early college high school; and

24 “(V) who is eligible to complete
25 the Free Application for Federal Stu-

1 dent Aid under section 483(a), has
2 filed such application for the applica-
3 ble award year for which the student
4 is enrolled.

5 “(B) RULE OF CONSTRUCTION.—For pur-
6 poses of subparagraph (A), in-State resident
7 tuition includes in-district tuition and out-of-
8 district in-State tuition.

9 “(7) 4-YEAR TRIBAL COLLEGE OR UNIVER-
10 SITY.—The term ‘4-year Tribal College or Univer-
11 sity’ means a Tribal College or University that is not
12 a 2-year Tribal College or University.

13 “(8) FULL-TIME EQUIVALENT STUDENTS.—The
14 term ‘full-time equivalent students’ means the sum
15 of the number of students enrolled full time at an
16 institution, plus the full-time equivalent of the num-
17 ber of students enrolled part time (determined on
18 the basis of the quotient of the sum of the credit
19 hours of all part-time students divided by 12) at
20 such institution.

21 “(9) INSTITUTION OF HIGHER EDUCATION.—
22 The term ‘institution of higher education’ has the
23 meaning given the term in section 101(a).

24 “(10) NET PRICE.—The term ‘net price’ means
25 the difference between cost of attendance and the

1 sum of only grants and institutional and State schol-
2 arships.

3 “(11) PUBLIC 4-YEAR INSTITUTION OF HIGHER
4 EDUCATION.—The term ‘public 4-year institution of
5 higher education’ means a public institution of high-
6 er education that is not a community college.

7 “(12) REVERSE TRANSFER POLICY.—The term
8 ‘reverse transfer policy’ means a policy or program
9 that allows an institution of higher education to—

10 “(A) implement a process of retroactively
11 granting a certificate or associate degree to a
12 student who had not completed the require-
13 ments for such certificate or degree before the
14 student transferred; or

15 “(B) allow academic credits for coursework
16 completed at a 4-year institution of higher edu-
17 cation to be applied to a previously attended
18 community college for the purpose of obtaining
19 an associate degree or a certificate.

20 “(13) STATE FISCAL SUPPORT FOR HIGHER
21 EDUCATION.—

22 “(A) INCLUSIONS.—

23 “(i) IN GENERAL.—Except as pro-
24 vided in subparagraph (B), the term ‘State
25 fiscal support for higher education’, used

1 with respect to a State for such State's fis-
2 cal year, means an amount that is equal
3 to—

4 “(I) the amount of applicable
5 State funds appropriated by the
6 State, including funds from lottery re-
7 cepts, in the fiscal year, that are used
8 to support institutions of higher edu-
9 cation and student financial aid for
10 higher education in the State; and

11 “(II) any funds described in
12 clause (ii), if applicable.

13 “(ii) LOCAL FUNDS.—In the case of a
14 State that includes, as part of the State
15 share under section 786(b)(2)(B) for an
16 award year, funds provided to community
17 colleges by local governments in such State
18 for the purpose of carrying out this sub-
19 part, local funds provided to community
20 colleges operated or controlled by the State
21 for operating expenses (excluding capital
22 expenses, research and development costs,
23 and local funds that are included in the
24 State share under section 786(b)(2)(B))
25 shall be included in the calculation of the

1 State fiscal support for higher education
2 under clause (i).

3 “(B) EXCLUSIONS.—State fiscal support
4 for higher education for a State fiscal year does
5 not include—

6 “(i) funds described in subparagraph
7 (A) that are returned to the State;

8 “(ii) State-appropriated funds derived
9 from Federal sources, including funds pro-
10 vided under sections 786(a) and 801;

11 “(iii) funds that are included in the
12 State share under section 786(b), except as
13 provided in subparagraph (A)(ii), including
14 funds included in the State share in ac-
15 cordance with paragraph (2)(A) of such
16 section;

17 “(iv) amounts that are portions of
18 multiyear appropriations to be distributed
19 over multiple years that are not to be
20 spent for the year for which the calculation
21 under this paragraph is being made, sub-
22 ject to subparagraph (C);

23 “(v) tuition, fees, or other educational
24 charges paid directly by a student to an in-

1 stitution of higher education or to the
2 State;

3 “(vi) funds for—

4 “(I) financial aid to students at-
5 tending, or operating expenses of—

6 “(aa) out-of-State institu-
7 tions of higher education (includ-
8 ing for the purpose of exclusive
9 online enrollment at an out-of-
10 State institution);

11 “(bb) proprietary institu-
12 tions of higher education (as de-
13 fined in section 102(b)); or

14 “(cc) institutions of higher
15 education not accredited by an
16 agency or association recognized
17 by the Secretary pursuant to sec-
18 tion 496;

19 “(II) financial aid to students
20 awarded predominantly or signifi-
21 cantly on the basis of merit;

22 “(III) research and development;
23 or

24 “(IV) hospitals, athletics, or
25 other auxiliary enterprises;

1 “(vii) corporate or other private dona-
2 tions directed to 1 or more institutions of
3 higher education permitted to be expended
4 by the State; and

5 “(viii) any other funds that the Sec-
6 retary determines shall not be included in
7 the calculation of State fiscal support for
8 higher education for such State.

9 “(C) ADJUSTMENTS FOR BIENNIAL APPRO-
10 PRIATIONS.—The Secretary shall make adjust-
11 ments to the calculations under this paragraph
12 to accurately reflect State fiscal support for
13 higher education in States with 2-year appro-
14 priation cycles.

15 “(14) STATE FISCAL SUPPORT FOR HIGHER
16 EDUCATION PER FULL-TIME EQUIVALENT STU-
17 DENT.—The term ‘State fiscal support for higher
18 education per full-time equivalent student’, when
19 used with respect to a State for a fiscal year, means
20 the amount that is equal to—

21 “(A) the State fiscal support for higher
22 education for the applicable fiscal year; divided
23 by

1 “(B) the number of full-time equivalent
2 students enrolled in public institutions of higher
3 education in such State for such fiscal year.

4 “(15) TRIBAL COLLEGE OR UNIVERSITY.—The
5 term ‘Tribal College or University’ has the meaning
6 given the term in section 316(b)(3).

7 “(16) 2-YEAR TRIBAL COLLEGE OR UNIVER-
8 SITY.—The term ‘2-year Tribal College or Univer-
9 sity’ means—

10 “(A) a 2-year Tribal College or University;

11 or

12 “(B) a degree-granting Tribal College or
13 University—

14 “(i) at which the highest degree
15 awarded is an associate degree; or

16 “(ii) at which an associate degree is
17 the most frequently awarded degree.

18 **“SEC. 785. GRANT AWARDS.**

19 “Beginning with award year 2026–2027, from
20 amounts appropriated under section 791 to carry out this
21 subpart for any fiscal year, the Secretary shall award
22 grants to States and Tribal College and Universities with
23 applications approved under section 789, to enable the
24 States and Tribal Colleges and Universities, through a

1 Federal-State partnership, to fully eliminate tuition and
2 required fees for all eligible students.

3 **“SEC. 786. FEDERAL SHARE; STATE SHARE.**

4 “(a) FEDERAL SHARE.—

5 “(1) IN GENERAL.—

6 “(A) AMOUNT.—Subject to paragraph (2),
7 the amount of the Federal share of a grant
8 under this subpart shall be based on a formula
9 that provides, for each eligible student enrolled
10 in a community college operated or controlled
11 by a State, a Tribal College or University, or a
12 public 4-year institution of higher education in
13 a State, a per-student amount (based on full-
14 time equivalent enrollment) that is equal to the
15 applicable percentage described in subpara-
16 graph (B), or the percentage described in para-
17 graph (2) with respect to a Tribal College or
18 University, of—

19 “(i) for the 2026–2027 award year,
20 not less than the sum of the product of
21 \$5,110 multiplied by the number of eligible
22 students enrolled at such a community col-
23 lege or 2-year Tribal College or University
24 and the product of \$11,610 multiplied by
25 the number of eligible students enrolled at

1 such a public 4-year institution of higher
2 education or 4-year Tribal College or Uni-
3 versity; and

4 “(ii) for each subsequent award year,
5 the amount determined under this para-
6 graph for the preceding award year, in-
7 creased by the lesser of—

8 “(I) a percentage equal to the es-
9 timated percentage increase in the
10 Consumer Price Index (as determined
11 by the Secretary) since the date of
12 such determination; or

13 “(II) 3 percent.

14 “(B) APPLICABLE PERCENT.—The appli-
15 cable percent for a State receiving a grant
16 under this subpart shall be—

17 “(i) for the 2026–2027 award year,
18 100 percent;

19 “(ii) for the 2027–2028 award year,
20 95 percent;

21 “(iii) for the 2028–2029 award year,
22 90 percent;

23 “(iv) for the 2029–2030 award year,
24 85 percent; and

1 “(v) for the 2030–2031 award year
2 and each subsequent award year, 80 per-
3 cent.

4 “(2) TRIBAL COLLEGES AND UNIVERSITIES.—
5 The amount of the Federal share for a Tribal Col-
6 lege or University receiving a grant under this sub-
7 part shall be the greater of—

8 “(A) 100 percent of the amount deter-
9 mined in accordance with clause (i) or (ii) of
10 subparagraph (1)(A), as applicable, with re-
11 spect to eligible students enrolled in such Tribal
12 College or University; or

13 “(B) the amount that is 100 percent of the
14 total amount needed to fully eliminate tuition
15 and fees for all eligible students enrolled in
16 such Tribal College or University for the 2026–
17 2027 award year, increased by the percentage
18 increase in the Consumer Price Index (as deter-
19 mined by the Secretary) between July 1, 2026,
20 and the applicable award year, and adjusted to
21 reflect the enrollment in such Tribal College or
22 University for such applicable award year.

23 “(b) STATE SHARE.—

24 “(1) FORMULA.—

1 “(A) IN GENERAL.—The amount of the
2 State share of a grant under this subpart for
3 each award year shall be equal to the applicable
4 percent described in subparagraph (B) of the
5 total amount determined under subsection
6 (a)(1)(A) with respect to the State for the
7 award year.

8 “(B) APPLICABLE PERCENT.—The appli-
9 cable percentage shall be—

10 “(i) for the 2026–2027 award year, 0
11 percent;

12 “(ii) for the 2027–2028 award year, 5
13 percent;

14 “(iii) for the 2028–2029 award year,
15 10 percent;

16 “(iv) for the 2029–2030 award year,
17 15 percent; and

18 “(v) for the 2030–2031 award year
19 and each subsequent award year, 20 per-
20 cent.

21 “(C) OBLIGATION TO PROVIDE SHARE.—
22 The State shall provide the State share even if
23 the State is able, without such State share, to
24 fully eliminate tuition and required fees charged
25 to eligible students attending community col-

1 leges operated or controlled by the State or
2 public 4-year institutions of higher education in
3 the State.

4 “(D) NO DOUBLE COUNTING FUNDS.—
5 States shall not count any funds that count to-
6 ward the maintenance of effort requirement in
7 section 787(b) to also count toward the State
8 share under this subsection.

9 “(E) SPECIAL RULE FOR OUTLYING AREAS
10 AND TERRITORIES.—

11 “(i) IN GENERAL.—If the Secretary
12 determines that requiring an outlying area
13 or territory to provide a State share in ac-
14 cordance with this subsection would rep-
15 resent a substantial hardship for the out-
16 lying area or territory, the Secretary shall
17 reduce or waive the State share for such
18 area or territory. If the Secretary so re-
19 duces or waives the amount of the State
20 share of an outlying area or territory, the
21 Secretary shall increase the applicable per-
22 centage used to calculate the Federal share
23 under subsection (a) for such area or terri-
24 tory, in proportion to the reduction in the

1 applicable percentage used to calculate
2 such State share.

3 “(ii) DEFINITION.—In this subpara-
4 graph, the term ‘outlying area or territory’
5 means the Commonwealth of Puerto Rico,
6 the District of Columbia, Guam, American
7 Samoa, the United States Virgin Islands,
8 the Commonwealth of the Northern Mar-
9 iana Islands, and the Freely Associated
10 States.

11 “(2) INCLUSION OF STATE FINANCIAL AID AND
12 LOCAL FUNDS.—In the case of a State that dem-
13 onstrates to the satisfaction of the Secretary that
14 community colleges operated or controlled by the
15 State and 4-year public institutions of higher edu-
16 cation in the State will not experience a net reduc-
17 tion in total per-student revenue (including revenue
18 derived from tuition and fees) as compared to that
19 revenue for the preceding State fiscal year in such
20 State, a State may include, as part of the State
21 share—

22 “(A) any financial aid that is provided
23 from State funds to eligible students for such
24 students’ cost of attendance at community col-
25 leges operated or controlled by the State and 4-

1 year public institutions of higher education in
2 the State that is not awarded predominantly on
3 the basis of merit; and

4 “(B) any funds provided to community col-
5 leges operated or controlled by the State and 4-
6 year public institutions of higher education in
7 the State by local governments in such State
8 for the purpose of carrying out this subpart, in-
9 cluding for the purpose of eliminating tuition
10 and fees for eligible students.

11 “(3) NO IN-KIND CONTRIBUTIONS.—A State
12 shall not include in-kind contributions for purposes
13 of the State share described in paragraph (1).

14 “(c) DETERMINATION OF NUMBER OF ELIGIBLE
15 STUDENTS.—

16 “(1) IN GENERAL.—

17 “(A) DETERMINATION.—For purposes of
18 subsections (a) and (b), the Secretary shall, in
19 consultation with the State or Tribal College or
20 University concerned, determine the estimated
21 number of eligible students enrolled in the com-
22 munity colleges operated or controlled by the
23 State and in the public 4-year institutions of
24 higher education in the State or in such Tribal

1 College or University for the applicable award
2 year.

3 “(B) PROJECTED ENROLLMENT.—If the
4 estimated number of eligible students figure of
5 a State or Tribal College or University under
6 subparagraph (A) is more than 25 percent larg-
7 er than the eligible students figure for the pre-
8 ceding year, the Secretary shall use an alter-
9 native enrollment estimate which shall be used
10 in the formula under subsection (a) for deter-
11 mining the allotment.

12 “(2) ADJUSTMENT OF GRANT AMOUNT.—For
13 each year for which a State or Tribal College or
14 University receives a grant under this subpart, the
15 Secretary shall, once final enrollment data for such
16 year are available—

17 “(A) in consultation with the State or
18 Tribal College or University concerned, deter-
19 mine the actual number of eligible students en-
20 rolled in the community colleges operated or
21 controlled by the State and the public 4-year in-
22 stitutions of higher education in the State or in
23 such Tribal College or University for the year
24 covered by the grant; and

1 “(B) adjust the Federal share of the grant
2 amount received by the State or Tribal College
3 or University and the State share under sub-
4 section (b) to reflect the actual number of eligi-
5 ble students by applying the relevant adjust-
6 ment to such Federal share or the State share,
7 or both, in the subsequent award year.

8 “(3) ADDITIONAL FUNDS.—If a State or Tribal
9 College or University provides additional funds to-
10 ward reducing the cost of attendance and improving
11 instruction beyond the cost of eliminating tuition
12 and required fees as described in paragraphs (2) and
13 (3) of section 787(a) for any award year, and, with
14 respect to a State, such funds amount to more than
15 the State share requirement under subsection (b)
16 and the maintenance of effort requirements in sec-
17 tion 787, the Secretary shall provide the State or
18 Tribal College or University an amount equal to
19 such additional funds provided by the State or Trib-
20 al College or University, which amount provided by
21 the Secretary may be used for the activities de-
22 scribed in section 790.

23 **“SEC. 787. PROGRAM REQUIREMENTS.**

24 “(a) GENERAL REQUIREMENTS.—In order to receive
25 a grant under this subpart in each award year, a State

1 or Tribal College or University shall comply with the fol-
2 lowing:

3 “(1) With respect to a State, ensure that public
4 institutions of higher education in the State main-
5 tain expenditures on instruction per full-time equiva-
6 lent student at levels that are equal to or exceed the
7 expenditures on instruction per full-time equivalent
8 student provided for the 3 most recent consecutive
9 State fiscal years for which data are available.

10 “(2) Ensure that the total amount of tuition
11 and required fees charged to an eligible student—

12 “(A) at community colleges in the State
13 are fully eliminated; or

14 “(B) if the Tribal College or University is
15 a 2-year Tribal College or University, at such
16 Tribal College or University are fully elimi-
17 nated.

18 “(3) Ensure that the total amount of tuition
19 and required fees charged to an eligible student at
20 public 4-year institutions of higher education in the
21 State, or, if the Tribal College or University is a 4-
22 year Tribal College or University, at such Tribal
23 College or University, are fully eliminated as follows:

24 “(A) For award year 2026–2027, the State
25 or Tribal College or University shall fully elimi-

1 nate tuition and required fees for such stu-
2 dents—

3 “(i) who are dependent students—

4 “(I) in a single parent household,
5 whose parent’s adjusted gross income
6 for the taxable year that is 1 year
7 prior to the taxable year that ends im-
8 mediately prior to the beginning of
9 the award year is equal to or less than
10 \$150,000; or

11 “(II) with married parents,
12 whose parents’ adjusted gross income
13 for the taxable year that is 1 year
14 prior to the taxable year that ends im-
15 mediately prior to the beginning of
16 the award year is equal to or less than
17 \$300,000; and

18 “(ii) who are—

19 “(I) single independent students,
20 whose adjusted gross income for the
21 taxable year that is 1 year prior to
22 the taxable year that ends imme-
23 diately prior to the beginning of the
24 award year is equal to or less than
25 \$150,000; or

1 “(II) married independent stu-
2 dents, whose adjusted gross income
3 for the taxable year that is 1 year
4 prior to the taxable year that ends im-
5 mediately prior to the beginning of
6 the award year is equal to or less than
7 \$300,000.

8 “(B) For each award year after award
9 year 2026–2027, the State or a 4-year Tribal
10 College or University shall fully eliminate tui-
11 tion and required fees for such students in ac-
12 cordance with clauses (i) and (ii) of subpara-
13 graph (A), except the gross income amount
14 shall be adjusted for each subsequent year in
15 the same manner as income is adjusted under
16 section 478(b).

17 “(4) Not apply financial assistance for which an
18 eligible student qualifies to tuition or required fees.

19 “(5) Not use any funds provided under this
20 subpart for administrative purposes.

21 “(b) STATE MAINTENANCE OF EFFORT.—In order to
22 receive a grant under this subpart in each award year,
23 a State shall—

24 “(1) provide State fiscal support for higher edu-
25 cation per full-time equivalent student at a level

1 equal to or exceeding the average amount of State
2 fiscal support for higher education per full-time
3 equivalent student provided for the 3 most recent
4 consecutive State fiscal years for which data are
5 available;

6 “(2) maintain State operating expenditures per
7 full-time equivalent student for public 2- and 4-year
8 institutions of higher education in the State, exclud-
9 ing capital expenses and research and development
10 costs, at a level equal to or greater than the average
11 amount provided for the 3 most recent consecutive
12 State fiscal years for which data are available; and

13 “(3) maintain State expenditures for need-
14 based financial aid programs for enrollment in insti-
15 tutions of higher education (as defined in section
16 101) in the State at a level that is equal to or great-
17 er than the average amount provided for the 3 most
18 recent consecutive State fiscal years for which data
19 are available.

20 “(c) REQUIREMENTS OF STATES AND SOME TRIBAL
21 COLLEGES AND UNIVERSITIES.—In order to receive a
22 grant under this subpart in each award year, a State or
23 (when applicable) a Tribal College or University shall—

24 “(1) provide an assurance that not later than 5
25 years after the first award year for which the grant

1 is awarded, not less than 75 percent of instruction
2 at public institutions of higher education in the
3 State is provided by tenure-track or tenured faculty;

4 “(2) provide an assurance that public institu-
5 tions of higher education in the State make it a pri-
6 ority to hire from the existing adjunct, contract, con-
7 tingent, and non-tenure track or tenured faculty
8 pool for tenure-track or tenured faculty positions or
9 other full-time non-contingent instructional posi-
10 tions;

11 “(3) require that public institutions of higher
12 education in the State provide, for each student en-
13 rolled at the institution who receives the maximum
14 Federal Pell Grant award under subpart 1 of part
15 A of title IV, institutional student financial aid (ex-
16 cluding student loans) in an amount equal to the net
17 price owed by such student;

18 “(4) ensure that public institutions of higher
19 education in the State or the Tribal College or Uni-
20 versity not adopt policies to reduce enrollment;

21 “(5) provide an assurance that public institu-
22 tions of higher education in the State will not charge
23 out-of-State students an amount that exceeds the
24 marginal cost (as determined by the Secretary) of

1 attending institutions of higher education in the
2 State;

3 “(6) provide an assurance that public institu-
4 tions of higher education in the State that charge
5 non-eligible in-State students tuition and required
6 fees, will not charge such students a rate that is nec-
7 essary to continue to fully eliminate tuition and re-
8 quired fees for eligible students; and

9 “(7) provide an assurance that public institu-
10 tions of higher education in the State maintain a
11 ratio of 1 to 150 of disability services full-time em-
12 ployees to registered students with disabilities, and
13 that such employees be specifically dedicated to serv-
14 ing students with disabilities.

15 “(d) ALIGNMENT OF SECONDARY AND HIGHER EDU-
16 CATION.—In order to receive a grant under this subpart,
17 a State shall—

18 “(1) submit and implement a plan to align the
19 requirements for receiving a regular high school di-
20 ploma from public schools in the State with the re-
21 quirements for entering credit-bearing coursework at
22 community colleges in such State; and

23 “(2) not later than 3 years after the date on
24 which the State first receives a grant under this sub-

1 part, certify to the Secretary that such alignment
2 has been achieved.

3 “(e) TRANSFER PATHWAYS.—In order to receive a
4 grant under this subpart, a State shall—

5 “(1) submit a plan to improve transfer path-
6 ways among public institutions of higher education
7 in the State, including by—

8 “(A) ensuring that associate degrees
9 awarded by community colleges in the State are
10 fully transferable to, and credited as, the first
11 2 years of related baccalaureate programs at
12 public institutions of higher education in such
13 State; and

14 “(B) increasing the transferability of indi-
15 vidual courses within the certificate or associate
16 programs offered by community colleges in the
17 State to related baccalaureate programs offered
18 by public institutions of higher education in
19 such State to maximize the transferability of
20 credits for students who transfer before com-
21 pleting an associate degree and facilitate re-
22 verse transfer policies; and

23 “(2) not later than 3 years after the date on
24 which the State first receives a grant under this sub-
25 part, certify to the Secretary that the State is car-

1 rying out the plan submitted in accordance with
2 paragraph (1) and is meeting the requirements of
3 subparagraphs (A) and (B) of such paragraph.

4 “(f) NO ADDITIONAL ELIGIBILITY REQUIRE-
5 MENTS.—No individual shall be determined by a State, a
6 Tribal College or University, or the Secretary, to be ineli-
7 gible for benefits provided under this subpart (including
8 eliminating tuition and fees, and other aid provided under
9 this subpart), except on the basis of eligibility require-
10 ments under this subpart.

11 **“SEC. 788. AUTOMATIC STABILIZER.**

12 “(a) MAINTENANCE OF EFFORT RELIEF.—A State
13 that receives a grant under this subpart may request a
14 waiver of the requirements under section 787(b). Upon re-
15 quest by such a State, the Secretary shall waive the re-
16 quirements of section 787(b) for the State as follows:

17 “(1) TIER I.—With respect to each State eligi-
18 ble for relief under tier I, such requirements shall be
19 waived for the fiscal year succeeding the fiscal year
20 for which the determination of the State’s eligibility
21 for such relief is made.

22 “(2) TIERS II THROUGH V.—With respect to
23 each State eligible for relief under tier II, III, IV,
24 or V, such requirements shall be waived, in accord-
25 ance with subsection (c), for—

1 “(A) the fiscal year for which the deter-
2 mination of the State’s eligibility for such relief
3 is made;

4 “(B) the fiscal year succeeding the fiscal
5 year described in subparagraph (A); or

6 “(C) both such fiscal years.

7 “(b) STATE SHARE RELIEF.—

8 “(1) STATE SHARE RELIEF.—A State that
9 meets the qualifying spending requirement and is el-
10 igible for relief under tier II, III, IV, or V may re-
11 quest relief with respect to the requirement of sec-
12 tion 786(b)(1)(B). Upon request by such a State,
13 the Secretary shall provide relief from the require-
14 ments of section 786(b)(1)(B), for the applicable
15 award year or years, for the State as follows:

16 “(A) TIER II.—With respect to a State
17 that is eligible for relief under tier II, the Sec-
18 retary shall apply—

19 “(i) section 786(a)(1)(B)(v), by sub-
20 stituting ‘85 percent’ for ‘80 percent’; and

21 “(ii) section 786(b)(1)(B)(v), by sub-
22 stituting ‘15 percent’ for ‘20 percent’.

23 “(B) TIER III.—With respect to a State
24 that is eligible for relief under tier III, the Sec-
25 retary shall apply—

1 “(i) section 786(a)(1)(B)(iv), by sub-
2 stituting ‘90 percent’ for ‘85 percent’;

3 “(ii) section 786(a)(1)(B)(v), by sub-
4 stituting ‘90 percent’ for ‘80 percent’;

5 “(iii) section 786(b)(1)(B)(iv), by sub-
6 stituting ‘10 percent’ for ‘15 percent’; and

7 “(iv) section 786(b)(1)(B)(v), by sub-
8 stituting ‘10 percent’ for ‘20 percent’.

9 “(C) TIER IV.—With respect to a State
10 that is eligible for relief under tier IV, the Sec-
11 retary shall apply—

12 “(i) section 786(a)(1)(B)(iii), by sub-
13 stituting ‘95 percent’ for ‘90 percent’;

14 “(ii) section 786(a)(1)(B)(iv), by sub-
15 stituting ‘95 percent’ for ‘85 percent’;

16 “(iii) section 786(a)(1)(B)(v), by sub-
17 stituting ‘95 percent’ for ‘80 percent’;

18 “(iv) section 786(b)(1)(B)(iii), by sub-
19 stituting ‘5 percent’ for ‘10 percent’;

20 “(v) section 786(b)(1)(B)(iv), by sub-
21 stituting ‘5 percent’ for ‘15 percent’; and

22 “(vi) section 786(b)(1)(B)(v), by sub-
23 stituting ‘5 percent’ for ‘20 percent’.

1 “(D) TIER V.—With respect to a State
2 that is eligible for relief under tier V, the Sec-
3 retary shall apply—

4 “(i) section 786(a)(1)(B)(ii), by sub-
5 stituting ‘100 percent’ for ‘95 percent’;

6 “(ii) section 786(a)(1)(B)(iii), by sub-
7 stituting ‘100 percent’ for ‘90 percent’;

8 “(iii) section 786(a)(1)(B)(iv), by sub-
9 stituting ‘100 percent’ for ‘85 percent’;

10 “(iv) section 786(a)(1)(B)(v), by sub-
11 stituting ‘100 percent’ for ‘80 percent’;

12 “(v) section 786(b)(1)(B)(ii), by sub-
13 stituting ‘0 percent’ for ‘5 percent’;

14 “(vi) section 786(b)(1)(B)(iii), by sub-
15 stituting ‘0 percent’ for ‘10 percent’;

16 “(vii) section 786(b)(1)(B)(iv), by
17 substituting ‘0 percent’ for ‘15 percent’;

18 and

19 “(viii) section 786(b)(1)(B)(v), by
20 substituting ‘0 percent’ for ‘20 percent’.

21 “(2) APPLICABLE AWARD YEARS.—With respect
22 to each State eligible for relief under tier II, III, IV,
23 or V, the Secretary shall provide the relief under
24 paragraph (1) in accordance with subsection (c)
25 for—

1 “(A) the award year for which the deter-
2 mination of the State’s eligibility for such relief
3 is made;

4 “(B) the award year succeeding the award
5 year described in subparagraph (A); or

6 “(C) both such award years.

7 “(3) STATE ELIGIBILITY.—A State’s eligibility
8 for relief under this section shall be determined as
9 follows:

10 “(A) TIER I.—A State shall be eligible for
11 relief under tier I for a fiscal year for which—

12 “(i) the State is in an elevated unem-
13 ployment period at any point in the fiscal
14 year; and

15 “(ii) the State is not eligible for relief
16 under any other tier.

17 “(B) TIER II.—A State shall be eligible for
18 relief under tier II for a fiscal or award year,
19 as applicable, for which—

20 “(i)(I) the State average unemploy-
21 ment rate is equal to or greater than 6.5
22 percent, but less than 7.5 percent, at any
23 point in the fiscal or award year; or

24 “(II) the national average unemploy-
25 ment rate is equal to or greater than 6.5

1 percent, but less than 7.5 percent, at any
2 point in the fiscal or award year; and

3 “(ii) the State is not eligible for relief
4 under tier III, IV, or V.

5 “(C) TIER III.—A State shall be eligible
6 for relief under tier III for a fiscal or award
7 year, as applicable, for which—

8 “(i)(I) the State average unemploy-
9 ment rate is equal to or greater than 7.5
10 percent, but less than 8.5 percent, at any
11 point in the fiscal or award year; or

12 “(II) the national average unemploy-
13 ment rate is equal to or greater than 7.5
14 percent, but less than 8.5 percent, at any
15 point in the fiscal or award year; and

16 “(ii) the State is not eligible for relief
17 under tier IV or V.

18 “(D) TIER IV.—A State shall be eligible
19 for relief under tier IV for a fiscal or award
20 year, as applicable, for which—

21 “(i)(I) the State average unemploy-
22 ment rate is equal to or greater than 8.5
23 percent, but less than 9.5 percent, at any
24 point in the fiscal or award year; or

1 “(II) the national average unemploy-
2 ment rate is equal to or greater than 8.5
3 percent, but less than 9.5 percent, at any
4 point in the fiscal or award year; and

5 “(ii) the State is not eligible for relief
6 under tier V.

7 “(E) TIER V.—A State shall be eligible for
8 relief under tier V for a fiscal or award year,
9 as applicable, for which—

10 “(i) the State average unemployment
11 rate is equal to or greater than 9.5 percent
12 at any point in the fiscal or award year; or

13 “(ii) the national average unemploy-
14 ment rate is equal to or greater than 9.5
15 percent at any point in the fiscal or award
16 year.

17 “(c) DISCRETION IN THE PROVISION OF RELIEF.—
18 In determining the fiscal years for which to provide relief
19 in accordance with subsection (a)(2), or the award years
20 for which to provide relief in accordance with subsection
21 (b), to a State that is eligible under tier II, III, IV or
22 V, the Secretary shall take into account the following:

23 “(1) In the case of a State that requests relief
24 under subsection (a)(2), the fiscal years for which
25 the State requests such relief, including—

1 “(A) if the State requests such relief for
2 the fiscal year for which the determination of
3 the State’s eligibility for such relief is made, the
4 amount by which the State is unable to meet
5 the requirements of section 787(b) for such fis-
6 cal year; and

7 “(B) if the State requests such relief for
8 the fiscal year succeeding the year described in
9 subparagraph (A), the amount by which the
10 State anticipates being unable to meet such re-
11 quirements for such succeeding fiscal year.

12 “(2) In the case of a State that requests relief
13 under subsection (b), the award years for which the
14 State requests such relief, including—

15 “(A) if the State requests such relief for
16 the award year for which the determination of
17 the State’s eligibility for such relief is made, the
18 extent to which the State is unable to meet the
19 requirements of section 786(b)(1)(B) for such
20 award year; and

21 “(B) if the State requests such relief for
22 the award year succeeding the year described in
23 subparagraph (A), the extent to which the State
24 anticipates being unable to meet such require-
25 ments for such succeeding award year.

1 “(3) The actual or anticipated timing, severity,
2 and duration of the unemployment rate increase
3 during—

4 “(A) the fiscal or award year, as applica-
5 ble, for which the determination of the State’s
6 eligibility for such relief is made;

7 “(B) the fiscal or award year, as applica-
8 ble, succeeding the fiscal or award year de-
9 scribed in subparagraph (A); and

10 “(C) the fiscal or award year, as applica-
11 ble, preceding the fiscal or award year described
12 in subparagraph (A).

13 “(4) Other factors determined to be relevant by
14 the Secretary.

15 “(d) CONTINUED PAYMENT TO EMPLOYEES.—A
16 State that receives relief under subsection (a) or sub-
17 section (b) shall, to the greatest extent practicable, con-
18 tinue to pay its employees of, and contractors with, public
19 institutions of higher education in the State during the
20 period in which the State is receiving such relief.

21 “(e) DEFINITIONS.—In this section:

22 “(1) ELEVATED UNEMPLOYMENT PERIOD.—
23 The term ‘elevated unemployment period’ means a
24 consecutive 3-month period in a fiscal year in which
25 the State average unemployment rate is not less

1 than 0.5 percentage points above the lowest State
2 average unemployment rate for the 12-month period
3 preceding such 3-month period.

4 “(2) NATIONAL AVERAGE UNEMPLOYMENT
5 RATE.—The term ‘national average unemployment
6 rate’ means the average (seasonally adjusted) rate of
7 total unemployment in all States for a consecutive 3-
8 month period in a fiscal year, based on data from
9 the Bureau of Labor Statistics of the Department of
10 Labor.

11 “(3) QUALIFYING SPENDING REQUIREMENT.—
12 The term ‘qualifying spending requirement’ means
13 the requirement that a State not disproportionately
14 decrease spending for any of the categories described
15 in subparagraphs (1) through (3) of section 787(b)
16 relative to such State’s overall, average decrease in
17 spending for the 3 consecutive preceding fiscal years.

18 “(4) STATE AVERAGE UNEMPLOYMENT RATE.—
19 The term ‘State average unemployment rate’ means
20 the average (seasonally adjusted) rate of total unem-
21 ployment in a State for a consecutive 3-month pe-
22 riod in a fiscal year.

23 **“SEC. 789. APPLICATIONS.**

24 “In order to receive a grant under this subpart, a
25 State or Tribal College or University shall submit an ap-

1 plication to the Secretary at such time, in such manner,
2 and containing such information as the Secretary may re-
3 quire. In the case of a State, such application shall be
4 submitted by the State agency with jurisdiction over high-
5 er education or another agency designated by the Gov-
6 ernor or chief executive of the State to administer the pro-
7 gram under this subpart.

8 **“SEC. 790. USE OF FUNDS.**

9 “(a) IN GENERAL.—A State or Tribal College or Uni-
10 versity that receives a grant under this subpart shall use
11 the grant funds and the State share funds required under
12 this subpart—

13 “(1) to fully eliminate tuition and required fees
14 for all eligible students at community colleges in the
15 State or at the Tribal College or University, if the
16 Tribal College or University is a 2-year Tribal Col-
17 lege or University; and

18 “(2) to fully eliminate tuition and required fees
19 for eligible students, as described in section
20 787(a)(3), at public 4-year institutions of higher
21 education in the State or at the Tribal College or
22 University, if the Tribal College or University is a
23 4-year Tribal College or University.

24 “(b) REMAINING FUNDS.—Once tuition and required
25 fees have been fully eliminated pursuant to subsection (a),

1 a State or Tribal College or University that receives a
2 grant under this subpart shall use any remaining grant
3 funds to reduce the cost of attendance and increase the
4 quality of instruction and student support services at pub-
5 lie institutions of higher education in the State or at the
6 Tribal College or University by carrying out any of the
7 following:

8 “(1) Providing additional non-loan financial aid
9 to students to help reduce unmet need, which may
10 include need-based student financial aid or emer-
11 gency financial aid grants to students attending a
12 public institution of higher education in such State,
13 or such Tribal College or University, for any compo-
14 nent of such students’ cost of attendance.

15 “(2) Implementing evidence-based reforms or
16 practices at public institutions of higher education in
17 such State or at such Tribal College or University
18 that are described in section 804 or that meet evi-
19 dence tier 1 or evidence tier 2 (as defined in section
20 800) to improve the enrollment, retention, transfer,
21 or completion rates or labor market outcomes among
22 the students described in section 802(b).

23 “(3) Expanding academic course offerings and
24 providing high-quality occupational skills training
25 programs to students.

1 “(4) Increasing the number and percentage of
2 tenure or tenure-track faculty.

3 “(5) Providing all faculty with professional sup-
4 ports to help students succeed, such as professional
5 development opportunities, including providing—

6 “(A) culturally inclusive and identity-safe
7 learning environments;

8 “(B) work spaces; and

9 “(C) shared governance in the institution.

10 “(6) Compensating part-time faculty for work
11 done outside of the classroom relating to supporting
12 student success, such as holding office hours.

13 “(7) Strengthening, and ensuring all students
14 have access to, student support services, such as
15 academic advising, counseling, and tutoring.

16 “(8) Expanding access to dual or concurrent
17 enrollment programs and early college high school
18 programs.

19 “(9) Establishing prison education programs in
20 partnership with local or State correctional facilities.

21 “(10) Carrying out any other additional activi-
22 ties that improve instructional quality and academic
23 outcomes for students as approved by the Secretary
24 through a peer review process.

1 “(c) PROHIBITION.—A State or Tribal College or
2 University that receives a grant under this subpart may
3 not use grant funds or State share funds required under
4 this subpart—

5 “(1) for the construction of a nonacademic fa-
6 cility, such as a student center or stadium;

7 “(2) for merit-based student financial aid;

8 “(3) for need-based student financial aid (ex-
9 cept to the extent funds are available under section
10 786(c)(3));

11 “(4) to pay the salaries or benefits of school ad-
12 ministrators;

13 “(5) for capital outlays or deferred mainte-
14 nance; or

15 “(6) for expenditures on athletics other than
16 activities open to all members of the campus com-
17 munity.

18 “(d) SUPPLEMENT NOT SUPPLANT.—Except as pro-
19 vided in section 786(b)(2)(A), funds made available under
20 this subpart shall be used to supplement, and not sup-
21 plant, other Federal, State, Tribal, local, and institutional
22 funds that would otherwise be expended to carry out ac-
23 tivities described in this subpart.

24 “(e) CONTINUATION OF FUNDING.—

1 “(1) IN GENERAL.—Except as provided in para-
2 graph (2), a State or a Tribal College or University
3 receiving a grant under this subpart for an award
4 year may continue to receive funding under this sub-
5 part for subsequent award years conditioned on
6 meeting the requirements of the grant, as deter-
7 mined by the Secretary.

8 “(2) DISCONTINUATION.—The Secretary shall
9 discontinue or reduce funding of the Federal share
10 of a grant under this subpart if the State or Tribal
11 College or University has violated the terms of the
12 grant.

13 “(f) RULE OF CONSTRUCTION REGARDING BIE
14 FUNDS.—Nothing in this subpart shall be construed to
15 impact the availability of funds from, or uses of funds pro-
16 vided by, the Bureau of Indian Education for Tribal Col-
17 leges and Universities.

18 **“SEC. 791. AUTHORIZATION OF APPROPRIATIONS.**

19 “(a) IN GENERAL.—There are authorized to be ap-
20 propriated, and there are appropriated, to carry out this
21 subpart—

22 “(1) such sums as may be necessary for the
23 fourth quarter of fiscal year 2026; and

24 “(2) such sums as may be necessary for each
25 of the fiscal years 2027 through 2035.

1 “(b) SUPPLEMENTAL FUNDS.—

2 “(1) IN GENERAL.—In addition to amounts
3 otherwise available, there is appropriated for fiscal
4 year 2026, out of any money in the Treasury not
5 otherwise appropriated, not more than \$9,844 per
6 student enrolled at 4-year public institutions of high-
7 er education and not more than \$6,073 per student
8 enrolled at community colleges, to remain available
9 until September 30, 2031, for the Secretary to
10 award grants to all States that have resident tuition
11 and fees at community colleges or public 4-year in-
12 stitutions of higher education that are higher than
13 the national average tuition and fees at community
14 colleges or public 4-year institutions of higher edu-
15 cation in award year 2026–2027, for the purpose of
16 supporting such States’ ability to participate in the
17 program under this subpart.

18 “(2) STATE SHARE.—Notwithstanding any
19 other provision of this subpart, a State receiving
20 grant funds under paragraph (1) shall use such
21 funds to meet the State share requirement under
22 section 786(b) and to fully eliminate tuition and fees
23 for eligible students as required under paragraphs
24 (2) and (3) of section 787(a).”.

1 **TITLE II—GRANT PROGRAM TO**
 2 **ELIMINATE TUITION AND**
 3 **FEES FOR ELIGIBLE STU-**
 4 **DENTS AT PRIVATE NON-**
 5 **PROFIT HISTORICALLY**
 6 **BLACK COLLEGES AND UNI-**
 7 **VERSITIES AND MINORITY-**
 8 **SERVING INSTITUTIONS**

9 **SEC. 201. GRANT PROGRAM TO ELIMINATE TUITION AND**
 10 **FEES FOR ELIGIBLE STUDENTS AT PRIVATE**
 11 **NONPROFIT HISTORICALLY BLACK COL-**
 12 **LEGES AND UNIVERSITIES AND MINORITY-**
 13 **SERVING INSTITUTIONS.**

14 Part F of title VII of the Higher Education Act of
 15 1965, as added by section 101, is further amended by add-
 16 ing at the end the following:

17 **“Subpart 2—Grant Program To Eliminate Tuition**
 18 **and Fees for Eligible Students at Private Non-**
 19 **profit Historically Black Colleges and Univer-**
 20 **sities and Minority-Serving Institutions**

21 **“SEC. 795. DEFINITIONS.**

22 “In this subpart:

23 “(1) **ELIGIBLE INSTITUTION.—**

24 “(A) **IN GENERAL.—**Except as provided in
 25 subparagraph (E), the term ‘eligible institution’

1 means a private nonprofit 2-year institution or
2 4-year institution that—

3 “(i) is—

4 “(I) a part B institution (as de-
5 fined in section 322);

6 “(II) a Hispanic-serving institu-
7 tion (as defined in section 502);

8 “(III) an Alaska Native-serving
9 institution (as defined in section
10 317(b));

11 “(IV) a Native Hawaiian-serving
12 institution (as defined in section
13 317(b));

14 “(V) a Predominantly Black in-
15 stitution (as defined in section
16 371(c));

17 “(VI) an Asian American and
18 Native American Pacific Islander-
19 serving institution (as defined in sec-
20 tion 371(c)); or

21 “(VII) a Native American-serving
22 nontribal institution (as defined in
23 section 371(c)); and

24 “(ii) has not received funds under
25 subpart 1.

1 “(B) CONTINUING ELIGIBILITY.—The Sec-
2 retary shall determine whether an institution is
3 an ‘eligible institution’ under subparagraph (A)
4 based on the most recent data available, and
5 shall review such determination annually to en-
6 sure that the institution continues to meet the
7 requirements for participation under this sub-
8 part.

9 “(C) 2-YEAR INSTITUTION.—The term ‘2-
10 year institution’ means an institution at which
11 an associate degree is the most frequently
12 awarded degree.

13 “(D) 4-YEAR INSTITUTION.—The term ‘4-
14 year institution’ means an institution of higher
15 education (as defined under section 101(a))
16 that is not a 2-year institution.

17 “(E) EXCEPTION.—

18 “(i) IN GENERAL.—An eligible institu-
19 tion as described in subparagraph (A) shall
20 not be an eligible institution for purposes
21 of this section for the period described in
22 clause (ii) if such institution was a for-
23 profit institution at any time that con-
24 verted to a nonprofit institution.

1 “(ii) PERIOD OF INELIGIBILITY.—An
2 institution described under clause (i) shall
3 not be an eligible institution for purposes
4 of this section for a period of 25 years
5 from the date the institution converted
6 from being a for-profit institution to a
7 nonprofit institution or 25 years after the
8 date of enactment of this subpart, which-
9 ever period is longer.

10 “(2) ELIGIBLE STUDENT.—

11 “(A) IN GENERAL.—The term ‘eligible stu-
12 dent’ means a student enrolled in an eligible in-
13 stitution who has not obtained a baccalaureate
14 degree or a higher degree and—

15 “(i) for the first award year of the
16 program under this subpart, if the stu-
17 dent—

18 “(I) is a dependent student—

19 “(aa) in a single parent
20 household, the student’s parent’s
21 adjusted gross income for the
22 taxable year that is 1 year prior
23 to the taxable year that ends im-
24 mediately prior to the beginning

1 of the award year is equal to or
2 less than \$150,000; or

3 “(bb) with married parents,
4 the student’s parents’ adjusted
5 gross income for the taxable year
6 that is 1 year prior to the taxable
7 year that ends immediately prior
8 to the beginning of the award
9 year is equal to or less than
10 \$300,000; and

11 “(II) is a—

12 “(aa) single independent
13 student, the student’s adjusted
14 gross income for the taxable year
15 that is 1 year prior to the taxable
16 year that ends immediately prior
17 to the beginning of the award
18 year is equal to or less than
19 \$150,000; or

20 “(bb) married independent
21 student, the student’s adjusted
22 gross income for the taxable year
23 that is 1 year prior to the taxable
24 year that ends immediately prior
25 to the beginning of the award

1 year is equal to or less than
2 \$300,000; and

3 “(ii) for each award year after the
4 first award year of the program under this
5 subpart, if the student—

6 “(I) is a dependent student, the
7 student’s parents’ adjusted gross in-
8 come for the taxable year that is 1
9 year prior to the taxable year that
10 ends immediately prior to the begin-
11 ning of the award year is equal to or
12 less than the applicable amount; and

13 “(II) is an independent student,
14 the student’s adjusted gross income
15 for the taxable year that is 1 year
16 prior to the taxable year that ends im-
17 mediately prior to the beginning of
18 the award year is equal to or less than
19 the applicable amount.

20 “(B) APPLICABLE AMOUNT.—In this para-
21 graph, the term ‘applicable amount’ means an
22 amount equal to, for any award year beginning
23 after the first award year of the program under
24 this subpart, the income amount determined
25 under this paragraph for the preceding award

1 year adjusted in the same manner as income is
2 adjusted under section 478(b).

3 “(3) FULL-TIME EQUIVALENT ELIGIBLE STU-
4 DENTS.—The term ‘full-time equivalent eligible stu-
5 dents’ means the sum of the number of eligible stu-
6 dents projected to enroll full time at an institution
7 for an award year, plus the full-time equivalent of
8 the number of eligible students projected to be en-
9 rolled part time (determined on the basis of the
10 quotient of the sum of the credit hours of all part-
11 time eligible students divided by 12) at such institu-
12 tion, for such award year.

13 **“SEC. 796. AUTHORIZATION OF GRANT PROGRAM.**

14 “Beginning with award year 2026–2027, from
15 amounts appropriated to carry out this subpart for any
16 fiscal year, the Secretary shall award grants to eligible in-
17 stitutions to enable the eligible institutions to eliminate
18 tuition and required fees for eligible students.

19 **“SEC. 797. GRANT TERMS.**

20 “(a) GRANT AMOUNT.—

21 “(1) IN GENERAL.—For each year for which an
22 eligible institution participates in the grant program
23 under this subpart, such eligible institution shall re-
24 ceive a grant in an amount equal to—

1 “(A) in the case of an eligible institution
2 that is a 2-year institution, the product of the
3 number of eligible students enrolled in such in-
4 stitution multiplied by—

5 “(i) for the 2026–2027 award year,
6 \$5,110; and

7 “(ii) for each subsequent award year,
8 the amount determined under this sub-
9 paragraph for the preceding award year,
10 increased by the lesser of—

11 “(I) a percentage equal to the es-
12 timated percentage increase in the
13 Consumer Price Index (as determined
14 by the Secretary) since the date of
15 such determination; or

16 “(II) 3 percent; or

17 “(B) in the case of an eligible institution
18 that is a 4-year institution, the product of the
19 number of eligible students enrolled in such in-
20 stitution multiplied by—

21 “(i) for the 2026–2027 award year,
22 \$11,610; and

23 “(ii) for each subsequent award year,
24 the amount determined under this sub-

1 paragraph for the preceding award year,
2 increased by the lesser of—

3 “(I) a percentage equal to the es-
4 timated percentage increase in the
5 Consumer Price Index (as determined
6 by the Secretary) since the date of
7 such determination; or

8 “(II) 3 percent.

9 “(2) LIMITATIONS ON TUITION HIKES.—

10 “(A) FIRST AWARD YEAR.—For the first
11 award year for which an eligible institution ap-
12 plies for a grant under this subpart, such eligi-
13 ble institution shall not increase tuition and re-
14 quired fees at a rate that is greater than any
15 annual increase in tuition and required fees at
16 the eligible institution for the 5 years preceding
17 such first award year.

18 “(B) SUCCEEDING AWARD YEARS.—

19 “(i) IN GENERAL.—For each award
20 year after the first award year for which
21 an eligible institution receives a grant
22 under this subpart, such eligible institution
23 shall not increase tuition and required fees
24 from the preceding award year at a rate
25 that is greater than the percentage in-

1 crease in the Employment Cost Index for
2 the award year for which the grant is re-
3 ceived, as compared to the Employment
4 Cost Index for the award year preceding
5 the award year for which the grant is re-
6 ceived.

7 “(ii) EMPLOYMENT COST INDEX.—In
8 this subparagraph, the term ‘Employment
9 Cost Index’, when used with respect to an
10 award year, means the Employment Cost
11 Index for total compensation for private in-
12 dustry workers by bargaining status and
13 census region and division (not seasonally
14 adjusted) of the division in which the eligi-
15 ble institution is located, as provided by
16 the Bureau of Labor Statistics of the De-
17 partment of Labor, that is provided for the
18 December that immediately precedes the
19 start of the award year.

20 “(3) DATA ADJUSTMENTS.—

21 “(A) IN GENERAL.—The Secretary shall
22 establish a process through which each eligible
23 institution that participates in the program
24 under this subpart—

1 “(i) provides the necessary eligible
2 student enrollment data at the start of the
3 award year; and

4 “(ii) initially receives grant funds, as
5 calculated under this subsection, based on
6 such data.

7 “(B) ADJUSTMENT OF GRANT AMOUNT.—
8 For each year for which an eligible institution
9 receives a grant under this subpart, the Sec-
10 retary shall, once final enrollment data for such
11 year are available—

12 “(i) in consultation with the eligible
13 institution concerned, determine the actual
14 number of full-time equivalent eligible stu-
15 dents for the year covered by the grant;
16 and

17 “(ii) adjust the grant amount received
18 by the eligible institution to reflect the ac-
19 tual number of full-time equivalent eligible
20 students by applying the relevant adjust-
21 ment to such grant amount in the subse-
22 quent award year in accordance with sub-
23 paragraph (C).

24 “(C) CALCULATION OF ADJUSTMENTS.—If
25 the actual full-time equivalent eligible students

1 figure for the preceding award year reported
2 under subparagraph (B)—

3 “(i) exceeds the projected enrollment
4 that was used for determining the allot-
5 ment under paragraph (1) for the pre-
6 ceding award year, notwithstanding any
7 other provision of this Act, the grant
8 amount for the subsequent award year for
9 the eligible institution shall be increased to
10 reflect such actual enrollment, which figure
11 shall be increased by the Gross Domestic
12 Product Price Index of the State in which
13 the eligible institution is located; or

14 “(ii) is below the projected enrollment
15 that was used for determining the allot-
16 ment under paragraph (1) for the pre-
17 ceding award year, notwithstanding any
18 other provision of this Act, the grant
19 amount for the subsequent award year for
20 the eligible institution shall be decreased to
21 reflect such actual enrollment, which figure
22 shall be increased by the average interest
23 rate on 5-year United States Treasury se-
24 curities issued during the preceding award
25 year.

1 “(b) APPLICATION.—An eligible institution that de-
2 sires to receive a grant under this subpart shall submit
3 to the Secretary an application at such time, in such man-
4 ner, and containing such information as the Secretary may
5 require.

6 “(c) TRANSFER REQUIREMENT.—In the case of an
7 eligible institution that is a 4-year institution that receives
8 a grant under this subpart and enrolls students who trans-
9 fer from another institution, the institution shall—

10 “(1) commit to increasing the transferability of
11 individual courses within certificate or associate pro-
12 grams offered by community colleges in the State to
13 related baccalaureate programs offered by such insti-
14 tution to maximize the transferability of credits for
15 students who transfer before completing an associate
16 degree; and

17 “(2) maintain a formal, statewide articulation
18 agreement with community colleges in the State in
19 which such institution operates that, at a minimum,
20 ensures that associate degrees awarded by commu-
21 nity colleges in the State are fully transferable to,
22 and credited as the first 2 years of related bacca-
23 laureate programs at, such institution.

24 “(d) USE OF FUNDS.—

1 “(1) IN GENERAL.—An eligible institution that
2 receives a grant under this subpart shall use the
3 grant funds to—

4 “(A) except as provided in paragraph (3),
5 eliminate tuition and required fees for eligible
6 students enrolled in the eligible institution dur-
7 ing any period for which the institution receives
8 a grant under this subpart;

9 “(B) maintain expenditures on instruction
10 per a full-time equivalent eligible student at lev-
11 els that meet or exceed the expenditures on in-
12 struction per a full-time equivalent eligible stu-
13 dent for award year 2025–2026; and

14 “(C) maintain expenditures on need-based
15 financial aid programs for students enrolled in
16 the institution at a level that meets or exceeds
17 the level of such support for award year 2025–
18 2026.

19 “(2) PROHIBITIONS.—An eligible institution
20 that receives a grant under this subpart may not use
21 grant funds—

22 “(A) for the construction of a nonacademic
23 facility, such as a student center or stadium;

24 “(B) for merit-based or need-based student
25 financial aid;

1 “(C) to pay the salaries or benefits of
2 school administrators;

3 “(D) for capital outlays or deferred main-
4 tenance; or

5 “(E) for expenditures on athletics other
6 than activities open to all members of the cam-
7 pus community.

8 “(3) EXCEPTION.—An eligible institution that
9 receives a grant under this subpart and that does
10 not have authority to set the tuition and required
11 fees for eligible students enrolled in the eligible insti-
12 tution shall provide tuition assistance to eligible stu-
13 dents enrolled in the eligible institution during any
14 period for which the institution receives a grant
15 under this subpart in an amount equal to the grant
16 amount determined under subsection (a)(1).

17 “(e) ASSURANCES.—An eligible institution that re-
18 ceives a grant under this subpart shall provide an assur-
19 ance to the Secretary that the institution will—

20 “(1) increase, to the extent practicable, the
21 amount of instruction provided by tenured or tenure-
22 track faculty; and

23 “(2) not adopt policies to reduce enrollment.

24 “(f) SUPPLEMENT, NOT SUPPLANT.—Funds made
25 available to carry out this subpart shall be used to supple-

1 ment, and not supplant, other Federal, State, Tribal,
 2 local, and institutional funds that would otherwise be ex-
 3 pended to carry out activities under this subpart.

4 “(g) NO ADDITIONAL ELIGIBILITY REQUIRE-
 5 MENTS.—No individual shall be determined, by an eligible
 6 institution or the Secretary, to be ineligible for benefits
 7 provided under this subpart except on the basis of eligi-
 8 bility requirements under this subpart.

9 **“SEC. 798. AUTHORIZATION OF APPROPRIATIONS.**

10 “There are authorized to be appropriated, and there
 11 are appropriated, to carry out this subpart—

12 “(1) such sums as may be necessary for the
 13 fourth quarter of fiscal year 2026; and

14 “(2) such sums as may be necessary for each
 15 of the fiscal years 2027 through 2035.”.

16 **SEC. 202. NORTHERN MARIANA ISLANDS, AMERICAN**
 17 **SAMOA, UNITED STATES VIRGIN ISLANDS,**
 18 **GUAM, AND FREELY ASSOCIATED STATES**
 19 **COLLEGE ACCESS.**

20 Part F of title VII of the Higher Education Act of
 21 1965, as added by section 101 and amended by section
 22 201, is further amended by adding at the end the fol-
 23 lowing:

1 **“Subpart 3—College Access for Students in Outlying**
2 **Areas**

3 **“SEC. 799. NORTHERN MARIANA ISLANDS, AMERICAN**
4 **SAMOA, UNITED STATES VIRGIN ISLANDS,**
5 **GUAM, AND FREELY ASSOCIATED STATES**
6 **COLLEGE ACCESS.**

7 “(a) GRANTS.—

8 “(1) GRANT AMOUNTS.—

9 “(A) IN GENERAL.—Beginning with award
10 year 2026–2027, from amounts appropriated to
11 carry out this section, the Secretary shall award
12 grants to the Governors of each outlying area
13 for such Governors to award grants to eligible
14 institutions that enroll eligible students to pay
15 the difference between the tuition and fees
16 charged for in-State students and the tuition
17 and fees charged for out-of-State students on
18 behalf of each eligible student enrolled in the el-
19 igible institution.

20 “(B) MAXIMUM STUDENT AMOUNTS.—The
21 amount paid on behalf of an eligible student
22 under this section shall be—

23 “(i) not more than \$15,950 for any
24 one award year (as defined in section
25 481(a)(1)); and

1 “(ii) not more than \$79,750 in the
2 aggregate.

3 “(C) PRORATION.—The Governor shall
4 prorate payments under this section with re-
5 spect to eligible students who attend an eligible
6 institution on less than a full-time basis.

7 “(2) AGREEMENT.—Each Governor desiring a
8 grant under this section shall enter into an agree-
9 ment with the Secretary for the purposes of admin-
10 istering the grant program.

11 “(b) NO ADDITIONAL ELIGIBILITY REQUIRE-
12 MENTS.—No individual shall be determined, by a Gov-
13 ernor, an eligible institution, or the Secretary, to be ineli-
14 gible for benefits provided under this section except on the
15 basis of eligibility requirements under this section.

16 “(c) DEFINITIONS.—In this section:

17 “(1) ELIGIBLE INSTITUTION.—The term ‘eligi-
18 ble institution’ means an institution that—

19 “(A) is a public 4-year institution of higher
20 education located in 1 of the several States of
21 the United States, the District of Columbia, the
22 Commonwealth of Puerto Rico, or an outlying
23 area;

24 “(B) enters into an agreement with the
25 Governor of an outlying area, or with 2 or more

1 of such Governors (except that such institution
2 may not enter into an agreement with the Gov-
3 ernor of the outlying area in which such institu-
4 tion is located), to carry out the grant program
5 under this section; and

6 “(C) submits an assurance to the Governor
7 and to the Secretary that the institution shall
8 use funds made available under this section to
9 supplement, and not supplant, assistance that
10 otherwise would be provided to eligible students
11 from outlying areas.

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

14 “(A) was domiciled in an outlying area for
15 not less than 12 consecutive months preceding
16 the commencement of the freshman year at an
17 institution of higher education;

18 “(B) has not completed an undergraduate
19 baccalaureate course of study; and

20 “(C) is enrolled as an undergraduate stu-
21 dent in an eligible program (as defined in sec-
22 tion 481(b)) on at least a half-time basis.

23 “(3) GOVERNOR.—The term ‘Governor’ means
24 the chief executive of an outlying area.

1 “(4) OUTLYING AREA.—The term ‘outlying
2 area’ means the Northern Mariana Islands, Amer-
3 ican Samoa, the United States Virgin Islands,
4 Guam, and the Freely Associated States.”.

5 **TITLE III—FEDERAL PELL**
6 **GRANT IMPROVEMENTS**

7 **SEC. 301. FEDERAL PELL GRANT IMPROVEMENTS.**

8 (a) REPEAL OF SCORING REQUIREMENT.—Section
9 406 of H. Con. Res. 95 (109th Congress) is amended—

10 (1) by striking subsection (b); and

11 (2) by striking “ (a) IN GENERAL” and insert-
12 ing the following: “Upon”.

13 (b) AMENDMENT TO FEDERAL PELL GRANTS.—Sec-
14 tion 401 of the Higher Education Act of 1965 (20 U.S.C.
15 1070a) is amended—

16 (1) in subsection (b), by striking paragraphs
17 (5), (6), and (7) and inserting the following:

18 “(5) MAXIMUM FEDERAL PELL GRANT.—

19 “(A) AWARD YEAR 2026–2027.—For award
20 year 2026–2027, the total maximum Federal
21 Pell Grant shall be—

22 “(i) in the case of an eligible student
23 who is in attendance at an institution of
24 higher education described in section 101

1 or a Tribal College or University described
2 in section 316(b)(3), \$14,790; or

3 “(ii) in the case of an eligible student
4 who is in attendance at an institution of
5 higher education not described in clause
6 (i), \$7,395.

7 “(B) SUBSEQUENT AWARD YEARS.—For
8 award year 2027–2028, and each subsequent
9 award year, the total maximum Federal Pell
10 Grant shall be equal to the total maximum Fed-
11 eral Pell Grant for the preceding award year
12 (applicable to the institution at which the eligi-
13 ble student is in attendance)—

14 “(i) increased by the annual adjust-
15 ment percentage for the award year for
16 which the amount under this subparagraph
17 is being determined; and

18 “(ii) rounded to the nearest \$5.

19 “(C) DEFINITION OF ANNUAL ADJUST-
20 MENT PERCENTAGE.—In this paragraph, the
21 term ‘annual adjustment percentage,’ as applied
22 to an award year, is equal to the estimated per-
23 centage increase in the Consumer Price Index
24 (as determined by the Secretary, using the defi-
25 nition in section 478(f)) for the most recent cal-

1 endar year ending prior to the beginning of that
2 award year.

3 “(6) APPROPRIATION OF FUNDS.—There are
4 authorized to be appropriated, and there are appro-
5 priated, out of any money in the Treasury not other-
6 wise appropriated, such sums as may be necessary
7 for fiscal year 2026 and each subsequent fiscal year
8 to provide the maximum Federal Pell Grant for
9 which a student shall be eligible under this section
10 during an award year.

11 “(7) NO EFFECT ON PREVIOUS APPROPRIA-
12 TIONS.—The amendments made to this section by
13 the FAFSA Simplification Act shall not—

14 “(A) increase or decrease the amounts that
15 have been appropriated or are available to carry
16 out this section for fiscal year 2017, 2018,
17 2019, 2020, 2021, 2022, 2023, 2024, or 2025
18 as of the day before the effective date of such
19 Act; or

20 “(B) extend the period of availability for
21 obligation that applied to any such amount, as
22 of the day before such effective date.”;

23 (2) in subsection (d)(5)(A), by striking “shall
24 not exceed 12 semesters, or the equivalent of 12 se-
25 mesters, as determined by the Secretary by regula-

1 tion” and inserting “shall not exceed 7 years and 6
2 months”;

3 (3) in subsection (f), by striking “Any disburse-
4 ment allowed to be made by crediting the student’s
5 account shall be limited to tuition and fees, and food
6 and housing if that food and housing is institution-
7 ally owned or operated. The student may elect to
8 have the institution provide other such goods and
9 services by crediting the student’s account.” and in-
10 sserting “Payments under this section may be used
11 by the student for living and nontuition expenses.”;

12 (4) by striking subsections (g) and (h); and

13 (5) by redesignating subsections (i) and (j) as
14 subsections (g) and (h), respectively.

15 (c) ELIGIBILITY FOR DREAMER STUDENTS AND STU-
16 DENTS WITH OTHER IMMIGRATIONS STATUSES.—Section
17 484 of the Higher Education Act of 1965 (20 U.S.C.
18 1091) is amended—

19 (1) by striking subsection (a)(5) and inserting
20 the following:

21 “(5) be—

22 “(A) a citizen or national of the United
23 States, a permanent resident of the United
24 States, or able to provide evidence from the Im-
25 migration and Naturalization Service that he or

1 she is in the United States for other than a
2 temporary purpose with the intention of becom-
3 ing a citizen or permanent resident, or be a
4 Dreamer student, as defined in subsection (u);
5 or

6 “(B) in the case of eligibility to receive a
7 Federal Pell Grant, a citizen or national of the
8 United States, a permanent resident of the
9 United States, able to provide evidence from the
10 Immigration and Naturalization Service that he
11 or she is in the United States for other than a
12 temporary purpose with the intention of becom-
13 ing a citizen or permanent resident, a Dreamer
14 student (as defined in subsection (u)), or sub-
15 ject to a grant of deferred enforced departure,
16 a grant of deferred action pursuant to the De-
17 ferred Action for Childhood Arrivals policy an-
18 nounced by the Secretary of Homeland Security
19 on June 15, 2012, or temporary protected sta-
20 tus under section 244 of the Immigration and
21 Nationality Act (8 U.S.C. 1254a); and”;
22 (2) by adding at the end the following:

23 “(u) DREAMER STUDENTS.—

24 “(1) IN GENERAL.—In this section, the term
25 ‘Dreamer student’ means an individual who—

1 “(A) was younger than 16 years of age on
2 the date on which the individual initially en-
3 tered the United States;

4 “(B) has provided a list of each secondary
5 school that the individual attended in the
6 United States; and

7 “(C)(i) has earned a high school diploma,
8 the recognized equivalent of such diploma from
9 a secondary school, or a high school equivalency
10 diploma in the United States or is scheduled to
11 complete the requirements for such a diploma
12 or equivalent before the next academic year be-
13 gins;

14 “(ii) has earned a degree from an institu-
15 tion of higher education or has completed not
16 less than 2 years in a program for a bacca-
17 laurate degree or higher degree at an institu-
18 tion of higher education in the United States
19 and has made satisfactory academic progress,
20 as defined in subsection (e), during such time
21 period;

22 “(iii) at any time was eligible for a grant
23 of deferred action under—

24 “(I) the June 15, 2012, memorandum
25 from the Secretary of Homeland Security

1 entitled ‘Exercising Prosecutorial Discre-
2 tion with Respect to Individuals Who
3 Came to the United States as Children’; or

4 “(II) the November 20, 2014, memo-
5 randum from the Secretary of Homeland
6 Security entitled ‘Exercising Prosecutorial
7 Discretion with Respect to Individuals
8 Who Came to the United States as Chil-
9 dren and with Respect to Certain Individ-
10 uals Who Are the Parents of U.S. Citizens
11 or Permanent Residents’; or

12 “(iv) has served in the uniformed services,
13 as defined in section 101 of title 10, United
14 States Code, for not less than 4 years and, if
15 discharged, received an honorable discharge.

16 “(2) HARDSHIP EXCEPTION.—The Secretary
17 shall issue regulations that direct when the Depart-
18 ment shall waive the requirement of subparagraph
19 (A) or (B), or both, of paragraph (1) for an indi-
20 vidual to qualify as a Dreamer student under such
21 paragraph, if the individual—

22 “(A) demonstrates compelling cir-
23 cumstances for the inability to satisfy the re-
24 quirement of such subparagraph (A) or (B), or
25 both; and

1 “(B) satisfies the requirement of para-
2 graph (1)(C).”.

3 (d) **FULL EXCLUSION FROM GROSS INCOME FOR**
4 **PELL GRANTS.**—

5 (1) **IN GENERAL.**—Section 117(b) of the Inter-
6 nal Revenue Code of 1986 is amended by adding at
7 the end the following new paragraph:

8 “(3) **SPECIAL RULE FOR PELL GRANTS.**—
9 Amounts received under a Federal Pell Grant under
10 subpart 1 of part A of title IV of the Higher Edu-
11 cation Act of 1965 (20 U.S.C. 1070a et seq.) shall
12 be treated as an amount received as a qualified
13 scholarship notwithstanding whether such amount
14 was used for qualified tuition and related expenses.”.

15 (2) **EFFECTIVE DATE.**—The amendment made
16 by this subsection shall apply to amounts received in
17 taxable years beginning after the date of the enact-
18 ment of this Act.

19 **TITLE IV—INCLUSIVE STUDENT**
20 **SUCCESS GRANTS**

21 **SEC. 401. INCLUSIVE STUDENT SUCCESS GRANTS.**

22 Part F of title VII of the Higher Education Act of
23 1965, as added by section 101 and amended by sections
24 201 and 202, is further amended by adding at the end
25 the following:

1 **“Subpart 4—Inclusive Student Success Grants**

2 **“SEC. 800. DEFINITIONS.**

3 “In this subpart:

4 “(1) ELIGIBLE STATE.—The term ‘eligible
5 State’ means a State that is a recipient of a grant
6 under subpart 1.

7 “(2) EVIDENCE TIERS.—

8 “(A) EVIDENCE TIER 1.—The term ‘evi-
9 dence tier 1’, when used with respect to a re-
10 form or practice, means a reform or practice
11 that meets the criteria for receiving an expan-
12 sion grant from the education innovation and
13 research program under section 4611(a)(2) of
14 the Elementary and Secondary Education Act
15 of 1965, as determined by the Secretary in ac-
16 cordance with such section.

17 “(B) EVIDENCE TIER 2.—The term ‘evi-
18 dence tier 2’, when used with respect to a re-
19 form or practice, means a reform or practice
20 that meets the criteria for receiving a mid-
21 phase grant from the education innovation and
22 research program under section 4611(a)(2) of
23 the Elementary and Secondary Education Act
24 of 1965, as determined by the Secretary in ac-
25 cordance with such section.

1 “(3) FIRST GENERATION COLLEGE STUDENT.—

2 The term ‘first generation college student’ has the
3 meaning given the term in section 402A(h)(3).

4 “(4) ELIGIBLE INSTITUTION.—The term ‘eligi-
5 ble institution’ means—

6 “(A) an under-funded institution; or

7 “(B) an institution that is—

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

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

12 “(iii) an Alaska Native-serving insti-
13 tution (as defined in section 317(b));

14 “(iv) a Native Hawaiian-serving insti-
15 tution (as defined in section 317(b));

16 “(v) a Predominantly Black Institu-
17 tion (as defined in section 318(b));

18 “(vi) an Asian American and Native
19 American Pacific Islander-serving institu-
20 tion (as defined in section 320(b)); or

21 “(vii) a Native American-serving, non-
22 tribal institution (as defined in section
23 319(b)).

1 “(5) TRIBAL COLLEGE OR UNIVERSITY.—The
2 term ‘Tribal College or University’ has the meaning
3 given the term in section 316.

4 “(6) UNDERFUNDED INSTITUTION.—The term
5 ‘underfunded institution’ means a public 2-year in-
6 stitution of higher education or public 4-year institu-
7 tion of higher education that receives less than the
8 national average of State appropriations per full-
9 time equivalent student.

10 **“SEC. 801. INCLUSIVE STUDENT SUCCESS GRANTS.**

11 “(a) IN GENERAL.—The Secretary shall award
12 grants to eligible States and Tribal Colleges and Univer-
13 sities to improve student outcomes by carrying out or scal-
14 ing the activities described in section 804.

15 “(b) DISTRIBUTION OF FUNDS.—From amounts ap-
16 propriated to carry out this subpart, the Secretary shall—

17 “(1) distribute 10 percent of the appropriated
18 amount in any fiscal year for grants to Tribal Col-
19 leges or Universities, which shall be distributed ac-
20 cording to the formula in section 316(d)(3)(B), to
21 carry out the activities described in section 804 to
22 implement reforms or practices that meet evidence
23 tier 1 or evidence tier 2;

1 “(2) use 2 percent of the appropriated amount
2 in any fiscal year to evaluate the effectiveness of the
3 activities carried out under this subpart;

4 “(3) distribute 60 percent of the appropriated
5 amount in any fiscal year to award competitive
6 grants to eligible States to carry out activities de-
7 scribed in section 804;

8 “(4) distribute 18 percent of the appropriated
9 amount in any fiscal year to supplement the com-
10 petitive grant amounts awarded to eligible States
11 under paragraph (3) to implement reforms or prac-
12 tices that meet evidence tier 1; and

13 “(5) distribute 10 percent of the appropriated
14 amount in any fiscal year to supplement the com-
15 petitive grant amounts awarded to eligible States
16 under paragraph (3) to implement reforms or prac-
17 tices that meet evidence tier 1 or evidence tier 2, or
18 a combination of such reforms or practices.

19 **“SEC. 802. APPLICATION.**

20 “(a) IN GENERAL.—An eligible State or Tribal Col-
21 lege or University that desires to receive a grant under
22 this subpart shall submit an application to the Secretary
23 at such time, in such manner, and accompanied by such
24 information as the Secretary may require. The application
25 shall include, at a minimum, a description of—

1 “(1) in the case of an eligible State, how the el-
2 igible State will—

3 “(A) prioritize spending for underfunded
4 institutions in the State and close gaps in State
5 appropriations per full-time equivalent student
6 with respect to institutions in the State de-
7 scribed in section 800(4)(B); and

8 “(B) sustain such reforms or practices;
9 and

10 “(2) in the case of an eligible State or Tribal
11 College or University, how the eligible State or Trib-
12 al College or University will use the funds to imple-
13 ment or expand evidence-based reforms or practices
14 funded by a grant under this subpart to improve
15 student outcomes at eligible institutions in such
16 State or the Tribal College or University.

17 “(b) PRIORITY.—In awarding grants under this sub-
18 part, the Secretary shall give priority to eligible States
19 that propose to use a significant share of grant funds to
20 improve enrollment, retention, transfer, or completion
21 rates or labor market outcomes among students with dis-
22 parate outcomes, such as students of color, low-income
23 students, students with disabilities, students in need of re-
24 mediation, first generation college students, student par-

1 ents, and other underserved student populations in such
2 State.

3 **“SEC. 803. GRANT AMOUNTS.**

4 “In awarding grants under this subpart to eligible
5 States, the Secretary shall determine grant amounts based
6 on the number of students enrolled at eligible institutions
7 in the State who receive a Federal Pell Grant.

8 **“SEC. 804. USE OF GRANT FUNDS.**

9 “An eligible State or Tribal College or University that
10 receives a grant under this subpart shall, directly or in
11 collaboration with institutions of higher education and
12 other nonprofit organizations, use the grant funds to im-
13 plement evidence-based reforms or practices, which may
14 include one or more of the following:

15 “(1) Providing comprehensive academic, career,
16 and student support services, including mentoring,
17 advising, or case management services.

18 “(2) Providing assistance in applying for and
19 accessing direct support services, financial assist-
20 ance, or means-tested benefit programs to meet the
21 basic needs of students.

22 “(3) Providing accelerated learning opportuni-
23 ties, including dual or concurrent enrollment pro-
24 grams and early college high school programs.

1 “(4) Reforming remedial or developmental edu-
2 cation, course scheduling, or credit awarding poli-
3 cies.

4 “(5) Improving transfer pathways between com-
5 munity colleges and 4-year institutions of higher
6 education in the eligible State, or, in the case of a
7 Tribal College or University, between the Tribal Col-
8 lege or University and other institutions of higher
9 education.

10 “(6) Making investments in academic advisors,
11 mental health counselors, trauma-informed care, and
12 tutors.

13 “(7) Reducing class sizes.

14 **“SEC. 805. PROGRAM REQUIREMENTS.**

15 “(a) GOALS.—The Secretary shall require eligible
16 States or Tribal Colleges or Universities that receive funds
17 under this subpart to set goals regarding student out-
18 comes.

19 “(b) PROGRESS.—

20 “(1) NATIONAL PROGRESS.—The Secretary
21 shall track progress in improving student outcomes
22 for eligible States that receive grants under this sub-
23 part, including conducting independent evaluations
24 of support programs funded under this subpart.

1 “(2) STATE PROGRESS.—As a condition of con-
2 tinuing to receive funds under this subpart, for each
3 year in which an eligible State participates in the
4 program under this subpart, the eligible State shall
5 demonstrate to the satisfaction of the Secretary that
6 the eligible State has made adequate progress in im-
7 plementing or expanding evidence-based reforms or
8 practices, and improving enrollment, retention,
9 transfer, or completion rates or labor market out-
10 comes among students with disparate outcomes,
11 such as students of color, low-income students, stu-
12 dents with disabilities, students in need of remedi-
13 ation, first generation college students, student par-
14 ents, and other underserved student populations in
15 such State.

16 “(c) SUPPLEMENT, NOT SUPPLANT.—Grant funds
17 awarded under this subpart shall be used to supplement,
18 and not supplant, other Federal, State, Tribal, local, and
19 institutional funds that would otherwise be expended to
20 carry out activities assisted under this subpart.

21 **“SEC. 806. AUTHORIZATION OF APPROPRIATIONS.**

22 ““There are authorized to be appropriated to carry out
23 this subpart—

24 “(1) such sums as may be necessary for the
25 fourth quarter of fiscal year 2025;

1 “(2) \$10,000,000,000 for fiscal year 2026; and
2 “(3) such sums as may be necessary for each
3 of the following fiscal years.”.

4 **TITLE V—INCREASING SUPPORT**
5 **FOR STUDENTS**

6 **SEC. 501. INCREASING SUCCESS FOR LOW-INCOME AND**
7 **FIRST GENERATION STUDENTS.**

8 (a) AUTHORIZATION OF APPROPRIATIONS FOR FED-
9 ERAL TRIO PROGRAMS.—Section 402A(g) of the Higher
10 Education Act of 1965 (20 U.S.C. 1070a–11(g)) is
11 amended by striking “\$900,000,000 for fiscal year 2009
12 and such sums as may be necessary for each of the five
13 succeeding fiscal years” and inserting “\$3,000,000,000
14 for fiscal year 2026, and such sums as may be necessary
15 for each of fiscal years 2027 through 2035”.

16 (b) AUTHORIZATION OF APPROPRIATIONS FOR GEAR
17 UP PROGRAMS.—Section 404H of the Higher Education
18 Act of 1965 (20 U.S.C. 1070a–28) is amended by striking
19 “\$400,000,000” and all that follows through the period
20 and inserting “\$736,000,000 for fiscal year 2026, and
21 such sums as may be necessary for each of fiscal years
22 2027 through 2029.”.

1 **TITLE VI—INVESTMENTS IN HIS-**
2 **TORICALLY BLACK COLLEGES**
3 **AND UNIVERSITIES, TRIBAL**
4 **COLLEGES OR UNIVERSITIES,**
5 **AND OTHER MINORITY-SERV-**
6 **ING INSTITUTIONS**

7 **SEC. 601. APPROPRIATIONS FOR HISTORICALLY BLACK**
8 **COLLEGES AND UNIVERSITIES, TRIBAL COL-**
9 **LEGES AND UNIVERSITIES, AND MINORITY-**
10 **SERVING INSTITUTIONS.**

11 (a) IN GENERAL.—Section 371(b)(1)(A) of the High-
12 er Education Act of 1965 (20 U.S.C. 1067q(b)(1)(A)) is
13 amended by striking “\$255,000,000” and all that follows
14 through the period and inserting “\$510,000,000 for fiscal
15 year 2026 and each fiscal year thereafter.”.

16 (b) ALLOCATION AND ALLOTMENT.—Section
17 371(b)(2)(A) of the Higher Education Act of 1965 (20
18 U.S.C. 1067q(b)(2)(A)) is amended—

19 (1) in clause (i), by striking “100,000,000” and
20 inserting “200,000,000”;

21 (2) in clause (ii), by striking “100,000,000”
22 and inserting “200,000,000”; and

23 (3) in clause (iii), by striking “55,000,000” and
24 inserting “110,000,000”.

1 **TITLE VII—SNYDER ACT**

2 **SEC. 701. RULE OF CONSTRUCTION REGARDING THE SNY-**
3 **DER ACT.**

4 Nothing in this Act, or an amendment made by this
5 Act, shall be construed to change or abrogate the Federal
6 Government's responsibilities under the Act of November
7 2, 1921 (25 U.S.C. 13) (commonly known as the "Snyder
8 Act").

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