the gentleman from Texas (Mr. GENE GREEN) that the House suspend the rules and pass the Senate bill, S. 1701.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 291, nays 126, not voting 14, as follows:

[Roll No. 610]

YEAS—291

Abercrombie
Ackerman
Alexander
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Barton (TX)
Becerra
Berman
Berry
Bishop (GA)
Bishop (NY)
Bono
Boozman
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Braley (IA)
Brown (SC)
Brown, Corrine
Buchanan
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castle
Castor
Chabot
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
Davis, Tom
Deal (GA)
DeFazio
Delahunt
DeLauro
Dent
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ehlers
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Ferguson
Filner
Forbes
Fortenberry
Fossella
Frank (MA)
Frelinghuysen
Gallegly
Gerlach
Giffords
Gilchrest
Gillibrand
Gingrey
Gonzalez
Goodlatte
Gordon
Graves
Green, Al
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Heller
Hill
Hinchey
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Hulshof
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jindal
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Jones (NC)
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
King (NY)
Klein (FL)
Knollenberg
Kucinich
Kuhl (NY)
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lungren, Daniel E.
Lynch
Mack
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCaul (TX)
McCollum (MN)
McCotter
McDermott
McGovern
McHugh
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, Gary
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Musgrave
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Pearce
Perlmutter
Peterson (MN)
Petri
Pitts
Platts
Pomeroy
Price (GA)
Price (NC)
Rahall
Ramstad
Rangel
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Rodriguez
Rogers (KY)
Rogers (MI)
Rohrabacher
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sali
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schmidt
Schwartz
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sestak
Shea-Porter
Sherman
Shimkus
Shuler
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stearns
Stupak
Sutton
Tanner
Tauscher
Taylor
Terry
Thompson (CA)
Thompson (MS)
Tiahrt
Tierney
Turner
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh (NY)
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Weldon (FL)
Westmoreland
Wexler
Whitfield
Wilson (OH)
Wolf
Woolsey
Wu
Wynn
Yarmuth

NAYS—126

Aderholt
Akin
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Boustany
Brady (TX)
Brown-Waite, Ginny
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
DeGette
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Emerson
English (PA)
Everett
Fallin
Feeney
Flake
Foxx
Franks (AZ)
Garrett (NJ)
Gillmor
Gohmert
Goode
Granger
Hall (TX)
Hastert
Hastings (WA)
Hayes
Hensarling
Herger
Hobson
Hoekstra
Hunter
Inglis (SC)
Issa
Johnson, Sam
Jordan
Keller
King (IA)
Kingston
Kirk
Kline (MN)
Lamborn
Latham
Lewis (CA)
Lewis (KY)
Linder
Lucas
Manzullo
Marchant
McCarthy (CA)
McCrery
McHenry
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Moran (VA)
Myrick
Neugebauer
Nunes
Paul
Pence
Peterson (PA)
Pickering
Poe
Pryce (OH)
Putnam
Radanovich
Rogers (AL)
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sessions
Shadegg
Shays
Shuster
Simpson
Smith (NE)
Smith (TX)
Souder
Sullivan
Tancredo
Thornberry
Tiberi
Upton
Walberg
Wamp
Weller
Wicker
Wilson (NM)
Wilson (SC)
Young (FL)

NOT VOTING—14

Bean
Berkley
Blumenauer
Brady (PA)
Courtney
Cubin
Davis, Jo Ann
Green, Gene
Herseth Sandlin
Higgins
Hinojosa
Porter
Towns
Young (AK)

□ 1218

Mr. KIRK changed his vote from "yea" to "nay."

So (two-thirds being in the affirmative) the rules were suspended and the Senate bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GEORGE MILLER of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 2669.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

COLLEGE COST REDUCTION ACT OF 2007

Mr. GEORGE MILLER of California. Mr. Speaker, pursuant to House Resolution 531, I call up the bill (H.R. 2669) to provide for reconciliation pursuant to section 601 of the concurrent resolution on the budget for fiscal year 2008, and ask for its immediate consideration.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2669

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be referred to as the "College Cost Reduction Act of 2007".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. References; effective date.

TITLE I—INVESTING IN STUDENT AID

PART A—INCREASING THE PURCHASING POWER OF PELL GRANTS

Sec. 101. Mandatory Pell Grant Increases.
Sec. 102. Support for working students.
Sec. 103. Simplified needs test and automatic zero improvements.
Sec. 104. Definitions.

PART B—MAKING STUDENT LOANS MORE AFFORDABLE

Sec. 111. Interest rate reductions.
Sec. 112. Increases in loan limits.
Sec. 113. Reduction of lender special allowance payments.
Sec. 114. Elimination of exceptional performer status for lenders.
Sec. 115. Reduction of lender insurance percentage.
Sec. 116. Guaranty agency collection retention.
Sec. 117. Unit costs for account maintenance fees.
Sec. 118. Increased loan fees from lenders.
Sec. 119. Student loan information.

PART C—REWARDING SERVICE IN REPAYMENT

Sec. 141. Loan forgiveness for service in areas of national need.
"Sec. 428K. Loan forgiveness for service in areas of national need.
Sec. 142. Income contingent repayment for public sector employees.
Sec. 143. Income-based repayment.
"Sec. 493C. Income-based repayment.
Sec. 144. Definition of economic hardship.
Sec. 145. Deferrals.
Sec. 146. Maximum repayment period.

TITLE II—REDUCING THE COST OF COLLEGE

Sec. 201. State commitment to affordable college education.
"Sec. 132. State commitment to affordable college education.
Sec. 202. Consumer information and public accountability in higher education.
"Sec. 131. Consumer information and public accountability in higher education.
Sec. 203. Incentives and rewards for low tuition.
"Sec. 401B. Incentives and rewards for low tuition.
Sec. 204. Cooperative education rewards for institutions that restrain tuition increases.

"TITLE VIII—COOPERATIVE EDUCATION REWARDS FOR INSTITUTIONS THAT RESTRAIN TUITION INCREASES

"Sec. 801. Eligible institutions.

''Sec. 802. Authorization of appropriations; reservations.
''Sec. 803. Grants for cooperative education.
''Sec. 804. Demonstration and innovation projects; training and resource centers; and research.

TITLE III—ENSURING A HIGHLY QUALIFIED TEACHER IN EVERY CLASSROOM

PART A—TEACH GRANTS

Sec. 301. TEACH Grants.

''SUBPART 9—TEACH GRANTS

''Sec. 420L. Program established.
''Sec. 420M. Eligibility; applications; selection.
''Sec. 420N. Definitions.
''Sec. 420O. Program period and funding.

PART B—CENTERS OF EXCELLENCE

Sec. 311. Centers of excellence.

''PART C—CENTERS OF EXCELLENCE

''Sec. 231. Definitions.
''Sec. 232. Centers of excellence.
''Sec. 233. Appropriations.

TITLE IV—COLLEGE ACCESS CHALLENGE GRANT PROGRAM

Sec. 401. College Access Challenge grants.

SEC. 2. REFERENCES; EFFECTIVE DATE.

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

(b) EFFECTIVE DATE.—Except as otherwise expressly provided therein, the amendments made by this Act shall be effective on October 1, 2007.

TITLE I—INVESTING IN STUDENT AID

PART A—INCREASING THE PURCHASING POWER OF PELL GRANTS

SEC. 101. MANDATORY PELL GRANT INCREASES.

(a) EXTENSION OF AUTHORITY.—Section 401(a) (20 U.S.C. 1070a(a)) is amended by striking ''fiscal year 2004'' and inserting ''fiscal year 2013''.

(b) FUNDING FOR INCREASES.—Section 401(b) (20 U.S.C. 1070a(b)) is amended by adding at the end the following new paragraph:

''(9) ADDITIONAL FUNDS.—

''(A) IN GENERAL.—There are authorized to be appropriated, and there are appropriated, to carry out subparagraph (B) of this paragraph (in addition to any other amounts appropriated to carry out this section and out of any money in the Treasury not otherwise appropriated) the following amounts:

''(i) $420,000,000 for fiscal year 2008;
''(ii) $870,000,000 for fiscal year 2009;
''(iii) $1,330,000,000 for fiscal year 2010;
''(iv) $1,820,000,000 for fiscal year 2011;
''(v) $2,340,000,000 for fiscal year 2012;
''(vi) $2,390,000,000 for fiscal year 2013;
''(vii) $2,430,000,000 for fiscal year 2014;
''(viii) $2,470,000,000 for fiscal year 2015;
''(ix) $2,500,000,000 for fiscal year 2016; and
''(x) $2,520,000,000 for fiscal year 2017.

''(B) INCREASE IN FEDERAL PELL GRANTS.—The amounts made available pursuant to subparagraph (A) of this paragraph shall be used to increase the amount of the maximum Pell Grant for which a student shall be eligible during an award year, as specified in the last enacted appropriation Act applicable to that award year, by—

''(i) $100 for award year 2008–2009;
''(ii) $200 for award year 2009–2010;
''(iii) $300 for award year 2010–2011;
''(iv) $400 for award year 2011–2012; and
''(v) $500 for award year 2012–2013 and each subsequent award year.

''(C) USE OF FISCAL YEAR FUNDS FOR AWARD YEARS.—The amounts made available by subparagraph (A) for any fiscal year shall be available and remain available for use under subparagraph (B) for the award year that begins in such fiscal year.''.

(c) AUTHORIZED MAXIMUMS.—Section 401(b)(2)(A) (20 U.S.C. 1070a(b)(2)(A)) is amended to read as follows:

''(2)(A) The amount of the Federal Pell Grant for a student eligible under this part shall be—

''(i) $7,600 for academic year 2008–2009;
''(ii) $8,600 for academic year 2009–2010;
''(iii) $9,600 for academic year 2010–2011;
''(iv) $10,600 for academic year 2011–2012;
''(v) $11,600 for academic year 2012–2013,

less an amount equal to the amount determined to be the expected family contribution with respect to that student for that year.''.

(d) TUITION SENSITIVITY.—

(1) AMENDMENT.—Section 401(b) (20 U.S.C. 1070a(b)) is further amended—

(A) by striking paragraph (3); and

(B) by redesignating paragraphs (4) through (9) as paragraphs (3) through (8), respectively.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) of this subsection are effective on the date of enactment of this Act.

(e) MULTIPLE GRANTS.—Paragraph (5) of section 401(b) (as redesignated by subsection (d)(2)) is amended to read as follows:

''(5) YEAR-ROUND PELL GRANTS.—The Secretary is authorized, for students enrolled full time in a baccalaureate or associate's degree program of study at an eligible institution, to award such students not more than two Pell grants during an award year to permit such students to accelerate progress toward their degree objectives by enrolling in academic programs for 12 months rather than 9 months.''.

(f) ACADEMIC COMPETITIVENESS GRANTS.—Section 401A (as amended by section 8003 of Public Law 109–171) is amended—

(1) in subsection (c)(3)(A)(ii), by inserting '', except as part of a secondary school program of study'' before the semicolon;

(2) by redesignating subsection (g) as subsection (h); and

(3) by inserting after subsection (f) the following new subsection:

''(g) DETERMINATION OF ACADEMIC YEAR.—Notwithstanding section 481(a)(2), for the purpose of determining eligibility for a grant under this section, a student shall be considered to be enrolled or accepted for enrollment in the first, second, third, or fourth academic year of a program of undergraduate education based on the student's class standing, as determined by the institution of higher education at which the student is enrolled or accepted for enrollment.''.

SEC. 102. SUPPORT FOR WORKING STUDENTS.

(a) DEPENDENT STUDENTS.—Subparagraph (D) of section 475(g)(2) (20 U.S.C. 1087oo)(g)(2)(D)) is amended to read as follows:

''(D) an income protection allowance of the following amount (or a successor amount prescribed by the Secretary under section 478)—

''(i) for the 2009–2010 academic year, $3,750;
''(ii) for the 2010–2011 academic year, $4,500;
''(iii) for the 2011–2012 academic year, $5,250; and
''(iv) for the 2012–2013 academic year, $6,000;''.

(b) INDEPENDENT STUDENTS WITHOUT DEPENDENTS OTHER THAN A SPOUSE.—Clause (iv) of section 476(b)(1)(A) (20 U.S.C. 1087pp(b)(1)(A)(iv)) is amended to read as follows:

''(iv) an income protection allowance of the following amount (or a successor amount prescribed by the Secretary under section 478)—

''(I) for single or separated students, or married students where both are enrolled pursuant to subsection (a)(2)—

''(aa) for the 2009–2010 academic year, $6,690;
''(bb) for the 2010–2011 academic year, $7,160;
''(cc) for the 2011–2012 academic year, $7,630; and
''(dd) for the 2012–2013 academic year, $8,090; and

''(II) for married students where 1 is enrolled pursuant to subsection (a)(2)—

''(aa) for the 2009–2010 academic year, $10,720;
''(bb) for the 2010–2011 academic year, $11,470;
''(cc) for the 2011–2012 academic year, $12,220; and
''(dd) for the 2012–2013 academic year, $12,960;''.

(c) UPDATED TABLES AND AMOUNTS.—Section 478(b) (20 U.S.C. 1087rr(b)) is amended—

(1) in paragraph (1)—

(A) by striking ''REVISED TABLES.—For each'' and inserting ''REVISED TABLES.—

''(A) IN GENERAL.—For each'';

(B) in subparagraph (A) (as designated by subparagraph (A)), in the third sentence—

(i) by striking ''preceding sentence'' and inserting ''subparagraph (A)''; and

(ii) by striking ''For the 2007–2008'' and inserting the following:

''(B) SPECIAL RULE FOR 2007–2008 ACADEMIC YEAR.—For the 2007–2008''; and

(C) by adding at the end the following:

''(C) SPECIAL RULE FOR 2009–2010 THROUGH 2012–2013 ACADEMIC YEARS.—For the 2009–2010 academic year, and for each of the 3 succeeding academic years, the Secretary shall revise the tables in accordance with this paragraph, except that, for the table in section 477(b)(4), the Secretary shall revise such table by increasing the amounts contained in such table for the preceding academic year by 10 percent.''; and

(2) in paragraph (2), by striking ''shall be developed'' and all that follows through the period at the end and inserting ''shall be developed—

''(A) for academic year 2008–2009, by increasing each of the dollar amounts contained in such section as such section was in effect on the day before the date of enactment of the College Cost Reduction Act of 2007 by a percentage equal to the estimated percentage increase in the Consumer Price Index (as determined by the Secretary) between December 2006 and the December next preceding the beginning of such academic year, and rounding the result to the nearest $10; and

''(B) for each academic year after 2012–2013, by increasing each of the dollar amounts contained in such section for academic year 2012–2013 by a percentage equal to the estimated percentage increase in the Consumer Price Index (as determined by the Secretary) between December 2006 and the December next preceding the beginning of such academic year, and rounding the result to the nearest $10;''.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on October 1, 2008, and the amendment made by subsection (c) shall take effect on July 1, 2008.

SEC. 103. SIMPLIFIED NEEDS TEST AND AUTOMATIC ZERO IMPROVEMENTS.

(a) SIMPLIFIED NEEDS TEST.—Section 479 (20 U.S.C. 1087ss) is amended—

(1) in subsection (b)—

(A) in paragraph (1)(A)(i)—

(i) in subclause (II), by striking ''or'' after the semicolon;

(ii) by redesignating subclause (III) as subclause (IV);

(iii) by inserting after subclause (II) the following:

''(III) 1 of whom is a dislocated worker; or''; and

(iv) in subclause (IV) (as redesignated by clause (ii)), by striking ''12-month'' and inserting ''24-month''; and

(B) in subparagraph (B)(i)—

(i) in subclause (II), by striking ''or'' after the semicolon;

(ii) by redesignating subclause (III) as subclause (IV);

(iii) by inserting after subclause (II) the following:

''(III) 1 of whom is a dislocated worker; or''; and

(iv) in subclause (IV) (as redesignated by clause (ii)), by striking ''12-month'' and inserting ''24-month'';

(2) in subsection (c)—

(A) in paragraph (1)—

(i) in subparagraph (A)—

(I) in clause (ii), by striking ''or'' after the semicolon;

(II) by redesignating clause (iii) as clause (iv);

(III) by inserting after clause (ii) the following:

''(iii) 1 of whom is a dislocated worker; or''; and

(IV) in clause (iv) (as redesignated by subclause (II)), by striking ''12-month'' and inserting ''24-month''; and

(ii) in subparagraph (B), by striking ''$20,000'' and inserting ''$30,000''; and

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) in clause (ii), by striking ''or'' after the semicolon;

(II) by redesignating clause (iii) as clause (iv);

(III) by inserting after clause (ii) the following:

''(iii) is a dislocated worker; or''; and

(IV) in clause (iv) (as redesignated by subclause (II)), by striking ''12-month'' and inserting ''24-month''; and

(ii) in subparagraph (B), by striking ''$20,000'' and inserting ''$30,000''; and

(C) in the flush matter following paragraph (2)(B), by adding at the end the following: ''The Secretary shall annually adjust the income level necessary to qualify an applicant for the zero expected family contribution. The income level shall be adjusted according to increases in the Consumer Price Index, as defined in section 478(f).''; and

(3) in subsection (d)—

(A) by redesignating paragraphs (1) through (6) as subparagraphs (A) through (F), respectively;

(B) by striking ''(d) DEFINITION'' and all that follows through ''the term'' and inserting the following:

''(d) DEFINITIONS.—In this section:

''(1) DISLOCATED WORKER.—The term 'dislocated worker' has the meaning given the term in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801).

''(2) MEANS-TESTED FEDERAL BENEFIT PROGRAM.—The term''.

(b) DISCRETION OF STUDENT FINANCIAL AID ADMINISTRATORS.—Section 479A(a) (20 U.S.C. 1087tt(a)) is amended in the third sentence by inserting ''a family member who is a dislocated worker (as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801)),'' after ''recent unemployment of a family member,''.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective on July 1, 2009.

SEC. 104. DEFINITIONS.

(a) TOTAL INCOME.—Section 480(a) (20 U.S.C. 1087vv(a)) is amended—

(1) in paragraph (1), by inserting before the period at the end the following: '', except that the Secretary may, by regulation, provide for the use of the previous tax year when and to the extent necessary to carry out the sense of Congress in section 133 of the College Cost Reduction Act of 2007''; and

(2) in paragraph (2)—

(A) by striking ''and no portion'' and inserting ''no portion''; and

(B) by inserting ''and no distribution from any qualified education benefit described in subsection (f)(3) that is not subject to Federal income tax,'' after ''1986,''.

(b) UNTAXED INCOME AND BENEFITS.—Section 480(b) (20 U.S.C. 1087vv(b)) is amended to read as follows:

''(b) UNTAXED INCOME AND BENEFITS.—

''(1) The term 'untaxed income and benefits' means—

''(A) child support received;

''(B) workman's compensation;

''(C) veteran's benefits such as death pension, dependency, and indemnity compensation, but excluding veterans' education benefits as defined in subsection (c);

''(D) interest on tax-free bonds;

''(E) housing, food, and other allowances (excluding rent subsidies for low-income housing) for military, clergy, and others (including cash payments and cash value of benefits);

''(F) cash support or any money paid on the student's behalf, except, for dependent students, funds provided by the student's parents;

''(G) untaxed portion of pensions;

''(H) payments to individual retirement accounts and Keogh accounts excluded from income for Federal income tax purposes; and

''(I) any other untaxed income and benefits, such as Black Lung Benefits, Refugee Assistance, railroad retirement benefits, or Job Training Partnership Act noneducational benefits or benefits received through participation in employment and training activities under title I of the Workforce Investment Act of 1998.

''(2) The term 'untaxed income and benefits' shall not include the amount of additional child tax credit claimed for Federal income tax purposes.''.

(c) ASSETS.—Section 480(f) (20 U.S.C. 1087vv(f)) is amended—

(1) in paragraph (3), by striking ''shall not be considered an asset of a student for purposes of section 475'' and inserting ''shall be considered an asset of the parent for purposes of section 475'';

(2) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

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

''(4) A qualified education benefit shall be considered an asset of the student for purposes of section 476 and 477.''.

(d) OTHER FINANCIAL ASSISTANCE.—Section 480(j)(2) (20 U.S.C. 1087vv(j)(2)) is amended by inserting '', or a distribution that is not includable in gross income under section 529 of such Code, under another prepaid tuition plan offered by a State, or under a Coverdell education savings account under section 530 of such Code,'' after ''1986''.

(e) EFFECTIVE DATE.—The amendments made by this section shall be effective on July 1, 2009.

PART B—MAKING STUDENT LOANS MORE AFFORDABLE

SEC. 111. INTEREST RATE REDUCTIONS.

(a) FFEL INTEREST RATES.—

(1) Section 427A(l) (20 U.S.C. 1077a(l)) is amended by adding at the end the following new paragraph:

''(4) REDUCED RATES FOR UNDERGRADUATE SUBSIDIZED LOANS.—Notwithstanding subsection (h) and paragraph (1) of this subsection, with respect to any loan to an undergraduate student made, insured, or guaranteed under this part (other than a loan made pursuant to section 428B, 428C, or 428H) for which the first disbursement is made on or after July 1, 2006, and before July 1, 2013, the applicable rate of interest shall be as follows:

''(A) For a loan for which the first disbursement is made on or after July 1, 2006, and before July 1, 2008, 6.80 percent on the unpaid principal balance of the loan.

''(B) For a loan for which the first disbursement is made on or after July 1, 2008, and before July 1, 2009, 6.12 percent on the unpaid principal balance of the loan.

''(C) For a loan for which the first disbursement is made on or after July 1, 2009, and before July 1, 2010, 5.44 percent on the unpaid principal balance of the loan.

''(D) For a loan for which the first disbursement is made on or after July 1, 2010, and before July 1, 2011, 4.76 percent on the unpaid principal balance of the loan.

''(E) For a loan for which the first disbursement is made on or after July 1, 2011, and before July 1, 2012, 4.08 percent on the unpaid principal balance of the loan.

''(F) For a loan for which the first disbursement is made on or after July 1, 2012 and before July 1, 2013, 3.40 percent on the unpaid principal balance of the loan.''.

(2) SPECIAL ALLOWANCE CROSS REFERENCE.—Section 438(b)(2)(I)(ii)(II) (20 U.S.C. 1086(b)(2)(I)(ii)(II)) is amended by striking ''section 427A(l)(1)'' and inserting ''section 427A(l)(1) or (l)(4)''.

(b) DIRECT LOAN INTEREST RATES.—Section 455(b)(7) (20 U.S.C. 1087e(b)(7)) is amended by adding at the end the following new subparagraph:

''(D) REDUCED RATES FOR UNDERGRADUATE FDSL.—Notwithstanding the preceding paragraphs of this subsection, for Federal Direct Stafford Loans made to undergraduate students for which the first disbursement is made on or after July 1, 2006, and before July 1, 2013, the applicable rate of interest shall be as follows:

''(i) For a loan for which the first disbursement is made on or after July 1, 2006, and before July 1, 2008, 6.80 percent on the unpaid principal balance of the loan.

''(ii) For a loan for which the first disbursement is made on or after July 1, 2008, and before July 1, 2009, 6.12 percent on the unpaid principal balance of the loan.

''(iii) For a loan for which the first disbursement is made on or after July 1, 2009, and before July 1, 2010, 5.44 percent on the unpaid principal balance of the loan.

''(iv) For a loan for which the first disbursement is made on or after July 1, 2010, and before July 1, 2011, 4.76 percent on the unpaid principal balance of the loan.

''(v) For a loan for which the first disbursement is made on or after July 1, 2011, and before July 1, 2012, 4.08 percent on the unpaid principal balance of the loan.

''(vi) For a loan for which the first disbursement is made on or after July 1, 2012, and before July 1, 2013, 3.40 percent on the unpaid principal balance of the loan.''.

SEC. 112. INCREASES IN LOAN LIMITS.

(a) INCREASE IN THIRD AND SUBSEQUENT YEAR LIMITS.—

(1) FEDERAL INSURANCE LIMITS.—Section 425(a)(1)(A)(iii) (20 U.S.C. 1075(a)(1)(A)(iii)) is amended by striking ''$5,500'' and inserting ''$7,500''.

(2) GUARANTY LIMITS.—Section 428(b)(1)(A)(iii)(I) (20 U.S.C. 1078(b)(1)(A)(iii)(I)) is amended by striking ''$5,500'' and inserting ''$7,500''.

(b) INCREASE IN AGGREGATE LIMITS.—

(1) FEDERAL INSURANCE LIMITS.—Section 425(a)(2)(A) (20 U.S.C. 1075(a)(2)(A)(i)) is amended—

(A) in clause (i), by striking ''$23,000'' and inserting ''$30,500''; and

(B) in clause (ii), by striking ''$65,500'' and inserting ''$73,000''.

(2) GUARANTY LIMITS.—Section 428(b)(1)(B) (20 U.S.C. 1078(b)(1)(A)(iii)(I)) is amended—

(A) in clause (i), by striking ''$23,000'' and inserting ''$30,500''; and

(B) in clause (ii), by striking ''$65,500'' and inserting ''$73,000''.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective July 1, 2008.

SEC. 113. REDUCTION OF LENDER SPECIAL ALLOWANCE PAYMENTS.

Section 438(b)(2)(I) (20 U.S.C. 1087–1(b)(2)(I)) is amended—

(1) in clause (i), by striking ''clauses (ii), (iii), and (iv)'' and inserting ''the following clauses''; and

(2) by adding at the end the following new clause:

''(vi) REDUCTION FOR LOANS ON OR AFTER OCTOBER 1, 2007.—With respect to a loan on which the applicable interest rate is determined under section 427A(l), the percentage to be added under clause (i)(III) in computing the special allowance payment pursuant to this subparagraph shall be the following:

''(I) IN GENERAL AND PLUS LOANS.—1.79 percent in the case of a loan described in clause (i) or (iii) for which the first disbursement of principal is made on or after October 1, 2007.

''(II) IN SCHOOL AND GRACE PERIOD.—1.19 percent in the case of a loan described in clause (ii)(II) for which the first disbursement of principal is made on or after October 1, 2007.

''(III) CONSOLIDATION LOANS.—2.09 percent in the case of a loan described in clause (iv) for which the first disbursement of principal is made on or after October 1, 2007''.

SEC. 114. ELIMINATION OF EXCEPTIONAL PERFORMER STATUS FOR LENDERS.

(a) ELIMINATION OF STATUS.—Part B of title IV (20 U.S.C. 1071 et seq.) is amended by striking section 428I (20 U.S.C. 1078–9).

(b) CONFORMING AMENDMENTS.—Part B of title IV is further amended—

(1) in section 428(c)(1) (20 U.S.C. 1078(c)(1))—

(A) by striking subparagraph (D); and

(B) by redesignating subparagraphs (E) through (H) as subparagraphs (D) through (G), respectively; and

(2) in section 438(b)(5) (20 U.S.C. 1087–1(b)(5)), by striking the matter following subparagraph (B).

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on October 1, 2007.

SEC. 115. REDUCTION OF LENDER INSURANCE PERCENTAGE.

(a) AMENDMENT.—Subparagraph (G) of section 428(b)(1) (20 U.S.C. 1078(b)(1)(G)) is amended to read as follows:

''(G) insures 95 percent of the unpaid principal of loans insured under the program, except that—

''(i) such program shall insure 100 percent of the unpaid principal of loans made with funds advanced pursuant to section 428(j) or 439(q); and

''(ii) notwithstanding the preceding provisions of this subparagraph, such program shall insure 100 percent of the unpaid principal amount of exempt claims as defined in subsection (c)(1)(G);''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect with respect to loans made on or after October 1, 2007.

SEC. 116. GUARANTY AGENCY COLLECTION RETENTION.

Clause (ii) of section 428(c)(6)(A) (20 U.S.C. 1078(c)(6)(A)(ii)) is amended to read as follows:

''(ii) an amount equal to 23 percent of such payments for use in accordance with section 422B, except that beginning October 1, 2007, this subparagraph shall be applied by substituting '16 percent' for '23 percent'.''.

SEC. 117. UNIT COSTS FOR ACCOUNT MAINTENANCE FEES.

Section 458(b) (20 U.S.C. 1087h(b)) is amended—

(1) by striking ''Account'' and inserting the following:

''(1) FOR FISCAL YEARS 2006 AND 2007.—For fiscal years 2006 and 2007, account''; and

(2) by adding at the end the following new paragraph:

''(2) FOR FISCAL YEAR 2008 AND SUCCEEDING FISCAL YEARS.—

''(A) UNIT COST BASIS.—For fiscal year 2008 and each succeeding fiscal year, the Secretary shall calculate the account maintenance fees payable to guaranty agencies under subsection (a)(3), on a per-loan cost basis in accordance with subparagraph (B) of this paragraph.

''(B) DETERMINATIONS.—To determine the amount that shall be paid under subsection (a)(3) per outstanding loan guaranteed by a guaranty agency for fiscal year 2008 and succeeding fiscal years, the Secretary shall—

''(i) establish the per-loan cost basis amount by—

''(I) dividing the total amount of account maintenance fees paid under subsection (a)(3) in fiscal year 2006, by

''(II) the number of loans under part B that were outstanding in that fiscal year; and

''(ii) determine on October 1 of fiscal year 2008 and each subsequent fiscal year, and pay to each guaranty agency, an amount equal to the product of the number of loans under part B that are outstanding on October 1 of that fiscal year and insured by that guaranty agency multiplied by—

''(I) the amount determined under clause (i); increased by

''(II) a percentage equal to the percentage increase in the GDP price index (as determined by the Bureau of Labor Statistics of the Department of Labor) between the calendar quarter ending on June 30, 2006, and the calendar quarter ending on the June 30 preceding such October 1 of such fiscal year.''.

SEC. 118. INCREASED LOAN FEES FROM LENDERS.

Paragraph (2) of section 438(d) (20 U.S.C. 1087–1(d)(2)) is amended to read as follows:

''(2) AMOUNT OF LOAN FEES.—

''(A) AMOUNT.—The amount of the loan fee which shall be deducted under paragraph (1), but which may not be collected from the borrower, shall be equal to—

''(i) except as provided in clauses (ii) and (iii), 0.50 percent of the principal amount of the loan with respect to any loan under this part for which the first disbursement was made on or after October 1, 1993;

''(ii) 1.0 percent of the principal amount of the loan with respect to any loan under this part for which the first disbursement was made on or after October 1, 2007, that is held by any holder other than a holder designated by the Secretary as a small lender under subparagraph (B); and

''(iii) 0.0 percent of the principal amount of the loan with respect to any loan under this part for which the first disbursement was made on or after October 1, 2007, that is held by any holder that, together with its affiliated holders, is designated by the Secretary as a small lender under subparagraph (B).

''(B) DESIGNATION OF SMALL LENDERS.—In determining which holders of eligible loans qualify as small lenders for purposes of subparagraph (A)(iii), the Secretary shall, using the most recently available data with respect to the total principal amount of eligible loans held by holders—

''(i) rank all holders (combined with their affiliated holders) of eligible loans in descending order by total principal amount of eligible loans held;

''(ii) calculate the total principal amount of eligible loans held by all holders; and

''(iii) identify the subset of consecutively ranked holders under clause (i), starting with the lowest ranked holder, that together hold a total principal amount of such loans equal to 15 percent of the total amount calculated under clause (ii), but excluding the holder, if any, whose holdings when added cause the total holdings of the subset to equal but not exceed such 15 percent of such total amount calculated; and

''(iv) designate as small lenders any holder identified as a member of the subset under clause (iii).''.

SEC. 119. STUDENT LOAN INFORMATION.

Section 428(k) (20 U.S.C. 1078(k)) is amended by adding at the end the following new paragraph:

''(4) STUDENT LOAN INFORMATION.—

''(A) Notwithstanding any other provision of law or regulation, a lender, secondary market, holder, or guaranty agency shall provide, free of charge and in a timely and effective manner, any student loan information maintained by that entity that is requested by an institution of higher education and any third-party servicer (as defined in section 481(c)) working on behalf of that institution to prevent student loan defaults.

''(B) An institution and any third-party servicer obtaining access to information under subparagraph (A) shall safeguard that information in order to prevent potential abuses of that information, including identity theft.

''(C) Any third party servicer that obtains information under this subparagraph shall only use the information in a manner directly related to the default prevention work the servicer is performing on behalf of the institution of higher education.

''(D) Any third party servicer that obtains information under this subparagraph shall be subject to any regulations established by the Secretary pursuant to section 432 concerning the misuse of such information, including any penalties for such misuse.''.

PART C—REWARDING SERVICE IN REPAYMENT

SEC. 141. LOAN FORGIVENESS FOR SERVICE IN AREAS OF NATIONAL NEED.

Section 428K (20 U.S.C. 1078–11) is amended to read as follows:

''SEC. 428K. LOAN FORGIVENESS FOR SERVICE IN AREAS OF NATIONAL NEED.

''(a) PROGRAM AUTHORIZED.—

''(1) LOAN FORGIVENESS AUTHORIZED.—The Secretary shall forgive, in accordance with this section, the student loan obligation of a borrower in the amount specified in subsection (c), for any new borrower after the date of enactment of the College Cost Reduction Act of 2007, who—

''(A) has been employed full-time for at least 5 consecutive complete school, academic, or calendar years, as appropriate, in an area of national need described in subsection (b); and

''(B) is not in default on a loan for which the borrower seeks forgiveness.

''(2) METHOD OF LOAN FORGIVENESS.—To provide loan forgiveness under paragraph (1), the Secretary is authorized to carry out a program—

''(A) through the holder of the loan, to assume the obligation to repay a qualified loan amount for a loan made, insured, or guaranteed under this part; and

''(B) to cancel a qualified loan amount for a loan made under part D of this title.

''(3) REGULATIONS.—The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this section.

''(b) AREAS OF NATIONAL NEED.—For purposes of this section, an individual shall be treated as employed in an area of national need if the individual is employed full time as any of the following:

''(1) EARLY CHILDHOOD EDUCATORS.—An individual who is employed as an early childhood educator in an eligible preschool program or eligible early childhood education program in a low-income community, and who is involved directly in the care, development, and education of infants, toddlers, or young children through age 5.

''(2) NURSES.—An individual who is employed—

''(A) as a nurse in a clinical setting; or

''(B) as a member of the nursing faculty at an accredited school of nursing (as those terms are defined in section 801 of the Public Health Service Act (42 U.S.C. 296)).

''(3) FOREIGN LANGUAGE SPECIALISTS.—An individual who has obtained a baccalaureate degree in a critical foreign language and is employed—

''(A) in an elementary or secondary school as a teacher of a critical foreign language; or

''(B) in an agency of the United States Government in a position that regularly requires the use of such critical foreign language.

''(4) LIBRARIANS.—An individual who is employed as a librarian in—

''(A) a public library that serves a geographic area within which the public schools have a combined average of 30 percent or more of their total student enrollments composed of children counted under section 1113(a)(5) of the Elementary and Secondary Education Act of 1965; or

''(B) an elementary or secondary school which is in the school district of a local educational agency which is eligible in such year for assistance pursuant to title I of the Elementary and Secondary Education Act of 1965, and which for the purpose of this paragraph and for that year has been determined by the Secretary (pursuant to regulations and after consultation with the State educational agency of the State in which the school is located) to be a school in which the enrollment of children counted under section 1113(a)(5) of the Elementary and Secondary Education Act of 1965 exceeds 30 percent of the total enrollment of that school.

''(5) HIGHLY QUALIFIED TEACHERS: BILINGUAL EDUCATION AND LOW-INCOME COMMUNITIES.—An individual who—

''(A) is highly qualified as such term is defined in section 9101 of the Elementary and Secondary Education Act of 1965; and

''(B)(i) is employed as a full-time teacher of bilingual education; or

''(ii) is employed as a teacher for service in a public or nonprofit private elementary or secondary school which is in the school district of a local educational agency which is eligible in such year for assistance pursuant to title I of the Elementary and Secondary Education Act of 1965, and which for the purpose of this paragraph and for that year has been determined by the Secretary (pursuant to regulations and after consultation with the State educational agency of the State in which the school is located) to be a school in which the enrollment of children counted under section 1113(a)(5) of the Elementary and Secondary Education Act of 1965 exceeds 40 percent of the total enrollment of that school.

''(6) CHILD WELFARE WORKERS.—An individual who—

''(A) has obtained a degree in social work or a related field with a focus on serving children and families; and

''(B) is employed in public or private child welfare services.

''(7) SPEECH-LANGUAGE PATHOLOGISTS.—An individual who is a speech-language pathologist, who is employed in an eligible preschool program or an elementary or secondary school, and who has, at a minimum, a graduate degree in speech-language pathology, or communication sciences and disorders.

''(8) NATIONAL SERVICE.—An individual who is engaged as a participant in project under the National and Community Service Act of 1990 (as such terms are defined in section 101 of such Act (42 U.S.C. 12511)).

''(9) PUBLIC SECTOR EMPLOYEES.—An individual who is employed in government, public safety (including as a first responder, firefighter, police officer, or other law enforcement or public safety officer), emergency management (including as an emergency medical technician), public health, or public interest legal services (including prosecution or public defense).

''(c) QUALIFIED LOAN AMOUNT.—The Secretary shall forgive not more than $5,000 in the aggregate of the student loan obligation of a borrower that is outstanding after the completion of the fifth consecutive school, academic, or calendar year of employment, as appropriate, described in subsection (a)(1).

''(d) CONSTRUCTION.—Nothing in this section shall be construed to authorize the refunding of any repayment of a loan.

''(e) SEGAL AMERICORPS EDUCATION AWARD RECIPIENTS.—A student borrower who qualifies for the maximum education award under subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12601 et seq.) shall not receive under this section more than the difference between the maximum benefit available under this section and the maximum award available under such subtitle.

''(f) NATIONAL SERVICE AWARD RECIPIENTS.—A student borrower who receives the maximum education award under subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12601 et seq.) shall not receive under this section more than the difference between the maximum benefit available under this section and the award received under such subtitle.

''(g) INELIGIBILITY FOR DOUBLE BENEFITS.—No borrower may receive a reduction of loan obligations under both this section and section 428J or 460.

''(h) DEFINITIONS.—In this section:

''(1) CRITICAL FOREIGN LANGUAGE.—The term 'critical foreign language' includes the languages of Arabic, Korean, Japanese, Chinese, Pashto, Persian-Farsi, Serbian-Croatian, Russian, Portuguese, and any other language identified by the Secretary of Education, in consultation with the Defense Language Institute, the Foreign Service Institute, and the National Security Education Program, as a critical foreign language need.

''(2) EARLY CHILDHOOD EDUCATOR.—The term 'early childhood educator' means an early childhood educator who works directly with children in an eligible preschool program or eligible early childhood education program who has completed a baccalaureate or advanced degree in early childhood development, early childhood education, or in a field related to early childhood education.

''(3) ELIGIBLE PRESCHOOL PROGRAM.—The term 'eligible preschool program' means a program that provides for the care, development, and education of infants, toddlers, or young children through age 5, meets any applicable State or local government licensing, certification, approval, and registration requirements, and is operated by—

''(A) a public or private school that may be supported, sponsored, supervised, or administered by a local educational agency;

''(B) a Head Start agency serving as a grantee designated under the Head Start Act (42 U.S.C. 9831 et seq.);

''(C) a nonprofit or community based organization; or

''(D) a child care program, including a home.

''(4) ELIGIBLE EARLY CHILDHOOD EDUCATION PROGRAM.—The term 'eligible early childhood education program' means—

''(A) a family child care program, center-based child care program, State prekindergarten program, school program, or other out-of-home early childhood development care program, that—

''(i) is licensed or regulated by the State; and

''(ii) serves 2 or more unrelated children who are not old enough to attend kindergarten;

''(B) a Head Start Program carried out under the Head Start Act (42 U.S.C. 9831 et seq.); or

''(C) an Early Head Start Program carried out under section 645A of the Head Start Act (42 U.S.C. 9840a).

''(5) LOW-INCOME COMMUNITY.—In this subsection, the term 'low-income community' means a community in which 70 percent of households earn less than 85 percent of the State median household income.

''(6) NURSE.—The term 'nurse' means a nurse who meets all of the following:

''(A) The nurse graduated from—

''(i) an accredited school of nursing (as those terms are defined in section 801 of the Public Health Service Act (42 U.S.C. 296));

''(ii) a nursing center; or

''(iii) an academic health center that provides nurse training.

''(B) The nurse holds a valid and unrestricted license to practice nursing in the State in which the nurse practices in a clinical setting.

''(C) The nurse holds one or more of the following:

''(i) A graduate degree in nursing, or an equivalent degree.

''(ii) A nursing degree from a collegiate school of nursing (as defined in section 801 of the Public Health Service Act (42 U.S.C. 296)).

''(iii) A nursing degree from an associate degree school of nursing (as defined in section 801 of the Public Health Service Act (42 U.S.C. 296)).

''(iv) A nursing degree from a diploma school of nursing (as defined in section 801 of the Public Health Service Act (42 U.S.C. 296)).

''(7) SPEECH-LANGUAGE PATHOLOGIST.—The term 'speech-language pathologist' means a speech-language pathologist who meets all of the following:

''(A) the speech-language pathologist has received, at a minimum, a graduate degree in speech-language pathology or communication sciences and disorders from an institution of higher education accredited by an agency or association recognized by the Secretary pursuant to section 496(a) of this Act; and

''(B) the speech-language pathologist meets or exceeds the qualifications as defined in section 1861(ll) of the Social Security Act (42 U.S.C. 1395x).

''(i) PROGRAM FUNDING.—There shall be available to the Secretary to carry out this section, from funds not otherwise appropriated, such sums as may be necessary to provide loan forgiveness in accordance with this section to each eligible individual.''.

SEC. 142. INCOME CONTINGENT REPAYMENT FOR PUBLIC SECTOR EMPLOYEES.

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

''(7) REPAYMENT PLAN FOR PUBLIC SECTOR EMPLOYEES.—

''(A) IN GENERAL.—The Secretary shall forgive the balance due on any loan made under this part or section 428C(b)(5) for a borrower—

''(i) who has made 120 payments on such loan pursuant to income contingent repayment; and

''(ii) who is employed, and was employed for the 10-year period in which the borrower made the 120 payments described in clause (i), in a public sector job.

''(B) PUBLIC SECTOR JOB.—In this paragraph, the term 'public sector job' means a full-time job in emergency management, government, public safety, law enforcement, public health, education (including early childhood education), social work in a public child or family service agency, or public interest legal services (including prosecution or public defense).

''(8) RETURN TO STANDARD REPAYMENT.—A borrower who is repaying a loan made under this part pursuant to income contingent repayment may choose, at any time, to terminate repayment pursuant to income contingent repayment and repay such loan under the standard repayment plan.''.

SEC. 143. INCOME-BASED REPAYMENT.

(a) AMENDMENT.—Part G of title IV (20 U.S.C. 1088 et seq.) is further amended by adding at the end the following:

''SEC. 493C. INCOME-BASED REPAYMENT.

''(a) DEFINITIONS.—In this section:

''(1) EXCEPTED PLUS LOAN.—The term 'excepted PLUS loan' means a loan under section 428B, or a Federal Direct PLUS Loan, that is made, insured, or guaranteed on behalf of a dependent student.

''(2) PARTIAL FINANCIAL HARDSHIP.—The term 'partial financial hardship' means the amount by which—

''(A) the annual amount due on the total amount of loans made, insured, or guaranteed under part B or D (other than an excepted PLUS loan) to a borrower as calculated under the standard repayment plan under section 428(b)(9)(A)(i) or 455(d)(1)(A); exceeds

''(B) 15 percent of the result obtained by calculating the amount by which—

''(i) the borrower's, and the borrower's spouse's (if applicable), adjusted gross income; exceeds

''(ii) 150 percent of the poverty line applicable to the borrower's family size as determined under section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

''(b) INCOME-BASED REPAYMENT PROGRAM AUTHORIZED.—Notwithstanding any other provision of this Act, the Secretary shall carry out a program under which—

''(1) a borrower of any loan made, insured, or guaranteed under part B or D (other than an excepted PLUS loan) who has a partial financial hardship may elect, during any period the borrower has the partial financial hardship, to have the borrower's aggregate monthly payment for all such loans not exceed the result described in subsection (a)(2)(B) divided by 12;

''(2) the holder of such a loan shall apply the borrower's monthly payment under this subsection first toward interest due on the loan and then toward the principal of the loan;

''(3) any interest due and not paid under paragraph (2) shall be capitalized;

''(4) any principal due and not paid under paragraph (2) shall be deferred;

''(5) the amount of time the borrower makes monthly payments under paragraph (1) may exceed 10 years;

''(6) if the borrower no longer has a partial financial hardship or no longer wishes to continue the election under this subsection, then—

''(A) the maximum monthly payment required to be paid for all loans made to the borrower under part B or D (other than an excepted PLUS loan) shall not exceed the monthly amount calculated under section 428(b)(9)(A)(i) or 455(d)(1)(A) when the borrower first made the election described in this subsection; and

''(B) the amount of time the borrower is permitted to repay such loans may exceed 10 years;

''(7) the Secretary shall repay or cancel any outstanding balance of principal and interest due on all loans made under part B or D (other than a loan under section 428B or a Federal Direct PLUS Loan) to a borrower who—

''(A) is in deferment due to an economic hardship described in section 435(o) for a period of time prescribed by the Secretary, not to exceed 20 years; or

''(B)(i) makes the election under this subsection; and

''(ii) for a period of time prescribed by the Secretary, not to exceed 20 years (including any period during which the borrower is in deferment due to an economic hardship described in section 435(o)), meets 1 or more of the following requirements:

''(I) Has made reduced monthly payments under paragraph (1).

''(II) Has made monthly payments of not less than the monthly amount calculated under section 428(b)(9)(A)(i) or 455(d)(1)(A) when the borrower first made the election described in this subsection.

''(III) Has made payments under a standard repayment plan under section 428(b)(9)(A)(i) or 455(d)(1)(A).

''(IV) Has made payments under an income contingent repayment plan under section 455(d)(1)(D); and

''(8) a borrower who is repaying a loan made under this part pursuant to income-based repayment may elect, at any time, to terminate repayment pursuant to income-based repayment and repay such loan under the standard repayment plan.''.

(b) CONFORMING ICR AMENDMENT.—Section 455(d)(1)(D) (20 U.S.C. 1087e(d)(1)(D)) is amended by inserting ''made on behalf of a dependent student'' after ''PLUS loan''.

SEC. 144. DEFINITION OF ECONOMIC HARDSHIP.

Section 435(o) (20 U.S.C. 1085(o)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)(ii), by striking ''100 percent of the poverty line for a family of 2'' and inserting ''150 percent of the poverty line applicable to the borrower's family size'';

(B) by striking subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B); and

(2) in paragraph (2), by striking ''(1)(C)'' and inserting ''(1)(B)''.

SEC. 145. DEFERRALS.

(a) FISL.—Section 427(a)(2)(C)(iii) (20 U.S.C. 1077(a)(2)(C)(iii)) is amended by striking ''not in excess of 3 years''.

(b) INTEREST SUBSIDIES.—Section 428(b)(1)(M)(iv) (20 U.S.C. 1078(b)(1)(M)(iv)) is amended by striking ''not in excess of 3 years''.

(c) DIRECT LOANS.—Section 455(f)(2)(D) (20 U.S.C. 1087e(f)(2)(D)) is amended by striking ''not in excess of 3 years''.

(d) PERKINS.—Section 464(c)(2)(A)(iv) (20 U.S.C. 1087dd(c)(2)(A)(iv)) is amended by striking ''not in excess of 3 years''.

SEC. 146. MAXIMUM REPAYMENT PERIOD.

(a) IN GENERAL.—Section 455(e) (20 U.S.C. 1087e(e)) is amended by adding at the end the following:

''(9) MAXIMUM REPAYMENT PERIOD.—In calculating the extended period of time for which an income contingent repayment plan under this subsection may be in effect for a borrower, the Secretary shall include all time periods during which a borrower of loans under part B, part D, or part E—

''(A) is not in default on any loan that is included in the income contingent repayment plan; and

''(B)(i) is in deferment due to an economic hardship described in section 435(o);

''(ii) makes monthly payments under paragraph (1) or (6) of section 493C(b); or

''(iii) makes payments under a standard repayment plan described in section 428(b)(9)(A)(i) or subsection (d)(1)(A).''.

(b) TECHNICAL CORRECTION.—Section 455(d)(1)(C) (20 U.S.C. 1087e(d)(1)(C)) is amended by striking ''428(b)(9)(A)(v)'' and inserting ''428(b)(9)(A)(iv)''.

TITLE II—REDUCING THE COST OF COLLEGE

SEC. 201. STATE COMMITMENT TO AFFORDABLE COLLEGE EDUCATION.

Title I is amended by inserting after section 131 (20 U.S.C. 1015) the following new section:

''SEC. 132. STATE COMMITMENT TO AFFORDABLE COLLEGE EDUCATION.

''(a) MAINTENANCE OF EFFORT REQUIRED.—No State shall reduce the total amount provided by the State for public institutions of higher education in such State for any academic year beginning on or after July 1, 2008, to an amount which is less than the average amount provided by such State to such institutions of higher education during the 5 most recent preceeding academic years for which satisfactory data is available.

''(b) WITHHOLDING OF ALL LEAP FUNDS FOR VIOLATIONS.—Notwithstanding any other provision of law, the Secretary of Education shall withhold from any State that violates subsection (a) any amount that would otherwise be available to the State under the Leveraging Educational Assistance Partnership Program under subpart 4 of part A of title IV until such State has corrected such violation.''.

SEC. 202. CONSUMER INFORMATION AND PUBLIC ACCOUNTABILITY IN HIGHER EDUCATION.

Section 131 of the Higher Education Act of 1965 (20 U.S.C. 1015) is amended to read as follows:

''SEC. 131. CONSUMER INFORMATION AND PUBLIC ACCOUNTABILITY IN HIGHER EDUCATION.

''(a) COLLEGE OPPORTUNITY ON-LINE (COOL) WEBSITE RE-DESIGN PROCESS.—In carrying out this section, the Commissioner of Education Statistics—

''(1) shall identify the data elements that are of greatest importance to prospective students, enrolled students, and their families, paying particular attention to low-income, non-traditional student populations, and first-generation college students;

''(2) shall convene a group of individuals with expertise in the collection and reporting of data related to institutions of higher education, the use of consumer data, and consumer marketing in general to—

''(A) determine the relevance of particular data elements to prospective students, enrolled students, and families;

''(B) assess the cost-effectiveness of various ways in which institutions of higher education might produce relevant data;

''(C) determine the general comparability of the data across institutions of higher education;

''(D) make recommendations regarding the inclusion of specific data items and the most effective and least burdensome methods of collecting and reporting useful data from institutions of higher education; and

''(3) shall ensure that the redesigned COOL website—

''(A) uses, to the extent practicable, data elements currently provided by institutions of higher education to the Secretary;

''(B) includes clear and uniform information determined to be relevant to prospective students, enrolled students, and families;

''(C) provides comparable information, by ensuring that data are based on accepted criteria and common definitions;

''(D) includes a sorting function that permits users to customize their search for and comparison of institutions of higher education based on the information identified through the process as prescribed in paragraph (1) as being of greatest relevance to choosing an institution of higher education.

''(b) DATA COLLECTION.—

''(1) DATA SYSTEM.—The Commissioner of Education Statistics shall continue to redesign the relevant parts of the Integrated Postsecondary Education Data System to include additional data as required by this section and to continue to improve the usefulness and timeliness of data collected by such systems in order to inform consumers about institutions of higher education.

''(2) COLLEGE CONSUMER PROFILE.—The Secretary shall continue to publish on the COOL website, for each academic year and in accordance with standard definitions developed by the Commissioner of Education Statistics (including definitions developed under section 131(a)(3)(A) as in effect on the day before the date of enactment of the College Cost Reduction Act of 2007), from at least all institutions of higher education participating in programs under title IV the following information:

''(A) The tuition and fees charged for a first-time, full-time, full-year undergraduate student.

''(B) The room and board charges for a first-time, full-time, full-year undergraduate student.

''(C) The price of attendance for a first-time, full-time, full-year undergraduate student, consistent with the provisions of section 472.

''(D) The average amount of financial assistance received by a first-year, full-time, full-year undergraduate student, including—

''(i) each type of assistance or benefits described in 428(a)(2)(C)(ii);

''(ii) institutional and other assistance; and

''(iii) Federal loans under parts B, D, and E of title IV.

''(E) The number of first-time, full-time, full-year undergraduate students receiving financial assistance described in each clause of subparagraph (D).

''(F) The institutional instructional expenditure per full-time equivalent student.

''(G) Student enrollment information, including information on the number and percentage of full-time and part-time students, the number and percentage of resident and non-resident students.

''(H) Faculty-to-student ratios.

''(I) Faculty information, including the total number of faculty and the percentage of faculty who are full-time employees of the institution and the percentage who are part-time.

''(J) Completion and graduation rates of undergraduate students, identifying whether the completion or graduation rates are from a 2-year or 4-year program of instruction and, in the case of a 2-year program of instruction, the percentage of students who transfer to 4-year institutions prior or subsequent to completion or graduation.

''(K) A link to the institution of higher education with information of interest to students including mission, accreditation, student services (including services for students with disabilities), transfer of credit policies, any articulation agreements entered into by the institution, and, if appropriate, placement rates and other measures of success in preparing students for entry into or advancement in the workforce.

''(L) The college affordability information elements specified in subsection (c).

''(M) Any additional information that the Secretary may require.

''(c) COLLEGE AFFORDABILITY INFORMATION ELEMENTS.—The college affordability information elements required by subsection (b)(2)(L) shall include, for each institution submitting data—

''(1) the sticker price of the institution for the 3 most recent academic years;

''(2) the net tuition price of the institution for the 3 most recent academic years;

''(3) the percentage change in both the sticker price and the net tuition price over the 3-year time period that is being reported;

''(4) the percentage change in the CPI over the same 3-year time period; and

''(5) whether the institution has been placed on affordability alert status as required by subsection (d)(3).

''(d) OUTCOMES AND ACTIONS.—

''(1) RESPONSE FROM INSTITUTION.—Effective on June 30, 2008, an institution that increases its sticker price at a percentage rate for any 3-year interval ending on or after that date that exceeds two times the rate of change in the CPI over the same time period shall provide a report to the Secretary, in such a form, at such time, and containing such information as the Secretary may require. Such report shall be published by the Secretary on the COOL website, and shall include—

''(A) a description of the factors contributing to the increase in the institution's costs and in the tuition and fees charged to students; and

''(B) if determinations of tuition and fee increases are not within the exclusive control of the institution, a description of the agency or instrumentality of State government or other entity that participates in such determinations and the authority exercised by such agency, instrumentality, or entity.

''(2) QUALITY-EFFICIENCY TASK FORCES.—

''(A) REQUIRED.—Each institution subject to paragraph (1) that has a percentage change in its sticker price that is in the highest 5 percent of all institutions subject to paragraph (1) shall establish a quality-efficiency task force to review the operations of such institution.

''(B) MEMBERSHIP.—Such task force shall include administrators, business and civic leaders, and faculty, and may include students, trustees, parents of students, and alumni of such institution.

''(C) FUNCTIONS.—Such task force shall analyze institutional operating costs in comparison with such costs at other institutions within the class of institutions. Such analysis should identify areas where, in comparison with other institutions in such class, the institution operates more expensively to produce a similar result. Any identified areas should then be targeted for in-depth analysis for cost reduction opportunities.

''(D) REPORT.—Not later than one year after a quality-efficiency task force is established pursuant to subparagraph (A), the results of the analysis by a such task force shall be submitted to the Secretary and shall be made available to the public on the COOL website.

''(3) CONSEQUENCES FOR 2-YEAR CONTINUATION OF FAILURE.—If the Secretary determines that an institution that is subject to paragraph (1)) has failed to reduce the subsequent increase in sticker price to equal to or below two times the rate of change in the CPI for 2 consecutive academic years subsequent to the 3-year interval used under paragraph (1), the Secretary shall place the institution on affordability alert status.

''(4) EXEMPTIONS.—Notwithstanding paragraph (3), an institution shall not be placed on affordability alert status if, for any 3-year interval for which sticker prices are computed under paragraph (1)—

''(A) with respect to the class of institutions described in paragraph (6) to which the institution belongs, the sticker price of the institution is in the lowest quartile of institutions within such class, as determined by the Secretary, during the last year of such 3-year interval; or

''(B) the institution has a percentage change in its sticker price computed under paragraph (1) that exceeds two times the rate of change in the CPI over the same time period, but the dollar amount of the sticker price increase is less than $500.

''(5) INFORMATION TO STATE AGENCIES.—Any institution that reports under paragraph (1)(B) that an agency or instrumentality of State government or other entity participates in the determinations of tuition and fee increases shall, prior to submitting any information to the Secretary under this subsection, submit such information to, and request the comments and input of, such agency, instrumentality, or entity. With respect to any such institution, the Secretary shall provide a copy of any communication by the Secretary with that institution to such agency, instrumentality, or entity.

''(6) CLASSES OF INSTITUTIONS.—For purposes of this subsection, the classes of institutions shall be those sectors used by the Integrated Postsecondary Education Data System, based on whether the institution is public, nonprofit private, or for-profit private, and whether the institution has a 4-year, 2-year, or less than 2-year program of instruction.

''(7) DATA REJECTION.—Nothing in this subsection shall be construed as allowing the Secretary to reject the data submitted by an individual institution of higher education.

''(e) INFORMATION TO THE PUBLIC.—The Secretary shall work with public and private entities to promote broad public awareness, particularly among middle and high school students and their families, of the information made available under this section, including by distribution to students who participate in or receive benefits from means-tested federally funded education programs and other Federal programs determined by the Secretary.

''(f) FINES.—In addition to actions authorized in section 487(c), the Secretary may impose a fine in an amount not to exceed $25,000 on an institution of higher education for failing to provide the information required by this section in a timely and accurate manner, or for failing to otherwise cooperate with the National Center for Education Statistics regarding efforts to obtain data under subsections (c) and (i) and pursuant to the program participation agreement entered into under section 487.

''(g) REGULATIONS.—The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this section.

''(h) DEFINITIONS.—For the purposes of this section:

''(1) NET TUITION PRICE.—The term 'net tuition price' means the average tuition and fees charged to a first-time, full-time, full-year undergraduate student, minus the average grants provided to such students, for any academic year.

''(2) STICKER PRICE.—The term 'sticker price' means the average tuition and fees charged to a first-time, full-time, full-year undergraduate student by an institution of higher education for any academic year.

''(3) CPI.—The term 'CPI' means the Consumer Price Index-All Urban Consumers (Current Series).''.

SEC. 203. INCENTIVES AND REWARDS FOR LOW TUITION.

Subpart 1 of part A of title IV is amended by inserting after section 401A (20 U.S.C. 1070a–1) the following new section:

"SEC. 401B. INCENTIVES AND REWARDS FOR LOW TUITION.

''(a) REWARDS FOR LOW TUITION.—For any institution of higher education that, for academic year 2008–2009 or any succeeding academic year, such institution's annual net tuition price increase (expressed as a percentage) for the most recent academic year for which satisfactory data is available is equal to or less than the percentage change in the higher education price index for such academic year, the Secretary shall, notwithstanding any other provision of the law, provide such institution an amount sufficient to provide a 25 percent increase under subpart 1 of part A of title IV to each Pell Grant recipient attending such institution for the next award year beginning after the date of such determination. Each such institution shall distribute any amounts received under this subsection among such Pell Grant recipients by increasing the amount of their Pell Grant awards by 25 percent.

''(b) REWARDS FOR GUARANTEED TUITION.—

''(1) BONUS.—For each institution of higher education that the Secretary of Education determines complies with the requirements of paragraph (2) or paragraph (3) of this subsection, the Secretary shall, notwithstanding any other provision of the law, provide such institution an amount sufficient to provide a 10 percent increase under subpart 1 of part A of title IV to each Pell Grant recipient attending such institution for the next award year beginning after the date of such determination. Each such institution shall distribute any amounts received under this subsection among such Pell Grant recipients by increasing the amount of their Pell Grant awards by 10 percent.

''(2) 4-YEAR INSTITUTIONS.—An institution of higher education that provides a program of instruction for which it awards a bachelor's degree complies with the requirements of this paragraph if such institution guarantees that for any academic year beginning on or after July 1, 2008, and for each of the 4 succeeding continuous academic years, the net tuition price charged to an undergraduate student will not exceed—

''(A) the amount that the student was charged for an academic year at the time he or she first enrolled in the institution of higher education, plus

''(B) the product of the percentage increase in the higher education price index for the prior academic year, or the most recent prior academic year for which data is available, multiplied by the amount determined under subparagraph (A).

''(3) LESS-THAN 4-YEAR INSTITUTIONS.—An institution of higher education that does not provide a program of instruction for which it awards a bachelor's degree complies with the requirements of this paragraph if such institution guarantees that for any academic year (or the equivalent) beginning on or after July 1, 2008, and for each of the 1.5 succeeding continuous academic years, the net tuition price charged to an undergraduate student will not exceed—

''(A) the amount that the student was charged for an academic year at the time he or she first enrolled in the institution of higher education, plus

''(B) the product of the percentage increase in the higher education price index for the prior academic year, or the most recent prior academic year for which data is available, multiplied by the amount determined under subparagraph (A).

''(c) MAINTAINING AFFORDABLE TUITION.—For any institution of higher education whose increase in the annual net tuition price (expressed as a percentage), for the most recent academic year for which satisfactory data is available, is greater than the percentage increase in the higher education price index for such academic year, the Secretary shall require such institution to submit to the Secretary the following information, within 6 months of such determination:

''(1) a detailed report on the exact causes for the net tuition price increase that outlines revenues and expenditures; and

''(2) cost containment strategies to lower net tuition prices.

''(d) DEFINITIONS.—

''(1) NET TUITION PRICE.—The term 'net tuition price' has the same meaning as provided in section 131(k).

''(2) HIGHER EDUCATION PRICE INDEX.—The term 'higher education price index' means a statistical measure of change over time in the prices of a fixed market basket of goods and services purchased by colleges and universities through current fund educational and general expenditures (excluding expenditures for research), as developed by the Bureau of Labor Statistics.

''(e) FUNDING.—There shall be available to the Secretary to carry out this section, from funds not otherwise appropriated, $15,000,000 for each of the fiscal years 2008 through 2012.

''(f) SUNSET.—The authority to carry out this section shall expire at the end of fiscal year 2012.''.

SEC. 204. COOPERATIVE EDUCATION REWARDS FOR INSTITUTIONS THAT RESTRAIN TUITION INCREASES.

The Higher Education Act of 1965 (20 U.S.C. 1101 et seq.) is amended by adding at the end the following title:

"TITLE VIII—COOPERATIVE EDUCATION REWARDS FOR INSTITUTIONS THAT RESTRAIN TUITION INCREASES

"SEC. 801. ELIGIBLE INSTITUTIONS.

''(a) ELIGIBLE INSTITUTIONS.—An institution of higher education shall be eligible to apply for a grant under this title if such institution, and a combination of such institutions shall be eligible to apply for such a grant if each institution in such combination—

''(1) for the academic year for which the institution is applying, keeps such institution's annual net tuition price increase (expressed as a percentage) for the most recent academic year for which satisfactory data is available equal to or less than the percentage change in the higher education price index for such year; and

''(2) for such academic year, provides the guarantee required by paragraph (2) or (3) of section 401A(b).

''(b) DEFINITIONS.—

''(1) COOPERATIVE EDUCATION.—For the purpose of this title the term 'cooperative education' means the provision of alternating or parallel periods of academic study and public or private employment in order to give students work experiences related to their academic or occupational objectives and an opportunity to earn the funds necessary for continuing and completing their education.

''(2) CALCULATION OF INDEX.—The net tuition price index shall be equal to the percentage increase in the net tuition price charged for a first-time, full-time, full-year undergraduate student between a preceding academic year and the most recent academic year for which satisfactory data are available.

''(3) NET TUITION PRICE.—The term 'net tuition price' means the average tuition and fees charged to first-time, full-year, full-time undergraduate students, minus the average grants provided to such students, for any academic year.

''(4) TUITION.—The term 'tuition' means the average price of or payment for actual instruction of first-time, full-year, full-time undergraduate students at an institution of higher education, for any academic year.

"SEC. 802. AUTHORIZATION OF APPROPRIATIONS; RESERVATIONS.

''(a) APPROPRIATIONS.—There shall be available to the Secretary to carry out this title from funds not otherwise appropriated $15,000,000 for each of the fiscal years 2008 through 2012.

''(b) RESERVATIONS.—Of the amount appropriated for each such fiscal year—

''(1) not less than 50 percent shall be available for carrying out grants to institutions of higher education and combinations of such institutions described in section 803(a)(1)(A) for cooperative education under section 803;

''(2) not less than 25 percent shall be available for carrying out grants to institutions of higher education described in section 803(a)(1)(B) for cooperative education under section 803;

''(3) not to exceed 11 percent shall be available for demonstration projects under paragraph (1) of section 804(a);

''(4) not to exceed 11 percent shall be available for training and resource centers under paragraph (2) of section 804(a); and

''(5) not to exceed 3 percent shall be available for research under paragraph (3) of section 804(a).

''(c) AVAILABILITY OF APPROPRIATIONS.—Appropriations under this title shall not be available for the payment of compensation of students for employment by employers under arrangements pursuant to this title.

''(d) SUNSET.—The authority to carry out this title shall expire at the end of fiscal year 2012.

"SEC. 803. GRANTS FOR COOPERATIVE EDUCATION.

''(a) GRANTS AUTHORIZED.—

''(1) IN GENERAL.—The Secretary is authorized—

''(A) from the amount available under section 802(b)(1) in each fiscal year and in accordance with the provisions of this title, to make grants to institutions of higher education or combinations of such institutions that have not received a grant under this paragraph in the 10-year period preceding the date for which a grant under this section is requested to pay the Federal share of the cost of planning, establishing, expanding, or carrying out programs of cooperative education by such institutions or combinations of institutions; and

''(B) from the amount available under section 802(b)(2) in each fiscal year and in accordance with the provisions of this title, to make grants to institutions of higher education that are operating an existing cooperative education program as determined by the Secretary to pay the cost of planning, establishing, expanding, or carrying out programs of cooperative education by such institutions.

''(2) PROGRAM REQUIREMENT.—Cooperative education programs assisted under this section shall provide alternating or parallel periods of academic study and of public or private employment, giving students work experience related to their academic or occupational objectives and the opportunity to earn the funds necessary for continuing and completing their education.

''(3) AMOUNT OF GRANTS.—

''(A) The amount of each grant awarded pursuant to paragraph (1)(A) to any institution of higher education or combination of such institutions in any fiscal year shall not exceed $500,000.

''(B)(i) Except as provided in clauses (ii) and (iii), the Secretary shall award grants in each fiscal year to each institution of higher education described in paragraph (1)(B) that

has an application approved under subsection (b) in an amount which bears the same ratio to the amount reserved pursuant to section 802(b)(2) for such fiscal year as the number of unduplicated students placed in cooperative education jobs during the preceding fiscal year (other than cooperative education jobs under section 804 and as determined by the Secretary) by such institution of higher education bears to the total number of all such students placed in such jobs during the preceding fiscal year by all such institutions.

''(ii) No institution of higher education shall receive a grant pursuant to paragraph (1)(B) in any fiscal year in an amount which exceeds 25 percent of such institution's cooperative education program's personnel and operating budget for the preceding fiscal year.

''(iii) The minimum annual grant amount which an institution of higher education is eligible to receive under paragraph (1)(B) is $1,000 and the maximum annual grant amount is $75,000.

''(4) LIMITATION.—The Secretary shall not award grants pursuant to paragraphs (1)(A) and (1)(B) to the same institution of higher education or combination of such institution in any one fiscal year.

''(5) USES.—Grants under paragraph (1)(B) shall be used exclusively—

''(A) to expand the quality and participation of a cooperative education program;

''(B) for outreach in new curricular areas; and

''(C) for outreach to potential participants including underrepresented and nontraditional populations.

''(b) APPLICATIONS.—Each institution of higher education or combination of such institutions desiring to receive a grant under this section shall submit an application to the Secretary at such time and in such manner as the Secretary shall prescribe. Each such application shall—

''(1) set forth the program or activities for which a grant is authorized under this section;

''(2) specify each portion of such program or activities which will be performed by a nonprofit organization or institution other than the applicant and the compensation to be paid for such performance;

''(3) provide that the applicant will expend during such fiscal year for the purpose of such program or activities not less than the amount expended for such purpose during the previous fiscal year;

''(4) describe the plans which the applicant will carry out to assure, and contain a formal statement of the institution's commitment which assures, that the applicant will continue the cooperative education program beyond the 5-year period of Federal assistance described in subsection (c)(1) at a level which is not less than the total amount expended for such program during the first year such program was assisted under this section;

''(5) provide that, in the case of an institution of higher education that provides a 2-year program which is acceptable for full credit toward a bachelor's degree, the cooperative education program will be available to students who are certificate or associate degree candidates and who carry at least one-half the normal full-time academic workload;

''(6) provide that the applicant will—

''(A) for each fiscal year for which the applicant receives a grant, make such reports with respect to the impact of the cooperative education program in the previous fiscal year as may be essential to ensure that the applicant is complying with the provisions of this section, including—

''(i) the number of unduplicated student applicants in the cooperative education program;

''(ii) the number of unduplicated students placed in cooperative education jobs;

''(iii) the number of employers who have hired cooperative education students;

''(iv) the average income for students derived from working in cooperative education jobs; and

''(v) the increase or decrease in the number of unduplicated students placed in cooperative education jobs in each fiscal year compared to the previous fiscal year; and

''(B) keep such records as are essential to ensure that the applicant is complying with the provisions of this title, including the notation of cooperative education employment on the student's transcript;

''(7) describe the extent to which programs in the academic discipline for which the application is made have had a favorable reception by public and private sector employers;

''(8) describe the extent to which the institution is committed to extending cooperative education on an institution-wide basis for all students who can benefit;

''(9) describe the plans that the applicant will carry out to evaluate the applicant's cooperative education program at the end of the grant period;

''(10) provide for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the applicant under this title;

''(11) demonstrate a commitment to serving all underserved populations; and

''(12) include such other information as is essential to carry out the provisions of this title.

''(c) DURATION OF GRANTS; FEDERAL SHARE.—

''(1) DURATION OF GRANTS.—No individual institution of higher education may receive, individually or as a participant in a combination of such institutions—

''(A) a grant pursuant to subsection (a)(1)(A) for more than 5 fiscal years; or

''(B) a grant pursuant to subsection (a)(1)(B) for more than 5 fiscal years.

''(2) FEDERAL SHARE.—The Federal share of a grant under section 803(a)(1)(A) may not exceed—

''(A) 85 percent of the cost of carrying out the program or activities described in the application in the first year the applicant receives a grant under this section;

''(B) 70 percent of such cost in the second such year;

''(C) 55 percent of such cost in the third such year;

''(D) 40 percent of such cost in the fourth such year; and

''(E) 25 percent of such cost in the fifth such year.

''(3) SPECIAL RULE.—Any provision of law to the contrary notwithstanding, the Secretary shall not waive the provisions of this subsection.

''(d) MAINTENANCE OF EFFORT.—If the Secretary determines that a recipient of funds under this section has failed to maintain the fiscal effort described in subsection (b)(3), then the Secretary may elect not to make grant payments under this section to such recipient.

''SEC. 804. DEMONSTRATION AND INNOVATION PROJECTS; TRAINING AND RESOURCE CENTERS; AND RESEARCH.

''(a) AUTHORIZATION.—The Secretary is authorized, in accordance with the provisions of this section, to make grants and enter into contracts for—

''(1) the conduct of demonstration projects designed to demonstrate or determine the feasibility or value of innovative methods of cooperative education from the amounts available in each fiscal year under section 802(b)(3);

''(2) the conduct of training and resource centers designed to—

''(A) train personnel in the field of cooperative education;

''(B) improve materials used in cooperative education programs if such improvement is conducted in conjunction with other activities described in this paragraph;

''(C) furnish technical assistance to institutions of higher education to increase the potential of the institution to continue to conduct a cooperative education program without Federal assistance;

''(D) encourage model cooperative education programs which furnish education and training in occupations in which there is a national need;

''(E) support partnerships under which an institution carrying out a comprehensive cooperative education program joins with one or more institutions of higher education in order to (i) assist the institutions other than the comprehensive cooperative education institution to develop and expand an existing program of cooperative education, or (ii) establish and improve or expand comprehensive cooperative education programs; and

''(F) encourage model cooperative education programs in the fields of science and mathematics for women and minorities who are underrepresented in such fields

from the amounts available in each fiscal year under section 802(b)(4); and

''(3) the conduct of research relating to cooperative education, from the amounts available in each fiscal year under section 802(b)(5).

''(b) ADMINISTRATIVE PROVISION.—

''(1) IN GENERAL.—To carry out this section, the Secretary may—

''(A) make grants to or contracts with institutions of higher education, or combinations of such institutions; and

''(B) make grants to or contracts with other public or private nonprofit agencies or organizations, whenever such grants or contracts will make an especially significant contribution to attaining the objectives of this section.

''(2) LIMITATION.—

''(A) The Secretary may not use more than 3 percent of the amount appropriated to carry out this section in each fiscal year to enter into contracts described in paragraph (1)(A).

''(B) The Secretary may use not more than 3 percent of the amount appropriated to carry out this section in each fiscal year to enter into contracts described in paragraph (1)(B).

''(c) SUPPLEMENT NOT SUPPLANT.—A recipient of a grant or contract under this section may use the funds provided only so as to supplement and, to the extent possible, increase the level of funds that would, in the absence of such funds, be made available from non-Federal sources to carry out the activities supported by such grant or contract, and in no case to supplant such funds from non-Federal sources.''.

TITLE III—ENSURING A HIGHLY QUALIFIED TEACHER IN EVERY CLASSROOM

PART A—TEACH GRANTS

SEC. 301. TEACH GRANTS.

Part A of title IV (20 U.S.C. 1070a et seq.) is amended by adding at the end the following new subpart:

''Subpart 9—TEACH Grants

''SEC. 420L. PROGRAM ESTABLISHED.

''(a) PROGRAM AUTHORITY.—

''(1) PAYMENTS REQUIRED.—The Secretary shall pay to each eligible institution such sums as may be necessary to pay to each eligible student (defined in accordance with

section 484) who files an application and agreement in accordance with section 420M, and who qualifies—

''(A) under paragraph (2) of section 420M(a), a TEACH Grant in the amount of $4,000 for each academic year during which that student is in attendance at the institution; and

''(B) under paragraphs (2) and (3) of section 420M(a), a Bonus TEACH Grant in the amount of $500 (in addition to the amount of the TEACH Grant under subparagraph (A)) for each academic year during which that student so qualifies.

''(2) REFERENCE.—Grants made under—

''(A) paragraph (1)(A) shall be known as 'Teacher Education Assistance for College and Higher Education Grants' or 'TEACH Grants'; and

''(B) paragraph (1)(B) shall be known as Bonus TEACH Grants.

''(b) PAYMENT METHODOLOGY.—

''(1) PREPAYMENT.—Not less than 85 percent of any funds provided to an institution under subsection (a) shall be advanced to eligible institutions prior to the start of each payment period and shall be based upon an amount requested by the institution as needed to pay eligible students until such time as the Secretary determines and publishes in the Federal Register with an opportunity for comment, an alternative payment system that provides payments to institutions in an accurate and timely manner, except that this sentence shall not be construed to limit the authority of the Secretary to place an institution on a reimbursement system of payment.

''(2) DIRECT PAYMENT.—Nothing in this section shall be interpreted to prohibit the Secretary from paying directly to students, in advance of the beginning of the academic term, an amount for which they are eligible, in cases where the eligible institution elects not to participate in the disbursement system required by paragraph (1).

''(3) DISTRIBUTION OF GRANTS TO STUDENTS.—Payments under this subpart shall be made, in accordance with regulations promulgated by the Secretary for such purpose, in such manner as will best accomplish the purposes of this subpart. Any disbursement allowed to be made by crediting the student's account shall be limited to tuition and fees and, in the case of institutionally-owned housing, room and board. The student may elect to have the institution provide other such goods and services by crediting the student's account.

''(c) REDUCTIONS IN AMOUNT.—

''(1) PART-TIME STUDENTS.—In any case where a student attends an institution of higher education on less than a full-time basis (including a student who attends an institution of higher education on less than a half-time basis) during any academic year, the amount of a grant under this subpart for which that student is eligible shall be reduced in proportion to the degree to which that student is not attending on a full-time basis, in accordance with a schedule of reductions established by the Secretary for the purposes of this subpart, computed in accordance with this subpart. Such schedule of reductions shall be established by regulation and published in the Federal Register in accordance with section 482 of this Act.

''(2) NO EXCEEDING COST.—The amount of a grant awarded under this subpart, in combination with Federal assistance and other student assistance, shall not exceed the cost of attendance (as defined in section 472) at the institution at which that student is in attendance. If, with respect to any student, it is determined that the amount of a TEACH Grant or a Bonus TEACH Grant exceeds the cost of attendance for that year, the amount of the TEACH Grant or Bonus TEACH Grant, respectively, shall be reduced until such grant does not exceed the cost of attendance at such institution.

''(d) PERIOD OF ELIGIBILITY FOR GRANTS.—

''(1) UNDERGRADUATE STUDENTS.—The period during which an undergraduate student may receive grants under this subpart shall be the period required for the completion of the first undergraduate baccalaureate course of study being pursued by that student at the institution at which the student is in attendance except that—

''(A) any period during which the student is enrolled in a noncredit or remedial course of study as defined in paragraph (3) shall not be counted for the purpose of this paragraph; and

''(B) the total amount that a student may receive under this subpart for undergraduate study shall not exceed $16,000 with respect to a student who receives only TEACH Grants, and $18,000 with respect to a student who receives TEACH Grants and Bonus TEACH Grants.

''(2) GRADUATE STUDENTS.—The period during which a graduate student may receive grants under this subpart shall be the period required for the completion of a master's degree course of study being pursued by that student at the institution at which the student is in attendance, except that the total amount that a student may receive under this subpart for graduate study shall not exceed $8,000 with respect to a student who receives only TEACH Grants, and $10,000 with respect to a student who receives TEACH Grants and Bonus TEACH Grants.

''(3) REMEDIAL COURSE; STUDY ABROAD.—Nothing in this section shall exclude from eligibility courses of study which are noncredit or remedial in nature (including courses in English language acquisition) which are determined by the institution to be necessary to help the student be prepared for the pursuit of a first undergraduate baccalaureate degree or certificate or, in the case of courses in English language instruction, to be necessary to enable the student to utilize already existing knowledge, training, or skills. Nothing in this section shall exclude from eligibility programs of study abroad that are approved for credit by the home institution at which the student is enrolled.

"SEC. 420M. ELIGIBILITY; APPLICATIONS; SELECTION.

''(a) APPLICATIONS; DEMONSTRATION OF ELIGIBILITY.—

''(1) FILING REQUIRED.—The Secretary shall from time to time set dates by which students shall file applications for grants under this subpart. Each student desiring a grant under this subpart for any year shall file an application containing such information and assurances as the Secretary may deem necessary to enable the Secretary to carry out the functions and responsibilities of this subpart.

''(2) DEMONSTRATION OF TEACH GRANT ELIGIBILITY.—Each application submitted under paragraph (1) for a TEACH Grant shall contain such information as is necessary to demonstrate that—

''(A) if the applicant is an enrolled student—

''(i) the student is an eligible student for purposes of section 484;

''(ii) the student—

''(I) has a grade point average that is determined, under standards prescribed by the Secretary, to be comparable to a 3.25 average on a zero to 4.0 scale, except that, if the student is in the first year of a program of undergraduate education, such grade point average shall be determined on the basis of the student's cumulative high school grade point average; or

''(II) displayed high academic aptitude by receiving a score above the 75th percentile on at least one of the batteries in an undergraduate or graduate school admissions test; and

''(iii) the student is completing coursework and other requirements necessary to begin a career in teaching, or plans to complete such coursework and requirements prior to graduating; or

''(B) if the applicant is a current or prospective teacher applying for a grant to obtain a graduate degree—

''(i) the applicant is a teacher or a retiree from another occupation with expertise in a field in which there is a shortage of teachers, such as math, science, special education, English language acquisition, or another high-need subject; or

''(ii) the applicant is or was a teacher who is using high-quality alternative certification routes, such as Teach for America, to get certified.

''(3) DEMONSTRATION OF BONUS TEACH GRANT ELIGIBILITY.—Each application submitted under paragraph (1) for a Bonus TEACH Grant shall contain such information as is necessary to demonstrate that—

''(A) the applicant is eligible for, and has applied for, a TEACH Grant; and

''(B) the applicant is—

''(i) a student pursuing an undergraduate degree in mathematics, science, or a science-related field; and

''(ii) a student enrolled in a qualified teacher preparation program, as defined in section 420N.

''(b) AGREEMENTS TO SERVE.—Each application under subsection (a) shall contain or be accompanied by an agreement by the applicant that—

''(1) the applicant will—

''(A) serve as a full-time teacher for a total of not less than 4 academic years within 8 years after completing the course of study for which the applicant received a TEACH Grant under this subpart;

''(B) teach in a school described in section 465(a)(2)(A);

''(C) with respect to an applicant for—

''(i) TEACH Grants, teach in any of the following fields: mathematics, science, a foreign language, bilingual education, or special education, or as a reading specialist, or another field documented as high-need by the Federal Government, State government, or local education agency and approved by the Secretary; or

''(ii) TEACH Grants and Bonus TEACH Grants, teach mathematics, science, or a science-related field;

''(D) submit evidence of such employment in the form of a certification by the chief administrative officer of the school upon completion of each year of such service; and

''(E) comply with the requirements for being a highly qualified teacher as defined in section 9101 of the Elementary and Secondary Education Act of 1965; and

''(2) in the event that the applicant is determined to have failed or refused to carry out such service obligation, the sum of the amounts of any TEACH Grants and Bonus TEACH Grants received by such applicant will be treated as a loan and collected from the applicant in accordance with subsection (c) and the regulations thereunder.

''(c) REPAYMENT FOR FAILURE TO COMPLETE SERVICE.—In the event that any recipient of a grant under this subpart fails or refuses to comply with the service obligation in the agreement under subsection (b), the sum of the amounts of any TEACH Grants and Bonus TEACH Grants received by such recipient shall be treated as a Direct Loan under part D of title IV, and shall be subject to repayment, together with interest thereon accruing after the period of service, in accordance with terms and conditions specified

by the Secretary in regulations under this subpart.

"SEC. 420N. DEFINITIONS.

''For the purposes of this subpart:

''(1) ELIGIBLE INSTITUTION.—The term 'eligible institution' means an institution of higher education as defined in section 102, except that such term does not include an institution described in subsection (a)(1)(A) of that section.

''(2) QUALIFIED TEACHER PREPARATION PROGRAM.—The term 'qualified teacher preparation program' means a program for students described in subsection (a)(2)(A) of section 420M or teachers described in subsection (a)(2)(B) of such section (referred to jointly in this paragraph as 'teacher candidates') that—

''(A) recruits and prepares teacher candidates who major in science, technology fields, engineering, or mathematics disciplines to become certified as elementary and secondary teachers in those disciplines, with the goals of improving teacher knowledge and effectiveness and increasing elementary and secondary student academic achievement;

''(B) is implemented by an institution of higher education in partnership with high-need local educational agencies;

''(C) offers a baccalaureate degree with a concurrent teacher certification to teacher candidates;

''(D) is implemented in coordination with the faculty of the education, sciences, and mathematics departments of the institution of higher education;

''(E) utilizes experienced teachers who have a demonstrated record of success in teaching underserved students to instruct teacher candidates in science, technology fields, engineering, or mathematics disciplines;

''(F) provides teacher candidates with—

''(i) support services, including mentoring by experienced teachers who have a demonstrated record of success in teaching underserved students;

''(ii) exposure to, and field experience in, the classroom within the first year of entering the qualified teacher preparation program; and

''(iii) other related support practices while the teacher candidates are participating in the program, and after such candidates graduate from the isntitution of higher education and are employed as teachers;

''(G) participates in partnerships which include the institution of higher education and local educational agencies and charter districts to provide opportunities for teacher candidate field work;

''(H) focuses on increasing the number of teachers in the science, technology fields, engineering, or mathematics disciplines; and

''(I) encourages individuals from underrepresented populations to enter into the teaching profession.

"SEC. 420O. PROGRAM PERIOD AND FUNDING.

''There shall be available to the Secretary to carry out this subpart, from funds not otherwise appropriated, such sums as may be necessary to provide TEACH Grants and Bonus TEACH Grants in accordance with this subpart to each eligible student.''.

PART B—CENTERS OF EXCELLENCE

SEC. 311. CENTERS OF EXCELLENCE.

Title II (20 U.S.C. 1021 et seq.) is amended by adding at the end the following:

"PART C—CENTERS OF EXCELLENCE

"SEC. 231. DEFINITIONS.

''As used in this part:

''(1) ELIGIBLE INSTITUTION.—The term 'eligible institution' means—

''(A) an institution of higher education that has a teacher preparation program that meets the requirements of section 203(b)(2) and that is—

''(i) a part B institution (as defined in section 322);

''(ii) a Hispanic-serving institution (as defined in section 502);

''(iii) a Tribal College or University (as defined in section 316);

''(iv) an Alaska Native-serving institution (as defined in section 317(b)); or

''(v) a Native Hawaiian-serving institution (as defined in section 317(b));

''(B) a consortium of institutions described in subparagraph (A); or

''(C) an institution described in subparagraph (A), or a consortium described in subparagraph (B), in partnership with any other institution of higher education, but only if the center of excellence established under section 232 is located at an institution described in subparagraph (A).

''(2) HIGHLY QUALIFIED.—The term 'highly qualified' when used with respect to an individual means that the individual is highly qualified as determined under section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801) or section 602 of the Individuals with Disabilities Education Act (20 U.S.C. 1401).

''(3) SCIENTIFICALLY BASED READING RESEARCH.—The term 'scientifically based reading research' has the meaning given such term in section 1208 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6368).

''(4) SCIENTIFICALLY BASED RESEARCH.—The term 'scientifically based research' has the meaning given such term in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

"SEC. 232. CENTERS OF EXCELLENCE.

''(a) PROGRAM AUTHORIZED.—From the amounts appropriated to carry out this part, the Secretary is authorized to award competitive grants to eligible institutions to establish centers of excellence.

''(b) USE OF FUNDS.—Grants provided by the Secretary under this part shall be used to ensure that current and future teachers are highly qualified, by carrying out one or more of the following activities:

''(1) Implementing reforms within teacher preparation programs to ensure that such programs are preparing teachers who are highly qualified, are able to understand scientifically based research, and are able to use advanced technology effectively in the classroom, including use for instructional techniques to improve student academic achievement, by—

''(A) retraining faculty; and

''(B) designing (or redesigning) teacher preparation programs that—

''(i) prepare teachers to close student achievement gaps, are based on rigorous academic content, scientifically based research (including scientifically based reading research), and challenging State student academic content standards; and

''(ii) promote strong teaching skills.

''(2) Providing sustained and high-quality preservice clinical experience, including the mentoring of prospective teachers by exemplary teachers, substantially increasing interaction between faculty at institutions of higher education and new and experienced teachers, principals, and other administrators at elementary schools or secondary schools, and providing support, including preparation time, for such interaction.

''(3) Developing and implementing initiatives to promote retention of highly qualified teachers and principals, including minority teachers and principals, including programs that provide—

''(A) teacher or principal mentoring from exemplary teachers or principals; or

''(B) induction and support for teachers and principals during their first 3 years of employment as teachers or principals, respectively.

''(4) Awarding scholarships based on financial need to help students pay the costs of tuition, room, board, and other expenses of completing a teacher preparation program.

''(5) Disseminating information on effective practices for teacher preparation and successful teacher certification and licensure assessment preparation strategies.

''(6) Activities authorized under sections 202, 203, and 204.

''(c) APPLICATION.—Any eligible institution desiring a grant under this section shall submit an application to the Secretary at such a time, in such a manner, and accompanied by such information the Secretary may require.

''(d) MINIMUM GRANT AMOUNT.—The minimum amount of each grant under this part shall be $500,000.

''(e) LIMITATION ON ADMINISTRATIVE EXPENSES.—An eligible institution that receives a grant under this part may not use more than 2 percent of the grant funds for purposes of administering the grant.

''(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out this part.

"SEC. 233. APPROPRIATIONS.

''There shall be available to the Secretary, from funds not otherwise appropriated, $50,000,000 for the period beginning with fiscal year 2008 and ending with fiscal year 2012, to carry out this part beginning with academic year 2008–2009, which shall remain available until expended. The authority to carry out this part shall expire at the end of fiscal year 2012.''.

TITLE IV—COLLEGE ACCESS CHALLENGE GRANT PROGRAM

SEC. 401. COLLEGE ACCESS CHALLENGE GRANTS.

(a) CHALLENGE GRANT PROGRAM ESTABLISHED.—

(1) PROGRAM ESTABLISHED.—The Secretary shall establish a program to award matching grants to philanthropic organizations to increase the number of eligible students from underserved populations who enter and complete college by providing grants to philanthropic organizations who are members of eligible consortia to carry out the activities of the consortia to achieve this purpose, including—

(A) providing need-based grants to eligible students;

(B) providing support to eligible students through school- or institution-based mentoring programs; and

(C) conducting outreach programs to encourage eligible students to pursue higher education.

(2) GRANT PERIOD; RENEWABILITY.—Grants under this section shall be awarded for one 5-year period, and may not be renewed.

(3) GRANT AMOUNTS.—

(A) IN GENERAL.—A grant awarded under this part for a given fiscal year to a philanthropic organization shall be in an amount equal to lesser of—

(i) 200 percent of the amount of charitable gifts received in the preceding fiscal year by the eligible consortia, including charitable gifts received by the individual members of the consortia; or

(ii) the maximum grant amount established by the Secretary by regulation, pursuant to subsection (f).

(B) GIFTS PROVIDED IN CASH OR IN-KIND.—For the purposes of subparagraph (A), the charitable gifts received by an eligible consortia and its members may be provided in cash or in-kind, including physical non-cash contributions of monetary value such as property, facilities, and equipment, but excluding services.

(b) USES OF GRANT.—

(1) IN GENERAL.—A philanthropic organization receiving a grant under this section shall—

(A) provide grants to eligible students; and

(B) distribute grants to members of the consortia with which the philanthropic organization is affiliated, in accordance with the plan described in subsection (c)(2)(A), to fund the activities of such consortia in accordance with the application under subsection (c).

(2) LIMITATION.—Not more than 15 percent of the funds made available annually through a grant under this section may be used for administrative purposes.

(c) APPLICATIONS.—A philanthropic organization desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. Such application shall include the following:

(1) A description of an eligible consortia that meets the requirements of subsection (d), with which the philanthropic organization is affiliated, in accordance with subsection (g).

(2) A detailed description of—

(A) the philanthropic organization's plans for distributing the matching grant funds among the members of the eligible consortia; and

(B) the eligible consortia's plans for using the matching grant funds, including how the funds will be used to provide financial aid, mentoring, and outreach programs to eligible students.

(3) A plan to ensure the viability of the eligible consortia and the work of the consortia beyond the grant period.

(4) A detailed description of the activities that carry out this section that are conducted by the eligible consortia at the time of the application, and how the matching grant funds will assist the eligible consortia with expanding and enhancing such activities.

(5) A description of the organizational structure that will be used to administer the activities carried out under the plan, including a description of the system used to track the participation of students who receive grants to degree completion.

(6) A description of the strategies that will be used to identify eligible students who are enrolled in secondary school and who may benefit from the activities of the eligible consortia.

(d) ELIGIBLE CONSORTIA.—An eligible consortia with which a philanthropic organization is affiliated for the program under this section shall—

(1) be a partnership of mulitple entities that have agreed to work together carry out this section, including—

(A) such philanthropic organization, which shall serve as the manager of the consortia;

(B) a State that demonstrates a commitment to ensuring the creation of a Statewide system to address the issues of early intervention and financial support for eligible students to enter and remain in college; and

(C) at the discretion of the philanthropic organization described in subparagraph (A), additional partners, including other nonprofit organizations, government entities (including local municipalities, school districts, cities, and counties), institutions of higher education, and other public or private programs that provide mentoring or outreach programs; and

(2) conducts activites to assist eligible students with entering and remaining in college, which include—

(A) providing need-based grants to eligible students;

(B) providing early notification to low-income students of their potential eligibility for Federal financial aid, as well as financial aid and other support available from the eligible consortia;

(C) encouraging increased eligible student participation in higher education through mentoring or outreach programs; and

(D) conducting marketing and outreach efforts that are designed to—

(i) encourage full participation of eligible students in the activities of the consortia that carry out the purposes of this section; and

(ii) provide the communities impacted by the activities of the consortia with a general knowledge about the efforts of the consortia.

(e) ANNUAL REPORT.—A philanthropic organization receiving a grant under this section shall prepare and submit an annual report to the Secretary on the activities carried out with such grant. The report shall include—

(1) each activity that was provided to eligible students over the course of the year;

(2) the cost of providing each such activity;

(3) the number and percentage of eligible students who received grants, mentoring, and outreach services; and

(4) the total amount of charitable gifts received by the eligible consortia (including its members) with which the philanthropic organization is affiliated for the fiscal year.

(f) REGULATIONS.—The Secretary shall promulgate regulations to carry out this section. Such regulations shall include—

(1) the maximum grant amount that may be awarded to a philanthropic organization under this section;

(2) the minimum amount of chartable gifts an eligible consortia (including its members) shall receive in a fiscal year for the philanthropic organization affiliated with such consortia to be eligible for a grant under this section.

(g) DEFINITIONS.—For the purposes of this section:

(1) ELIGIBLE STUDENT.—The term ''eligible student'' means an individual who—

(A) is a member of an underserved population;

(B) is enrolled—

(i) in a secondary school pursuing a high school diploma; or

(ii) in an institution of higher education or is planning to attend an institution of higher education; and

(C) either—

(i) is receiving, or has received, financial assistance or support services from the consortium; or

(ii) meets 2 or more of the following criteria:

(I) Has an expected family contribution equal to zero (as described in section 479) or a comparable alternative based upon the State's approved criteria in section 415C(b)(4).

(II) Has qualified for a free lunch, or at the State's discretion a reduced price lunch, under the school lunch program established under the Richard B. Russell National School Lunch Act.

(III) Qualifies for the State's maximum need-based undergraduate award.

(IV) Is participating in, or has participated in, a Federal, State, institutional, or community mentoring or outreach program, as recognized by the eligible consortia carrying out activities under this section.

(2) PHILANTHROPIC ORGANIZATION.—The term ''philanthropic organization'' means a non-profit organization—

(A) that does not receive funds under title IV of the Higher Education Act of 1965 or under the Elementary and Secondary Education Act of 1965;

(B) that is not a local educational agency or an insitution of higher education;

(C) that has a demonstrated record of dispersing grant aid to underserved populations to ensure access to, and participation in, higher education;

(D) that is affiliated with an eligible consortia (as defined in subsection (e)) to carry out this section; and

(E) the primary purpose of which is to provide financial aid and support services to students from underrepresented populations to increase the number of such students who enter and remain in college.

(3) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, and Puerto Rico.

(4) UNDERSERVED POPULATION.—The term ''underserved population'' means a group of individuals who traditionally have not been well represented in the general population of students who pursue and successfully complete a higher education degree.

(h) PROGRAM FUNDING.—

(1) IN GENERAL.—There shall be available to the Secretary to carry out this section, from funds not otherwise appropriated, $300,000,000 for the period beginning with fiscal year 2008 and ending with fiscal year 2012.

(2) USE OF EXCESS FUNDS.—If, at the end of a fiscal year, the funds available for awarding grants under this section exceed the amount necessary to make such grants, then all of the excess funds shall remain available for the subsequent fiscal year, and shall be used to award grants under section 401 of the Higher Education Act of 1965 (20 U.S.C. 1070a) for such subsequent fiscal year.

(i) SUNSET.—The authority to carry out this section shall expire at the end of fiscal year 2012.

The SPEAKER pro tempore (Mr. CARDOZA). Pursuant to House Resolution 531, the amendment in the nature of a substitute printed in the bill, modified by the amendment printed in part A of the House Report 110–224, is adopted and the bill, as amended, is considered as read.

The text of the bill, as amended, is as follows:

H.R. 2669

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

SECTION 1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited to as the ''College Cost Reduction Act of 2007''.

(b) TABLE OF CONTENTS.—

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Sec. 131. Loan forgiveness for service in areas of national need.

''Sec. 428K. Loan forgiveness for service in areas of national need.
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''Sec. 484C. Deferral of loan repayment following active duty.
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TITLE II—REDUCING THE COST OF COLLEGE
Sec. 201. State commitment to affordable college education.
''Sec. 132. State commitment to affordable college education.
Sec. 202. Consumer information and public accountability in higher education.
''Sec. 131. Consumer information and public accountability in higher education.
Sec. 203. Incentives and rewards for low tuition.
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''Sec. 801. Definition of cooperative education.
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TITLE III—ENSURING A HIGHLY QUALIFIED TEACHER IN EVERY CLASSROOM
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TITLE IV—LEVERAGING FUNDS TO INCREASE COLLEGE ACCESS
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Sec. 401. Investment in Historically Black Colleges and Universities and Minority-Serving Institution.
''PART I—STRENGTHENING HISTORICALLY BLACK COLLEGES AND UNIVERSITIES AND OTHER MINORITY-SERVING INSTITUTIONS
''Sec. 499A. Investment in Historically Black Colleges and Universities and Other Minority-Serving Institution.
PART B—COLLEGE ACCESS CHALLENGE GRANTS
Sec. 411. College Access Challenge grants.
PART C—UPWARD BOUND
Sec. 412. Upward Bound.
TITLE V—ADDITIONAL PROVISIONS
Sec. 501. Independent evaluation of distance education programs.
Sec. 502. Encouraging colleges and universities to ''go green''.

SEC. 2. REFERENCES; EFFECTIVE DATE.

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

(b) EFFECTIVE DATE.—Except as otherwise expressly provided therein, the amendments made by this Act shall be effective on October 1, 2007.

TITLE I—INVESTING IN STUDENT AID

PART A—INCREASING THE PURCHASING POWER OF PELL GRANTS

SEC. 101. MANDATORY PELL GRANT INCREASES.

(a) EXTENSION OF AUTHORITY.—Section 401(a) (20 U.S.C. 1070a(a)) is amended by striking ''fiscal year 2004'' and inserting ''fiscal year 2013''.

(b) FUNDING FOR INCREASES.—Section 401(b) (20 U.S.C. 1070a(b)) is amended by adding at the end the following new paragraph:

''(9) ADDITIONAL FUNDS.—

''(A) IN GENERAL.—There are authorized to be appropriated, and there are appropriated, to carry out subparagraph (B) of this paragraph (in addition to any other amounts appropriated to carry out this section and out of any money in the Treasury not otherwise appropriated) the following amounts:

''(i) $840,000,000 for fiscal year 2008;
''(ii) $870,000,000 for fiscal year 2009;
''(iii) $1,340,000,000 for fiscal year 2010;
''(iv) $2,280,000,000 for fiscal year 2011;
''(v) $2,350,000,000 for fiscal year 2012;
''(vi) $2,400,000,000 for fiscal year 2013;
''(vii) $2,450,000,000 for fiscal year 2014;
''(viii) $2,510,000,000 for fiscal year 2015;
''(ix) $2,550,000,000 for fiscal year 2016; and
''(x) $2,570,000,000 for fiscal year 2017.

''(B) INCREASE IN FEDERAL PELL GRANTS.—The amounts made available pursuant to subparagraph (A) of this paragraph shall be used to increase the amount of the maximum Pell Grant for which a student shall be eligible during an award year, as specified in the last enacted appropriation Act applicable to that award year, by—

''(i) $200 for each of the award years 2008–2009 and 2009–2010;
''(ii) $300 for award year 2010–2011; and
''(iii) $500 for award year 2011–2012 and each subsequent award year.

''(C) USE OF FISCAL YEAR FUNDS FOR AWARD YEARS.—The amounts made available by subparagraph (A) for any fiscal year shall be available and remain available for use under subparagraph (B) for the award year that begins in such fiscal year.''.

(c) AUTHORIZED MAXIMUMS.—Section 401(b)(2)(A) (20 U.S.C. 1070a(b)(2)(A)) is amended to read as follows:

''(2)(A) The amount of the Federal Pell Grant for a student eligible under this part shall be—

''(i) $7,600 for academic year 2008–2009;
''(ii) $8,600 for academic year 2009–2010;
''(iii) $9,600 for academic year 2010–2011;
''(iv) $10,600 for academic year 2011–2012; and
''(v) $11,600 for academic year 2012–2013,

less an amount equal to the amount determined to be the expected family contribution with respect to that student for that year.''.

(d) TUITION SENSITIVITY.—

(1) AMENDMENT.—Section 401(b) (20 U.S.C. 1070a(b)) is further amended—

(A) by striking paragraph (3); and

(B) by redesignating paragraphs (4) through (9) as paragraphs (3) through (8), respectively.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) of this subsection are effective on the date of enactment of this Act.

(3) APPROPRIATION.—There shall be available to the Secretary, from funds not otherwise appropriated, $5,000,000 for the period beginning on the date of enactment of this Act and ending on October 1, 2008, to carry out the amendments made by paragraph (1) of this subsection.

(e) MULTIPLE GRANTS.—

(1) AMENDMENT.—Paragraph (5) of section 401(b) (as redesignated by subsection (d)(1)(B)) is amended to read as follows:

''(5) YEAR-ROUND PELL GRANTS.—The Secretary is authorized, for students enrolled in a baccalaureate degree, associate's degree, or certificate program of study at an eligible institution, to award such students not more than two Pell grants during an award year to permit such students to accelerate progress toward their degree or certificate objectives by enrolling in courses for more than 2 semesters, or 3 quarters, or the equivalent, in a given academic year.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective July 1, 2009.

(f) ACADEMIC COMPETITIVENESS GRANTS.—Section 401A (as amended by section 8003 of Public Law 109–171) is amended—

(1) in subsection (c)(3)(A)(ii), by inserting '', except as part of a secondary school program of study'' before the semicolon;

(2) by redesignating subsection (g) as subsection (h); and

(3) by inserting after subsection (f) the following new subsection:

''(g) DETERMINATION OF ACADEMIC YEAR.—Notwithstanding section 481(a)(2), for the purpose of determining eligibility for a grant under this section, a student shall be considered to be enrolled or accepted for enrollment in the first, second, third, or fourth academic year of a program of undergraduate education based on the student's class standing, as determined by the institution of higher education at which the student is enrolled or accepted for enrollment.''.

(g) ELIGIBILITY FOR ACADEMIC COMPETITIVENESS GRANTS.—Section 401A is further amended—

(1) in subsection (c)—

(A) by striking ''full–time''; and

(B) by amending paragraph (1) to read as follows:

''(1) is an eligible student under section 484, including being enrolled or accepted for enrollment in a degree, certificate, or other eligible program leading to a recognized educational credential at an institution of higher education;''; and

(2) in subsection (d), by adding at the end the following new paragraph:

''(3) ADJUSTMENT FOR LESS THAN FULL-TIME ENROLLMENT.—A grant awarded under this section to an eligible student who attends an eligible institution on a less than full-time (but at least half-time or more) basis shall be reduced in the same proportion as would a Federal Pell Grant pursuant to section 401(b)(2)(B).''.

SEC. 102. SUPPORT FOR WORKING STUDENTS.

(a) DEPENDENT STUDENTS.—Subparagraph (D) of section 475(g)(2) (20 U.S.C. 1087oo)(g)(2)(D)) is amended to read as follows:

''(D) an income protection allowance of $3,750 (or a successor amount prescribed by the Secretary under section 478);''.

(b) INDEPENDENT STUDENTS WITHOUT DEPENDENTS OTHER THAN A SPOUSE.—Clause (iv) of section 476(b)(1)(A) (20 U.S.C. 1087pp(b)(1)(A)(iv)) is amended to read as follows:

''(iv) an income protection allowance of the following amount (or a successor amount prescribed by the Secretary under section 478)—

''(I) for single or separated students, or married students where both are enrolled pursuant to subsection (a)(2), $6,690; and

''(II) for married students where 1 is enrolled pursuant to subsection (a)(2), $10,720;''.

(c) UPDATED TABLES AND AMOUNTS.—Section 478(b) (20 U.S.C. 1087rr(b)) is amended—

(1) in paragraph (1)—

(A) by striking ''REVISED TABLES.—For each'' and inserting ''REVISED TABLES.—

''(A) IN GENERAL.—For each'';

(B) in subparagraph (A) (as designated by subparagraph (A)), in the third sentence—

(i) by striking ''preceding sentence'' and inserting ''subparagraph (A)''; and

(ii) by striking ''For the 2007–2008'' and inserting the following:

''(B) SPECIAL RULE FOR 2007–2008 ACADEMIC YEAR.—For the 2007–2008''; and

(C) by adding at the end the following:

''(C) SPECIAL RULE FOR 2009–2010 THROUGH 2012–2013 ACADEMIC YEARS.—For the 2009–2010 academic year, and for each of the 3 succeeding academic years, the Secretary shall revise the tables in accordance with this paragraph, except that, for the table in section 477(b)(4), the Secretary shall revise such table by increasing the amounts contained in such table for the preceding academic year by 10 percent.''; and

(2) in paragraph (2), by striking ''shall be developed'' and all that follows through the period at the end and inserting ''shall be developed—

''(A) for academic year 2008–2009, by increasing each of the dollar amounts contained in such section as such section was in effect on the day before the date of enactment of the College Cost Reduction Act of 2007 by a percentage equal to the estimated percentage increase in the Consumer Price Index (as defined in section 478(f)) between December 2006 and the December next preceding the beginning of such academic year, and rounding the result to the nearest $10;

''(B) for each of the academic years 2010–2011 and 2011–2012, by increasing each of the amounts determined under this paragraph for the preceding academic year by 10 percent; and

''(C) for each academic year after 2012–2013, by increasing each of the dollar amounts determined under this paragraph for academic year 2012–2013 by a percentage equal to the estimated percentage increase in the Consumer Price Index (as defined in section 478(f)) between December 2011 and the December next preceding the beginning of such academic year, and rounding the result to the nearest $10.''.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on July 1, 2009, and the amendment made by subsection (c) shall take effect on July 1, 2008.

SEC. 103. SIMPLIFIED NEEDS TEST AND AUTOMATIC ZERO IMPROVEMENTS.

(a) SIMPLIFIED NEEDS TEST.—Section 479 (20 U.S.C. 1087ss) is amended—

(1) in subsection (b)—

(A) in paragraph (1)(A)(i)—

(i) in subclause (II), by striking ''or'' after the semicolon;

(ii) by redesignating subclause (III) as subclause (IV);

(iii) by inserting after subclause (II) the following:

''(III) 1 of whom is a dislocated worker; or''; and

(iv) in subclause (IV) (as redesignated by clause (ii)), by striking ''12-month'' and inserting ''24-month''; and

(B) in paragraph (1)(B)(i)—

(i) in subclause (II), by striking ''or'' after the semicolon;

(ii) by redesignating subclause (III) as subclause (IV);

(iii) by inserting after subclause (II) the following:

''(III) 1 of whom is a dislocated worker; or''; and

(iv) in subclause (IV) (as redesignated by clause (ii)), by striking ''12-month'' and inserting ''24-month'';

(2) in subsection (c)—

(A) in paragraph (1)—

(i) in subparagraph (A)—

(I) in clause (ii), by striking ''or'' after the semicolon;

(II) by redesignating clause (iii) as clause (iv);

(III) by inserting after clause (ii) the following:

''(iii) 1 of whom is a dislocated worker; or''; and

(IV) in clause (iv) (as redesignated by subclause (II)), by striking ''12-month'' and inserting ''24-month''; and

(ii) in subparagraph (B), by striking ''$20,000'' and inserting ''$30,000''; and

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) in clause (ii), by striking ''or'' after the semicolon;

(II) by redesignating clause (iii) as clause (iv);

(III) by inserting after clause (ii) the following:

''(iii) is a dislocated worker; or''; and

(IV) in clause (iv) (as redesignated by subclause (II)), by striking ''12-month'' and inserting ''24-month''; and

(ii) in subparagraph (B), by striking ''$20,000'' and inserting ''$30,000''; and

(C) in the flush matter following paragraph (2)(B), by adding at the end the following: ''The Secretary shall annually adjust the income level necessary to qualify an applicant for the zero expected family contribution. The income level shall be adjusted according to increases in the Consumer Price Index, as defined in section 478(f).''; and

(3) in subsection (d)—

(A) by redesignating paragraphs (1) through (6) as subparagraphs (A) through (F), respectively and moving the margins of such subparagraphs 2 ems to the right;

(B) by striking ''(d) DEFINITION'' and all that follows through ''the term'' and inserting the following:

''(d) DEFINITIONS.—In this section:

''(1) DISLOCATED WORKER.—The term 'dislocated worker' has the meaning given the term in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801).

''(2) MEANS-TESTED FEDERAL BENEFIT PROGRAM.—The term''.

(b) DISCRETION OF STUDENT FINANCIAL AID ADMINISTRATORS.—Section 479A(a) (20 U.S.C. 1087tt(a)) is amended in the third sentence by inserting ''a family member who is a dislocated worker (as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801)),'' after ''recent unemployment of a family member,''.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective on July 1, 2009.

SEC. 104. DEFINITIONS.

(a) TOTAL INCOME.—Section 480(a)(2) (20 U.S.C. 1087vv(a)(2)) is amended—

(1) by striking ''and no portion'' and inserting ''no portion''; and

(2) by inserting ''and no distribution from any qualified education benefit described in subsection (f)(3) that is not subject to Federal income tax,'' after ''1986,''.

(b) UNTAXED INCOME AND BENEFITS.—Section 480(b) (20 U.S.C. 1087vv(b)) is amended to read as follows:

''(b) UNTAXED INCOME AND BENEFITS.—

''(1) The term 'untaxed income and benefits' means—

''(A) child support received;

''(B) workman's compensation;

''(C) veteran's benefits such as death pension, dependency, and indemnity compensation, but excluding veterans' education benefits as defined in subsection (c);

''(D) interest on tax-free bonds;

''(E) housing, food, and other allowances (excluding rent subsidies for low-income housing) for military, clergy, and others (including cash payments and cash value of benefits);

''(F) cash support or any money paid on the student's behalf, except, for dependent students, funds provided by the student's parents;

''(G) untaxed portion of pensions;

''(H) payments to individual retirement accounts and Keogh accounts excluded from income for Federal income tax purposes; and

''(I) any other untaxed income and benefits, such as Black Lung Benefits, Refugee Assistance, railroad retirement benefits, or Job Training Partnership Act noneducational benefits or benefits received through participation in employment and training activities under title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

''(2) The term 'untaxed income and benefits' shall not include the amount of additional child tax credit claimed for Federal income tax purposes.''.

(c) ASSETS.—Section 480(f) (20 U.S.C. 1087vv(f)) is amended—

(1) in paragraph (3), by striking ''shall not be considered an asset of a student for purposes of section 475'' and inserting ''shall be considered an asset of the parent for purposes of section 475'';

(2) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

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

''(4) A qualified education benefit shall be considered an asset of the student for purposes of section 476 and 477.''.

(d) OTHER FINANCIAL ASSISTANCE.—Section 480(j)(2) (20 U.S.C. 1087vv(j)(2)) is amended by inserting '', or a distribution that is not includable in gross income under section 529 of such Code, under another prepaid tuition plan offered by a State, or under a Coverdell education savings account under section 530 of such Code,'' after ''1986''.

(e) EFFECTIVE DATE.—The amendments made by this section shall be effective on July 1, 2009.

PART B—MAKING STUDENT LOANS MORE AFFORDABLE

SEC. 111. INTEREST RATE REDUCTIONS.

(a) FFEL INTEREST RATES.—

(1) Section 427A(l) (20 U.S.C. 1077a(l)) is amended by adding at the end the following new paragraph:

''(4) REDUCED RATES FOR UNDERGRADUATE SUBSIDIZED LOANS.—Notwithstanding subsection (h) and paragraph (1) of this subsection, with respect to any loan to an undergraduate student made, insured, or guaranteed under this part (other than a loan made pursuant to section 428B, 428C, or 428H) for which the first disbursement is made on or after July 1, 2006, and before July 1, 2013, the applicable rate of interest shall be as follows:

''(A) For a loan for which the first disbursement is made on or after July 1, 2006, and before July 1, 2008, 6.80 percent on the unpaid principal balance of the loan.

''(B) For a loan for which the first disbursement is made on or after July 1, 2008, and before July 1, 2009, 6.12 percent on the unpaid principal balance of the loan.

''(C) For a loan for which the first disbursement is made on or after July 1, 2009, and before July 1, 2010, 5.44 percent on the unpaid principal balance of the loan.

''(D) For a loan for which the first disbursement is made on or after July 1, 2010, and before July 1, 2011, 4.76 percent on the unpaid principal balance of the loan.

''(E) For a loan for which the first disbursement is made on or after July 1, 2011, and before July 1, 2012, 4.08 percent on the unpaid principal balance of the loan.

''(F) For a loan for which the first disbursement is made on or after July 1, 2012 and before July 1, 2013, 3.40 percent on the unpaid principal balance of the loan.''.

(2) SPECIAL ALLOWANCE CROSS REFERENCE.—Section 438(b)(2)(I)(ii)(II) (20 U.S.C. 1086(b)(2)(I)(ii)(II)) is amended by striking ''section 427A(l)(1)'' and inserting ''section 427A(l)(1) or (l)(4)''.

(b) DIRECT LOAN INTEREST RATES.—Section 455(b)(7) (20 U.S.C. 1087e(b)(7)) is amended by adding at the end the following new subparagraph:

''(D) REDUCED RATES FOR UNDERGRADUATE FDSL.—Notwithstanding the preceding paragraphs of this subsection, for Federal Direct Stafford Loans made to undergraduate students for which the first disbursement is made on or after July 1, 2006, and before July 1, 2013, the applicable rate of interest shall be as follows:

''(i) For a loan for which the first disbursement is made on or after July 1, 2006, and before

July 1, 2008, 6.80 percent on the unpaid principal balance of the loan.

''(ii) For a loan for which the first disbursement is made on or after July 1, 2008, and before July 1, 2009, 6.12 percent on the unpaid principal balance of the loan.

''(iii) For a loan for which the first disbursement is made on or after July 1, 2009, and before July 1, 2010, 5.44 percent on the unpaid principal balance of the loan.

''(iv) For a loan for which the first disbursement is made on or after July 1, 2010, and before July 1, 2011, 4.76 percent on the unpaid principal balance of the loan.

''(v) For a loan for which the first disbursement is made on or after July 1, 2011, and before July 1, 2012, 4.08 percent on the unpaid principal balance of the loan.

''(vi) For a loan for which the first disbursement is made on or after July 1, 2012, and before July 1, 2013, 3.40 percent on the unpaid principal balance of the loan.''.

SEC. 112. INCREASES IN LOAN LIMITS.

(a) INCREASE IN THIRD AND SUBSEQUENT YEAR LIMITS.—

(1) FEDERAL INSURANCE LIMITS.—Section 425(a)(1)(A)(iii) (20 U.S.C. 1075(a)(1)(A)(iii)) is amended by striking ''$5,500'' and inserting ''$7,500''.

(2) GUARANTY LIMITS.—Section 428(b)(1)(A)(iii)(I) (20 U.S.C. 1078(b)(1)(A)(iii)(I)) is amended by striking ''$5,500'' and inserting ''$7,500''.

(b) INCREASE IN AGGREGATE LIMITS.—

(1) FEDERAL INSURANCE LIMITS.—Section 425(a)(2)(A) (20 U.S.C. 1075(a)(2)(A)(i)) is amended—

(A) in clause (i), by striking ''$23,000'' and inserting ''$30,500''; and

(B) in clause (ii), by striking ''$65,500'' and inserting ''$73,000''.

(2) GUARANTY LIMITS.—Section 428(b)(1)(B) (20 U.S.C. 1078(b)(1)(A)(iii)(I)) is amended—

(A) in clause (i), by striking ''$23,000'' and inserting ''$30,500''; and

(B) in clause (ii), by striking ''$65,500'' and inserting ''$73,000''.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective July 1, 2008.

SEC. 113. REDUCTION OF LENDER SPECIAL ALLOWANCE PAYMENTS.

Section 438(b)(2)(I) (20 U.S.C. 1087–1(b)(2)(I)) is amended—

(1) in clause (i), by striking ''clauses (ii), (iii), and (iv)'' and inserting ''the following clauses'';

(2) in clause (v)(III), by striking ''clauses (ii), (iii), and (iv)'' and inserting ''clauses (ii), (iii), (iv), and (vi)''; and

(3) by adding at the end the following new clause:

''(vi) REDUCTION FOR LOANS ON OR AFTER OCTOBER 1, 2007.—With respect to a loan on which the applicable interest rate is determined under section 427A(l), the percentage to be added under clause (i)(III) in computing the special allowance payment pursuant to this subparagraph shall be the following:

''(I) IN GENERAL AND PLUS LOANS.—1.79 percent in the case of a loan described in clause (i) or (iii) for which the first disbursement of principal is made on or after October 1, 2007.

''(II) IN SCHOOL AND GRACE PERIOD.—1.19 percent in the case of a loan described in clause (ii)(II) for which the first disbursement of principal is made on or after October 1, 2007.

''(III) CONSOLIDATION LOANS.—2.09 percent in the case of a loan described in clause (iv) made on or after October 1, 2007.''.

SEC. 114. ELIMINATION OF EXCEPTIONAL PERFORMER STATUS FOR LENDERS.

(a) ELIMINATION OF STATUS.—Part B of title IV (20 U.S.C. 1071 et seq.) is amended by striking section 428I (20 U.S.C. 1078–9).

(b) CONFORMING AMENDMENTS.—Part B of title IV is further amended—

(1) in section 428(c)(1) (20 U.S.C. 1078(c)(1))—

(A) by striking subparagraph (D); and

(B) by redesignating subparagraphs (E) through (H) as subparagraphs (D) through (G), respectively; and

(2) in section 438(b)(5) (20 U.S.C. 1087–1(b)(5)), by striking the matter following subparagraph (B).

SEC. 115. REDUCTION OF LENDER INSURANCE PERCENTAGE.

(a) AMENDMENT.—Subparagraph (G) of section 428(b)(1) (20 U.S.C. 1078(b)(1)(G)) is amended to read as follows:

''(G) insures 95 percent of the unpaid principal of loans insured under the program, except that—

''(i) such program shall insure 100 percent of the unpaid principal of loans made with funds advanced pursuant to section 428(j) or 439(q); and

''(ii) notwithstanding the preceding provisions of this subparagraph, such program shall insure 100 percent of the unpaid principal amount of exempt claims as defined in subsection (c)(1)(G);''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect with respect to loans made on or after October 1, 2007.

SEC. 116. GUARANTY AGENCY COLLECTION RETENTION.

Clause (ii) of section 428(c)(6)(A) (20 U.S.C. 1078(c)(6)(A)(ii)) is amended to read as follows:

''(ii) an amount equal to 23 percent of such payments for use in accordance with section 422B, except that beginning October 1, 2007, this subparagraph shall be applied by substituting '16 percent' for '23 percent'.''.

SEC. 117. UNIT COSTS FOR ACCOUNT MAINTENANCE FEES.

Section 458(b) (20 U.S.C. 1087h(b)) is amended by striking ''0.10 percent'' and inserting ''0.06 percent''.

SEC. 118. INCREASED LOAN FEES FROM LENDERS.

Paragraph (2) of section 438(d) (20 U.S.C. 1087–1(d)(2)) is amended to read as follows:

''(2) AMOUNT OF LOAN FEES.—

''(A) AMOUNT.—The amount of the loan fee which shall be deducted under paragraph (1), but which may not be collected from the borrower, shall be equal to—

''(i) except as provided in clauses (ii) and (iii), 0.50 percent of the principal amount of the loan with respect to any loan under this part for which the first disbursement was made on or after October 1, 1993;

''(ii) 1.0 percent of the principal amount of the loan with respect to any loan under this part for which the first disbursement was made on or after October 1, 2007, that is held by any holder other than a holder described in subclause (I) or (II) of clause (iii); and

''(iii) 0.0 percent of the principal amount of the loan with respect to any loan under this part for which the first disbursement was made on or after October 1, 2007, that is held by—

''(I) any holder that, together with its affiliated holders, is designated by the Secretary annually as a small lender under subparagraph (B); or

''(II) any holder that—

''(aa) is a unit of a State or local government or a nonprofit private entity; and

''(bb) is not owned in whole or in part by, or controlled or operated by a for-profit entity.

''(B) DESIGNATION OF SMALL LENDERS.—In determining which holders of eligible loans qualify as small lenders for purposes of subparagraph (A)(iii)(I), the Secretary shall, using the most recently available data with respect to the total principal amount of eligible loans held by holders—

''(i) rank all holders of eligible loans (combined with their affiliated holders) in descending order by total principal amount of eligible loans held;

''(ii) calculate the total principal amount of eligible loans held by all holders; and

''(iii) identify the subset of consecutively ranked holders under clause (i), starting with the lowest ranked holder, that together hold a total principal amount of such loans equal to 15 percent of the total amount calculated under clause (ii), but excluding the holder, if any, whose holdings when added cause the total holdings of the subset to equal but not exceed such 15 percent of such total amount calculated; and

''(iv) designate as small lenders any holder identified as a member of the subset under clause (iii).''.

SEC. 119. MARKET-BASED DETERMINATION OF LENDER RETURNS.

(a) JOINT PLANNING STUDY TO SELECT AUCTION MECHANISMS FOR TESTING.—

(1) PLANNING STUDY.—The Secretaries of Education and Treasury jointly shall conduct a planning study, in consultation with the Office of Management and Budget, the Congressional Budget Office, the General Accounting Office, and other individuals and entities the Secretaries determines appropriate, to—

(A) examine the matters described in paragraph (2) in order to determine which market-based mechanisms for determining lender returns on loans made, insured, or guaranteed under part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.) shall be tested under the pilot programs described in subsection (c); and

(B) determine what related administrative and other changes will be required in order to ensure that high-quality services are provided under a successful implementation of market-based determinations of lender returns for all loans made, insured, or guaranteed under such part.

(2) MATTERS EXAMINED.—The planning study under this subsection shall examine—

(A) whether it is most appropriate to auction existing loans under part B of title IV of such Act, to auction the rights to originate loans under such part, or whether the sale of securities backed by federally-owned student loan assets originated by banks acting as agents of the Federal Government would provide the most efficient market-based alternative;

(B) matters related to efficient financial organization of any auctions or sales of loans under such part, including how loans and origination rights are bundled, the capital structure of any securitization plan, and issues related to servicing; and

(C) how to ensure that statutory, regulatory, and administrative requirements do not impede separate management and ownership of loans or assets backed by loans under part B of title IV of such Act.

(3) MECHANISMS.—In determining which market-based mechanisms are the most promising models to test the pilot programs under subsection (b), the planning study shall take into account whether a particular market-based mechanism will—

(A) ensure loan availability under part B of title IV of such Act to all eligible students at all participating institutions;

(B) minimize administrative complexity for borrowers, institutions, lenders, and the Federal Government; and

(C) reduce Federal costs if used on a program-wide basis.

(4) REPORT.—A report on the results of the planning study, together with a plan for implementation of one or more pilot programs using promising market-based approaches for determining lender returns, shall be transmitted to Congress not later than 6 months after the date of enactment of this Act.

(b) PILOT PROGRAMS TO BE TESTED.—

(1) AUTHORIZATION.—

(A) IN GENERAL.—Notwithstanding any other provision of law, after the report described in subsection (a)(4) is transmitted to Congress, the Secretary of Education shall, in consultation with the Secretary of the Treasury, begin preparations necessary to carry out pilot programs meeting the requirements of this subsection in accordance with the implementation plan included in such report.

(B) IMPLEMENTATION DATE.—The Secretary of Education shall commence implementation of the pilot programs under this subsection not earlier than July 1, 2008.

(C) DURATION AND LOAN VOLUME.—The pilot programs under this subsection shall be not more than two academic years in duration, and the Secretary of Education may use the pilot programs to determining the lender returns for not more than—

(i) 10 percent of the annual loan volume under part B of title IV of the Higher Education Act of 1965 during the first year of the pilot programs under this subsection; and

(ii) 20 percent of the annual loan volume under part B of title IV of such Act during the second year of the pilot programs under this subsection.

(2) VOLUNTARY PARTICIPATION.—

(A) Participation in any auction-based pilot program under this subsection shall be voluntary for eligible institutions and eligible lenders participating under part B of title IV of such Act prior to July 1, 2006.

(B) All savings to the United States Treasury generated by such auctions shall be distributed to institutions participating under this subsection on a basis proportionate to loan volume under such part for supplemental, need-based financial aid, except that an institution that is operating as an eligible lender under section 435(d)(2) of such Act shall not be eligible for any such distribution.

(3) INDEPENDENT EVALUATION.—The Government Accountability Office shall conduct an independent evaluation of the pilot programs under this subsection, which evaluation shall be completed, and the results of such submitted to the Secretary of Education, the Secretary of the Treasury, and Congress, not later than 120 days after the termination of such pilot programs.

(c) PROGRAM-WIDE IMPLEMENTATION.—Notwithstanding any other provision of part B of title IV of the Higher Education Act of 1965, for the first academic year beginning not less than 120 days after the independent evaluation described in subsection (b)(3) has been transmitted to Congress, and succeeding academic years, the Secretary of Education is authorized to implement for all loans made under such part, a program-wide, market-based system to determine returns to all lenders as the Secretary of Education determines appropriate, provided that—

(1) the Secretary of Education, in consultation with the Secretary of the Treasury, has certified that the auction-based system that the Secretary of Education intends to implement on a program-wide basis would—

(A) ensure loan availability under such part to all eligible students at all participating institutions;

(B) minimize administrative complexity for borrowers, institutions, lenders, and the Federal Government, including the enhancement of the modernization of the student financial aid system; and

(C) reduce Federal costs when used on a program-wide basis; and

(2) the Secretary of Education has notified Congress of the Secretary's intent to implement a program-wide auction based system, and has provided a description of the structure of such auction-based system, at least 120 days before implementing such system.

(d) CONSULTATION.—

(1) IN GENERAL.—As part of the planning study, pilot programs, and program-wide implementation phases described in this section, the Secretary of Education shall consult with representatives of investment banks, ratings agencies, lenders, institutions of higher education, and students, as well as individuals or other entities with pertinent technical expertise. The Secretary of Education shall engage in such consultations using such methods as, and to the extent that, the Secretary determines appropriate to the time constraints associated with the study, programs, and implementation.

(2) SERVICES OF OTHER FEDERAL AGENCIES.—In carrying out the planning study and pilot programs described in this section, the Secretary of Education may use, on a reimbursable basis, the services (including procurement authorities and services), equipment, personnel, and facilities of other agencies and instrumentalities of the Federal Government.

SEC. 120. OTHER GUARANTY AGENCY REFORMS.

(a) AGENCY OPERATING FUNDS.—Section 422B(c) (20 U.S.C. 1072b(c)) is amended—

(1) by striking ''and'' at the end of paragraph (5);

(2) by redesignating paragraph (6) as paragraph (7); and

(3) by inserting after paragraph (5) the following new paragraph:

''(6) the delinquency prevention fee paid by the Secretary in accordance with section 428(o); and''.

(b) DELINQUENCY PREVENTION FEE.—Section 428 (20 U.S.C. 1078) is amended by adding at the end the following new subsection:

''(o) DELINQUENCY PREVENTION FEE.—

''(1) AMOUNT OF FEE.—The Secretary shall pay to each guaranty agency, on a monthly basis, a delinquency prevention fee equal to 0.0055 percent of the original principal amount of loans insured by the agency, other than loans in in-school or grace period status, that are not in delinquency status as of the end of the previous month.

''(2) DEFINITION.—For the purpose of earning the delinquency prevention fee, the term 'not in delinquency status' means the borrower is less than 60 days delinquent in making a required payment.''.

(c) MINIMUM LOAN PROCESSING AND ISSUANCE FEES.—Section 428(f)(1)(A)(ii) (20 U.S.C. 1078(f)(1)(A)(ii)) is amended by inserting before the period at the end the following: '', except that the total amount of such payments to each guaranty agency in any fiscal year shall equal at least $1,500,000''.

Page 46, line 1, redesignate paragraph (9) as paragraph (10) and insert before such line the following new paragraph:

''(9) SCHOOL COUNSELORS.—An individual who is employed as a school counselor (as such term is defined in section 5421(e)(3) of Elementary and Secondary Education Act of 1965 (20 U.S.C. 7245(e)(3)) in an elementary or secondary school which is in the school district of a local educational agency which is eligible in such year for assistance pursuant to title I of the Elementary and Secondary Education Act of 1965, and which for the purpose of this paragraph and for that year has been determined by the Secretary (pursuant to regulations and after consultation with the State educational agency of the State in which the school is located) to be a school in which the enrollment of children counted under section 1113(a)(5) of the Elementary and Secondary Education Act of 1965 exceeds 30 percent of the total enrollment of that school.

PART C—REWARDING SERVICE IN REPAYMENT

SEC. 131. LOAN FORGIVENESS FOR SERVICE IN AREAS OF NATIONAL NEED.

Section 428K (20 U.S.C. 1078–11) is amended to read as follows:

''SEC. 428K. LOAN FORGIVENESS FOR SERVICE IN AREAS OF NATIONAL NEED.

''(a) PROGRAM AUTHORIZED.—

''(1) LOAN FORGIVENESS AUTHORIZED.—The Secretary shall forgive, in accordance with this section, the student loan obligation of a borrower in the amount specified in subsection (c), for any new borrower after the date of enactment of the College Cost Reduction Act of 2007, who—

''(A) is employed full-time in an area of national need described in subsection (b); and

''(B) is not in default on a loan for which the borrower seeks forgiveness.

''(2) METHOD OF LOAN FORGIVENESS.—To provide loan forgiveness under paragraph (1), the Secretary is authorized to carry out a program—

''(A) through the holder of the loan, to assume the obligation to repay a qualified loan amount for a loan made, insured, or guaranteed under this part; and

''(B) to cancel a qualified loan amount for a loan made under part D of this title.

''(3) REGULATIONS.—The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this section.

''(b) AREAS OF NATIONAL NEED.—For purposes of this section, an individual shall be treated as employed in an area of national need if the individual is employed full-time as any of the following:

''(1) EARLY CHILDHOOD EDUCATORS.—An individual who is employed as an early childhood educator in an eligible preschool program or eligible early childhood education program in a low-income community, and who is involved directly in the care, development, and education of infants, toddlers, or young children age 5 and under.

''(2) NURSES.—An individual who is employed—

''(A) as a nurse in a clinical setting; or

''(B) as a member of the nursing faculty at an accredited school of nursing (as those terms are defined in section 801 of the Public Health Service Act (42 U.S.C. 296)).

''(3) FOREIGN LANGUAGE SPECIALISTS.—An individual who has obtained a baccalaureate degree in a critical foreign language and is employed—

''(A) in an elementary or secondary school as a teacher of a critical foreign language; or

''(B) in an agency of the United States Government in a position that regularly requires the use of such critical foreign language.

''(4) LIBRARIANS.—An individual who is employed as a librarian in—

''(A) a public library that serves a geographic area within which the public schools have a combined average of 30 percent or more of their total student enrollments composed of children counted under section 1113(a)(5) of the Elementary and Secondary Education Act of 1965; or

''(B) an elementary or secondary school which is in the school district of a local educational agency which is eligible in such year for assistance pursuant to title I of the Elementary and Secondary Education Act of 1965, and which for the purpose of this paragraph and for that year has been determined by the Secretary (pursuant to regulations and after consultation with the State educational agency of the State in which the school is located) to be a school in which the enrollment of children counted under section 1113(a)(5) of the Elementary and Secondary Education Act of 1965 exceeds 30 percent of the total enrollment of that school.

''(5) HIGHLY QUALIFIED TEACHERS: BILINGUAL EDUCATION AND LOW-INCOME COMMUNITIES.—An individual who—

''(A) is highly qualified as such term is defined in section 9101 of the Elementary and Secondary Education Act of 1965; and

''(B)(i) is employed as a full-time teacher of bilingual education; or

''(ii) is employed as a teacher in a public or nonprofit private elementary or secondary school which is in the school district of a local educational agency which is eligible in such year for assistance pursuant to title I of the Elementary and Secondary Education Act of 1965, and which for the purpose of this paragraph and for that year has been determined by the Secretary (pursuant to regulations and after consultation with the State educational agency of the State in which the school is located) to be a school in which the enrollment of children counted under section 1113(a)(5) of the Elementary and Secondary Education Act of 1965 exceeds 40 percent of the total enrollment of that school.

''(6) CHILD WELFARE WORKERS.—An individual who—

''(A) has obtained a degree in social work or a related field with a focus on serving children and families; and

''(B) is employed in public or private child welfare services.

''(7) SPEECH-LANGUAGE PATHOLOGISTS.—An individual who is a speech-language pathologist, who is employed in an eligible preschool program or an elementary or secondary school, and who has, at a minimum, a graduate degree in speech-language pathology, or communication sciences and disorders.

''(8) NATIONAL SERVICE.—An individual who is engaged as a participant in a project under the National and Community Service Act of 1990 (as such terms are defined in section 101 of such Act (42 U.S.C. 12511)).

''(9) PUBLIC SECTOR EMPLOYEES.—An individual who is employed in public safety (including as a first responder, firefighter, police officer, or other law enforcement or public safety officer), emergency management (including as an emergency medical technician), public health, or public interest legal services (including prosecution or public ''defense or legal advocacy in low-income communities at a nonprofit organization)''.

''(c) QUALIFIED LOAN AMOUNT.—At the end of each school, academic, or calendar year of full-time employment in an area of national need described in subsection (b), not to exceed 5 years, the Secretary shall forgive not more than $1,000 of the student loan obligation of a borrower that is outstanding after the completion of each such school, academic, or calendar year of employment, as appropriate, not to exceed $5,000 in the aggregate for any borrower.

''(d) CONSTRUCTION.—Nothing in this section shall be construed to authorize the refunding of any repayment of a loan.

''(e) SEGAL AMERICORPS EDUCATION AWARD AND NATIONAL SERVICE AWARD RECIPIENTS.—A student borrower who qualifies for the maximum education award under subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12601 et seq.) shall receive under this section the amount, if any, by which the maximum benefit available under this section exceeds the maximum education award available under such subtitle.

''(f) INELIGIBILITY FOR DOUBLE BENEFITS.—No borrower may receive a reduction of loan obligations under both this section and section 428J or 460.

''(g) DEFINITIONS.—In this section:

''(1) CRITICAL FOREIGN LANGUAGE.—The term 'critical foreign language' includes the languages of Arabic, Korean, Japanese, Chinese, Pashto, Persian-Farsi, Serbian-Croatian, Russian, Portuguese, and any other language identified by the Secretary of Education, in consultation with the Defense Language Institute, the Foreign Service Institute, and the National Security Education Program, as a critical foreign language need.

''(2) EARLY CHILDHOOD EDUCATOR.—The term 'early childhood educator' means an early childhood educator who works directly with children in an eligible preschool program or eligible early childhood education program who has completed a baccalaureate or advanced degree in early childhood development, early childhood education, or in a field related to early childhood education.

''(3) ELIGIBLE PRESCHOOL PROGRAM.—The term 'eligible preschool program' means a program that provides for the care, development, and education of infants, toddlers, or young children age 5 and under, meets any applicable State or local government licensing, certification, approval, and registration requirements, and is operated by—

''(A) a public or private school that is supported, sponsored, supervised, or administered by a local educational agency;

''(B) a Head Start agency serving as a grantee designated under the Head Start Act (42 U.S.C. 9831 et seq.);

''(C) a nonprofit or community based organization; or

''(D) a child care program, including a home.

''(4) ELIGIBLE EARLY CHILDHOOD EDUCATION PROGRAM.—The term 'eligible early childhood education program' means—

''(A) a family child care program, center-based child care program, State prekindergarten program, school program, or other out-of-home early childhood development care program, that—

''(i) is licensed or regulated by the State; and

''(ii) serves 2 or more unrelated children who are not old enough to attend kindergarten;

''(B) a Head Start Program carried out under the Head Start Act (42 U.S.C. 9831 et seq.); or

''(C) an Early Head Start Program carried out under section 645A of the Head Start Act (42 U.S.C. 9840a).

''(5) LOW-INCOME COMMUNITY.—In this subsection, the term 'low-income community' means a community in which 70 percent of households earn less than 85 percent of the State median household income.

''(6) NURSE.—The term 'nurse' means a nurse who meets all of the following:

''(A) The nurse graduated from—

''(i) an accredited school of nursing (as those terms are defined in section 801 of the Public Health Service Act (42 U.S.C. 296));

''(ii) a nursing center; or

''(iii) an academic health center that provides nurse training.

''(B) The nurse holds a valid and unrestricted license to practice nursing in the State in which the nurse practices in a clinical setting.

''(C) The nurse holds one or more of the following:

''(i) A graduate degree in nursing, or an equivalent degree.

''(ii) A nursing degree from a collegiate school of nursing (as defined in section 801 of the Public Health Service Act (42 U.S.C. 296)).

''(iii) A nursing degree from an associate degree school of nursing (as defined in section 801 of the Public Health Service Act (42 U.S.C. 296)).

''(iv) A nursing degree from a diploma school of nursing (as defined in section 801 of the Public Health Service Act (42 U.S.C. 296)).

''(7) SPEECH-LANGUAGE PATHOLOGIST.—The term 'speech-language pathologist' means a speech-language pathologist who—

''(A) has received, at a minimum, a graduate degree in speech-language pathology or communication sciences and disorders from an institution of higher education accredited by an agency or association recognized by the Secretary pursuant to section 496(a) of this Act; and

''(B) provides speech-language pathology services under section 1861(ll)(1) of the Social Security Act (42 U.S.C. 1395x(ll)(1), or meets or exceeds the qualifications for a qualified speech-language pathologist under subsection (ll)(3) of such section (42 U.S.C. 1395x(ll)(3)).

''(h) PROGRAM FUNDING.—There shall be available to the Secretary to carry out this section, from funds not otherwise appropriated, such sums as may be necessary to provide loan forgiveness in accordance with this section to each eligible individual.''.

SEC. 132. INCOME-CONTINGENT REPAYMENT FOR PUBLIC SECTOR EMPLOYEES.

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

''(7) REPAYMENT PLAN FOR PUBLIC SECTOR EMPLOYEES.—

''(A) IN GENERAL.—The Secretary shall forgive the balance due on any loan made under this part or section 428C(b)(5) for a borrower—

''(i) who has made 120 payments on such loan pursuant to income-contingent repayment; and

''(ii) who is employed, and was employed for the 10-year period in which the borrower made the 120 payments described in clause (i), in a public sector job.

''(B) PUBLIC SECTOR JOB.—In this paragraph, the term 'public sector job' means a full-time job in emergency management, government, public safety, law enforcement, public health, education (including early childhood education), social work in a public child or family service agency, public interest legal services (including prosecution or public ''defense or legal advocacy in low-income communities at a nonprofit organization), or at an organization that is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code''.

''(8) RETURN TO STANDARD REPAYMENT.—A borrower who is repaying a loan made under this part pursuant to income-contingent repayment may choose, at any time, to terminate repayment pursuant to income-contingent repayment and repay such loan under the standard repayment plan.''.

SEC. 133. INCOME-BASED REPAYMENT.

(a) AMENDMENT.—Part G of title IV (20 U.S.C. 1088 et seq.) is further amended by adding at the end the following:

''SEC. 493C. INCOME-BASED REPAYMENT.

''(a) DEFINITIONS.—In this section:

''(1) EXCEPTED PLUS LOAN.—The term 'excepted PLUS loan' means a loan under section 428B, or a Federal Direct PLUS Loan, that is made, insured, or guaranteed on behalf of a dependent student.

''(2) PARTIAL FINANCIAL HARDSHIP.—The term 'partial financial hardship', when used with respect to a borrower, means that for such borrower—

''(A) the annual amount due on the total amount of loans made, insured, or guaranteed under part B or D (other than an excepted PLUS loan) to a borrower as calculated under the standard repayment plan under section 428(b)(9)(A)(i) or 455(d)(1)(A); exceeds

''(B) 15 percent of the result obtained by calculating the amount by which—

''(i) the borrower's, and the borrower's spouse's (if applicable), adjusted gross income; exceeds

''(ii) 150 percent of the poverty line applicable to the borrower's family size as determined under section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

''(b) INCOME-BASED REPAYMENT PROGRAM AUTHORIZED.—Notwithstanding any other provision of this Act, the Secretary shall carry out a program under which—

''(1) a borrower of any loan made, insured, or guaranteed under part B or D (other than an excepted PLUS loan) who has a partial financial hardship may elect, during any period the borrower has the partial financial hardship, to have the borrower's aggregate monthly payment for all such loans not exceed the result described in subsection (a)(2)(B) divided by 12;

''(2) the holder of such a loan shall apply the borrower's monthly payment under this subsection first toward interest due on the loan and then toward the principal of the loan;

''(3) any interest due and not paid under paragraph (2) shall be capitalized;

''(4) any principal due and not paid under paragraph (2) shall be deferred;

''(5) the amount of time the borrower makes monthly payments under paragraph (1) may exceed 10 years;

''(6) if the borrower no longer has a partial financial hardship or no longer wishes to continue the election under this subsection, then—

''(A) the maximum monthly payment required to be paid for all loans made to the borrower under part B or D (other than an excepted PLUS loan) shall not exceed the monthly amount calculated under section 428(b)(9)(A)(i) or 455(d)(1)(A) when the borrower first made the election described in this subsection; and

''(B) the amount of time the borrower is permitted to repay such loans may exceed 10 years;

''(7) the Secretary shall repay or cancel any outstanding balance of principal and interest due on all loans made under part B or D (other than a loan under section 428B or a Federal Direct PLUS Loan) to a borrower who—

''(A) is in deferment due to an economic hardship described in section 435(o) for a period of time prescribed by the Secretary, not to exceed 20 years; or

''(B)(i) makes the election to participate in income-based repayment under paragraph (1); and

''(ii) for a period of time prescribed by the Secretary, not to exceed 20 years (including any period during which the borrower is in deferment due to an economic hardship described in section 435(o)), meets 1 or more of the following requirements:

''(I) has made reduced monthly payments under paragraph (1);

''(II) has made monthly payments of not less than the monthly amount calculated under section 428(b)(9)(A)(i) or 455(d)(1)(A) when the borrower first made the election described in this subsection;

''(III) has made payments under a standard repayment plan under section 428(b)(9)(A)(i) or 455(d)(1)(A);

''(IV) has made payments under an income-contingent repayment plan under section 455(d)(1)(D); and

''(8) a borrower who is repaying a loan made under this part pursuant to income-based repayment may elect, at any time, to terminate repayment pursuant to income-based repayment and repay such loan under the standard repayment plan.''.

(b) CONFORMING ICR AMENDMENT.—Section 455(d)(1)(D) (20 U.S.C. 1087e(d)(1)(D)) is amended by inserting ''made on behalf of a dependent student'' after ''PLUS loan''.

SEC. 134. DEFINITION OF ECONOMIC HARDSHIP.

Section 435(o) (20 U.S.C. 1085(o)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)(ii)—

(i) by striking ''100 percent of the poverty line for a family of 2'' and inserting ''150 percent of the poverty line applicable to the borrower's family size''; and

(ii) by inserting ''or'' after the semicolon;

(B) by striking subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B); and

(2) in paragraph (2), by striking ''(1)(C)'' and inserting ''(1)(B)''.

SEC. 135. DEFERRALS.

(a) FISL.—Section 427(a)(2)(C)(iii) (20 U.S.C. 1077(a)(2)(C)(iii)) is amended by striking ''not in excess of 3 years''.

(b) INTEREST SUBSIDIES.—Section 428(b)(1)(M)(iv) (20 U.S.C. 1078(b)(1)(M)(iv)) is amended by striking ''not in excess of 3 years''.

(c) DIRECT LOANS.—Section 455(f)(2)(D) (20 U.S.C. 1087e(f)(2)(D)) is amended by striking ''not in excess of 3 years''.

(d) PERKINS.—Section 464(c)(2)(A)(iv) (20 U.S.C. 1087dd(c)(2)(A)(iv)) is amended by striking ''not in excess of 3 years''.

SEC. 136. MAXIMUM REPAYMENT PERIOD.

(a) IN GENERAL.—Section 455(e) (20 U.S.C. 1087e(e)) is amended by adding at the end the following:

''(9) MAXIMUM REPAYMENT PERIOD.—In calculating the extended period of time for which an income-contingent repayment plan under this subsection may be in effect for a borrower, the Secretary shall include all time periods during which a borrower of loans under part B, part D, or part E—

''(A) is not in default on any loan that is included in the income-contingent repayment plan; and

''(B)(i) is in deferment due to an economic hardship described in section 435(o);

''(ii) makes monthly payments under paragraph (1) or (6) of section 493C(b); or

''(iii) makes payments under a standard repayment plan described in section 428(b)(9)(A)(i) or subsection (d)(1)(A).''.

(b) TECHNICAL CORRECTION.—Section 455(d)(1)(C) (20 U.S.C. 1087e(d)(1)(C)) is amended by striking ''428(b)(9)(A)(v)'' and inserting ''428(b)(9)(A)(iv)''.

SEC. 137. DEFERRAL OF LOAN REPAYMENT FOLLOWING ACTIVE DUTY.

Part G of title IV is amended by inserting after section 484B (20 U.S.C. 1091b) the following new section:

''SEC. 484C. DEFERRAL OF LOAN REPAYMENT FOLLOWING ACTIVE DUTY.

''(a) DEFERRAL OF LOAN REPAYMENT FOLLOWING ACTIVE DUTY.—In addition to any deferral of repayment of a loan made under this title pursuant to section 428(b)(1)(M)(iii), 455(f)(2)(C), or 464(c)(2)(A)(ii), a borrower of a loan under this title who is a member of the National Guard or other reserve component of the Armed Forces of the United States, or a member of such Armed Forces in a retired status, is called or ordered to active duty, and is currently enrolled, or was enrolled within six months prior to the activation, in a program of instruction at an eligible institution, shall be eligible for a deferment during the 13 months following the conclusion of such service, except that a deferment under this subsection shall expire upon the borrower's return to enrolled student status.

''(b) ACTIVE DUTY.—Notwithstanding section 481(d), in this section, the term 'active duty' has the meaning given such term in section 101(d)(1) of title 10, United States Code, except that such term—

''(1) does not include active duty for training or attendance at a service school; but

''(2) includes, in the case of members of the National Guard, active State duty.''.

PART D—SUSTAINING THE PERKINS LOAN PROGRAM

SEC. 141. FEDERAL PERKINS LOANS.

Section 461(b) (20 U.S.C. 1087aa(b)) is amended by adding at the end the following new paragraphs:

''(3) In addition to any amounts appropriated pursuant to paragraph (1) or (2) of this subsection, there shall be available to the Secretary for contributions to student loan funds established under part E, from funds not otherwise appropriated, $100,000,000 for each of the fiscal years 2008 through 2012. The sum of the amount made available under this subsection for any such fiscal year, plus the amount so appropriated for such fiscal year, shall, for purposes of allocations under section 462, be treated as the amount appropriated pursuant to section 461(b) for such fiscal year.

''(4) The authority to make contributions to student loan funds under this part shall expire at the end of fiscal year 2012.''.

TITLE II—REDUCING THE COST OF COLLEGE

SEC. 201. CONSUMER INFORMATION AND PUBLIC ACCOUNTABILITY IN HIGHER EDUCATION.

Section 131 of the Higher Education Act of 1965 (20 U.S.C. 1015) is amended to read as follows:

''SEC. 131. CONSUMER INFORMATION AND PUBLIC ACCOUNTABILITY IN HIGHER EDUCATION.

''(a) COLLEGE OPPORTUNITY ON-LINE (COOL) WEBSITE RE-DESIGN PROCESS.—In carrying out this section, the Commissioner of Education Statistics—

''(1) shall identify the data elements related to college costs that are of greatest importance to prospective students, enrolled students, and their families, paying particular attention to low-income, non-traditional student populations, and first-generation college students;

''(2) shall convene a group of individuals with expertise in the informational needs of prospective college students and parents to—

''(A) determine the relevance of particular data elements to prospective students, enrolled students, and families based upon the results of opinion research; and

''(B) make recommendations regarding the inclusion of specific data items and the most effective and least burdensome methods of collecting and reporting useful data from institutions of higher education; and

''(3) shall ensure that the redesigned COOL website—

''(A) uses, to the extent practicable, data elements currently provided by institutions of higher education to the Secretary;

''(B) includes clear and uniform information determined to be relevant to prospective students, enrolled students, and families;

''(C) provides comparable information, by ensuring that information is based on accepted criteria and common definitions;

''(D) includes a sorting function that permits users to customize their search for and comparison of institutions of higher education based on the information identified through the process as prescribed in paragraph (1) as being of greatest relevance to choosing an institution of higher education.

''(b) DATA COLLECTION.—

''(1) DATA SYSTEM.—The Commissioner of Education Statistics shall continue to redesign the relevant parts of the Integrated Postsecondary Education Data System to include additional data as required by this section and to continue to improve the usefulness and timeliness of data collected by such System in order to inform consumers about institutions of higher education.

''(2) COLLEGE CONSUMER PROFILE.—The Secretary shall continue to publish on the COOL website, for each academic year and in accordance with standard definitions developed by the Commissioner of Education Statistics (including definitions developed under section 131(a)(3)(A) as in effect on the day before the date of enactment of the College Cost Reduction Act of 2007), from at least all institutions of higher education participating in programs under title IV the following information:

''(A) The tuition and fees charged for a first-time, full-time undergraduate student.

''(B) The room and board charges for a first-time, full-time undergraduate student.

''(C) The cost of attendance for a first-time, full-time undergraduate student, consistent with the provisions of section 472.

''(D) The average amount of financial assistance (including grant assistance) received by a first-year, full-time undergraduate student.

''(E) The number and percentage of first-time, full-time undergraduate students receiving financial assistance (including grant assistance) described in each clause of subparagraph (D).

''(F) Student enrollment information, including information on the number and percentage of full-time and part-time students, and the number and percentage of resident and non-resident students.

''(G) Faculty-to-student ratios.

''(H) The total number of faculty and the percentage of faculty who are full-time employees of the institution and the percentage who are part-time.

''(I) Graduation rates calculated pursuant to section 485(a)(1)(L), including rates disaggregated by gender, by each major racial and ethnic subgroup, and by income status, as measured by receipt of Federal Pell Grants or Federal subsidized student loans.

''(J) A link to the institution of higher education with information of interest to students including mission, accreditation, student services (including services for students with disabilities), transfer of credit policies, any articulation agreements entered into by the institution.

''(K) The college affordability information elements specified in subsection (d).

''(c) INFORMATION TO THE PUBLIC.—The Secretary shall work with public and private entities to promote broad public awareness, particularly among middle and high school students and their families, of the information made available under this section, including by distribution to students who participate in or receive benefits from means-tested federally funded education programs and other Federal programs determined by the Secretary.

''(d) COLLEGE AFFORDABILITY INFORMATION ELEMENTS.—The college affordability information elements required by subsection (b)(2)(K) shall include, for each institution submitting data—

''(1) the sticker price of the institution for the 5 most recent academic years; and

''(2) the net tuition of the institution for the most recent academic year for which data are available.

''(e) OUTCOMES AND ACTIONS.—

''(1) RESPONSE FROM INSTITUTION.—Effective on June 30, 2011, an institution that increases its sticker price at a percentage rate for any 3-year interval ending on or after that date that exceeds two times the rate of change in the higher education price index over the same time period shall provide a report to the Secretary. Such report shall be published by the Secretary on the COOL website, and shall include—

''(A) a description of the factors contributing to the increase in the institution's costs and in the tuition and fees charged to students; and

''(B) if determinations of tuition and fee increases are not within the exclusive control of the institution, a description of the agency or instrumentality of State government or other entity that participates in such determinations and the authority exercised by such agency, instrumentality, or entity.

''(2) CONSEQUENCES FOR 2-YEAR CONTINUATION OF FAILURE.—If the Secretary determines that an institution that is subject to paragraph (1) has failed to reduce the subsequent increase in sticker price to equal to or below two times the rate of change in the higher education price index for 2 consecutive academic years subsequent to the 3-year interval used under paragraph (1), the Secretary shall place the institution on affordability alert status.

''(3) EXEMPTIONS.—Notwithstanding paragraph (2), an institution shall not be placed on affordability alert status if, for any 3-year interval for which sticker prices are computed under paragraph (1)—

''(A) with respect the class of institutions described in paragraph (5) to which the institution belongs, the sticker price of the institution is in the lowest quartile of institutions within such class, as determined by the Secretary, during the last year of such 3-year interval; or

''(B) the institution has a percentage change in its sticker price computed under paragraph (1) that exceeds two times the rate of change in the higher education price index over the same time period, but the dollar amount of the sticker price increase is less than $500.

''(4) INFORMATION TO STATE AGENCIES.—Any institution that reports under paragraph (1)(B) that an agency or instrumentality of State government or other entity participates in the determinations of tuition and fee increases shall, prior to submitting any information to the Secretary under this subsection, submit such information to, and request the comments and input of, such agency, instrumentality, or entity. With respect to any such institution, the Secretary shall provide a copy of any communication by the Secretary with that institution to such agency, instrumentality, or entity.

''(5) CLASSES OF INSTITUTIONS.—For purposes of this subsection, the classes of institutions shall be those sectors used by the Integrated Postsecondary Education Data System, based on whether the institution is public, nonprofit private, or for-profit private, and whether the institution has a 4-year, 2-year, or less than 2-year program of instruction.

''(6) DATA REJECTION.—Nothing in this subsection shall be construed as allowing the Secretary to reject the data submitted by an individual institution of higher education.

''(f) FINES.—In addition to actions authorized in section 487(c), the Secretary may impose a fine in an amount not to exceed $25,000 on an institution of higher education for failing to provide the information required by this section in a timely and accurate manner, or for failing to otherwise cooperate with the National Center for Education Statistics regarding efforts to obtain data under subsection (c) and pursuant to the program participation agreement entered into under section 487.

''(g) REGULATIONS.—The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this section.

''(h) DEFINITIONS.—For the purposes of this section:

''(1) NET TUITION.—The term 'net tuition' means the average tuition and fees charged to a full-time undergraduate student by an institution of higher education for any academic year, minus the average grant amount received by such a student for such academic year.

''(2) STICKER PRICE.—The term 'sticker price' means the average published tuition and fees charged to a first-time, full-time, undergraduate student by an institution of higher education for any academic year.

''(3) HIGHER EDUCATION PRICE INDEX.—The term 'higher education price index' means a statistical measure of change over time in the prices of a fixed market basket of goods and services purchased by colleges and universities through current fund educational and general expenditures (excluding expenditures for research), as developed by the Bureau of Labor Statistics.''.

SEC. 202. COOPERATIVE EDUCATION REWARDS FOR INSTITUTIONS THAT RESTRAIN TUITION INCREASES.

The Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is amended by adding at the end the following title:

''TITLE VIII—RESTRAINING TUITION INCREASES

''PART A—COOPERATIVE EDUCATION

''SEC. 801. DEFINITION OF COOPERATIVE EDUCATION.

''For the purpose of this title the term 'cooperative education' means the provision of alternating or parallel periods of academic study and public or private employment in order to give students work experiences related to their academic or occupational objectives and an opportunity to earn the funds necessary for continuing and completing their education.

''SEC. 802. AUTHORIZATION OF APPROPRIATIONS; RESERVATIONS.

''(a) APPROPRIATIONS.—There shall be available to the Secretary to carry out this title from funds not otherwise appropriated $15,000,000 for each of the fiscal years 2008 through 2012.

''(b) RESERVATIONS.—Of the amount appropriated for each such fiscal year—

''(1) not less than 50 percent shall be available for carrying out grants to institutions of higher education and combinations of such institutions described in section 803(a)(1)(A) for cooperative education under section 803;

''(2) not less than 25 percent shall be available for carrying out grants to institutions of higher education described in section 803(a)(1)(B) for cooperative education under section 803;

''(3) not more than 11 percent shall be available for demonstration projects under paragraph (1) of section 804(a);

''(4) not more than 11 percent shall be available for training and resource centers under paragraph (2) of section 804(a); and

''(5) not more than 3 percent shall be available for research under paragraph (3) of section 804(a).

''(c) AVAILABILITY OF APPROPRIATIONS.—Appropriations under this title shall not be available for the payment of compensation of students for employment by employers under arrangements pursuant to this title.

''(d) SUNSET.—The authority to carry out this title shall expire at the end of fiscal year 2012.

''SEC. 803. GRANTS FOR COOPERATIVE EDUCATION.

''(a) GRANTS AUTHORIZED.—

''(1) IN GENERAL.—The Secretary is authorized—

''(A) from the amount available under section 802(b)(1) in each fiscal year and in accordance with the provisions of this title, to make grants to institutions of higher education or combinations of such institutions that have not previously received a grant under this paragraph to pay the Federal share of the cost of planning, establishing, expanding, or carrying out programs of cooperative education by such institutions or combinations of institutions; and

''(B) from the amount available under section 802(b)(2) in each fiscal year and in accordance with the provisions of this title, to make grants to institutions of higher education that are operating an existing cooperative education program (as determined by the Secretary) to pay the cost of planning, establishing, expanding, or carrying out programs of cooperative education by such institutions.

''(2) PROGRAM REQUIREMENT.—Cooperative education programs assisted under this section shall provide alternating or parallel periods of academic study and of public or private employment, giving students work experience related to their academic or occupational objectives and the opportunity to earn the funds necessary for continuing and completing their education.

''(3) AMOUNT OF GRANTS.—

''(A) The amount of each grant awarded pursuant to paragraph (1)(A) to any institution of higher education or combination of such institutions in any fiscal year shall not exceed $500,000.

''(B)(i) Except as provided in clauses (ii) and (iii), the Secretary shall award grants in each fiscal year to each institution of higher education described in paragraph (1)(B) that has an application approved under subsection (b) in an amount which bears the same ratio to the amount reserved pursuant to section 802(b)(2) for such fiscal year as the number of unduplicated students placed in cooperative education jobs during the preceding fiscal year (other than cooperative education jobs under section 804 and as determined by the Secretary) by such institution of higher education bears to the total number of all such students placed in such jobs during the preceding fiscal year by all such institutions.

''(ii) No institution of higher education shall receive a grant pursuant to paragraph (1)(B) in any fiscal year in an amount which exceeds 25 percent of such institution's cooperative education program's personnel and operating budget for the preceding fiscal year.

''(iii) The minimum annual grant amount which an institution of higher education is eligible to receive under paragraph (1)(B) is $1,000 and the maximum annual grant amount is $75,000.

''(4) LIMITATION.—The Secretary shall not award grants pursuant to paragraphs (1)(A) and (1)(B) to the same institution of higher education or combination of such institution in any one fiscal year.

''(5) USES.—Grants under paragraph (1)(B) shall be used exclusively—

''(A) to expand the quality and participation of a cooperative education program;

''(B) for outreach in new curricular areas; and

''(C) for outreach to potential participants including underrepresented and nontraditional populations.

''(b) APPLICATIONS.—Each institution of higher education or combination of such institutions desiring to receive a grant under this section shall submit an application to the Secretary at such time and in such manner as the Secretary shall prescribe. Each such application shall—

''(1) set forth the program or activities for which a grant is authorized under this section;

''(2) specify each portion of such program or activities which will be performed by a nonprofit organization or institution other than the applicant, and the compensation to be paid for such performance;

''(3) provide that the applicant will expend during such fiscal year for the purpose of such program or activities not less than the amount expended for such purpose during the previous fiscal year;

''(4) describe the plans which the applicant will carry out to assure, and contain a formal statement of the institution's commitment which

assures, that the applicant will continue the cooperative education program beyond the 5-year period of Federal assistance described in subsection (c)(1) at a level which is not less than the total amount expended for such program during the first year such program was assisted under this section;

''(5) provide that, in the case of an institution of higher education that provides a 2-year program which is acceptable for full credit toward a bachelor's degree, the cooperative education program will be available to students who are certificate or associate degree candidates and who carry at least one-half the normal full-time academic workload;

''(6) provide that the applicant will—

''(A) for each fiscal year for which the applicant receives a grant, make such reports with respect to the impact of the cooperative education program in the previous fiscal year as may be essential to ensure that the applicant is complying with the provisions of this section, including—

''(i) the number of unduplicated student applicants in the cooperative education program;

''(ii) the number of unduplicated students placed in cooperative education jobs;

''(iii) the number of employers who have hired cooperative education students;

''(iv) the average income for students derived from working in cooperative education jobs; and

''(v) the increase or decrease in the number of unduplicated students placed in cooperative education jobs in each fiscal year compared to the previous fiscal year; and

''(B) keep such records as are essential to ensure that the applicant is complying with the provisions of this title, including the notation of cooperative education employment on the student's transcript;

''(7) describe the extent to which programs in the academic discipline for which the application is made have had a favorable reception by public and private sector employers;

''(8) describe the extent to which the institution is committed to extending cooperative education on an institution-wide basis for all students who can benefit;

''(9) describe the plans that the applicant will carry out to evaluate the applicant's cooperative education program at the end of the grant period;

''(10) provide for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the applicant under this title;

''(11) demonstrate a commitment to serving all underserved populations; and

''(12) include such other information as is essential to carry out the provisions of this title.

''(c) DURATION OF GRANTS; FEDERAL SHARE.—

''(1) DURATION OF GRANTS.—No individual institution of higher education may receive, individually or as a participant in a combination of such institutions—

''(A) a grant pursuant to subsection (a)(1)(A) for more than 5 fiscal years; or

''(B) a grant pursuant to subsection (a)(1)(B) for more than 5 fiscal years.

''(2) FEDERAL SHARE.—The Federal share of a grant under section 803(a)(1)(A) may not exceed—

''(A) 85 percent of the cost of carrying out the program or activities described in the application in the first year the applicant receives a grant under this section;

''(B) 70 percent of such cost in the second such year;

''(C) 55 percent of such cost in the third such year;

''(D) 40 percent of such cost in the fourth such year; and

''(E) 25 percent of such cost in the fifth such year.

''(3) SPECIAL RULE.—Any provision of law to the contrary notwithstanding, the Secretary shall not waive the provisions of this subsection.

''(d) MAINTENANCE OF EFFORT.—If the Secretary determines that a recipient of funds under this section has failed to maintain the fiscal effort described in subsection (b)(3), then the Secretary may elect not to make grant payments under this section to such recipient.

''SEC. 804. DEMONSTRATION AND INNOVATION PROJECTS; TRAINING AND RESOURCE CENTERS; AND RESEARCH.

''(a) AUTHORIZATION.—The Secretary is authorized, in accordance with the provisions of this section, to make grants and enter into contracts—

''(1) from the amounts available in each fiscal year under section 802(b)(3), for the conduct of demonstration projects designed to demonstrate or determine the feasibility or value of innovative methods of cooperative education;

''(2) from the amounts available in each fiscal year under section 802(b)(4), for the conduct of training and resource centers designed to—

''(A) train personnel in the field of cooperative education;

''(B) improve materials used in cooperative education programs if such improvement is conducted in conjunction with other activities described in this paragraph;

''(C) furnish technical assistance to institutions of higher education to increase the potential of the institution to continue to conduct a cooperative education program without Federal assistance;

''(D) encourage model cooperative education programs which furnish education and training in occupations in which there is a national need;

''(E) support partnerships under which an institution carrying out a comprehensive cooperative education program joins with one or more institutions of higher education in order to—

''(i) assist the institutions other than the comprehensive cooperative education institution to develop and expand an existing program of cooperative education; or

''(ii) establish and improve or expand comprehensive cooperative education programs; and

''(F) encourage model cooperative education programs in the fields of science and mathematics for women and minorities who are underrepresented in such fields; and

''(3) from the amounts available in each fiscal year under section 802(b)(5), for the conduct of research relating to cooperative education.

''(b) ADMINISTRATIVE PROVISION.—

''(1) IN GENERAL.—To carry out this section, the Secretary may—

''(A) make grants to or contracts with institutions of higher education, or combinations of such institutions; and

''(B) make grants to or contracts with other public or private nonprofit agencies or organizations, whenever such grants or contracts will make an especially significant contribution to attaining the objectives of this section.

''(2) LIMITATION.—

''(A) The Secretary may not use more than 3 percent of the amount appropriated to carry out this section in each fiscal year to make grants or enter into contracts described in paragraph (1)(A).

''(B) The Secretary may use not more than 3 percent of the amount appropriated to carry out this section in each fiscal year to make grants or enter into contracts described in paragraph (1)(B).

''(c) SUPPLEMENT NOT SUPPLANT.—A recipient of a grant or contract under this section may use the funds provided only to supplement and, to the extent possible, increase the level of funds that would, in the absence of such funds, be made available from non-Federal sources to carry out the activities supported by such grant or contract, and in no case to supplant such funds from non-Federal sources.

''PART B—LOW TUITION

''SEC. 811. INCENTIVES AND REWARDS FOR LOW TUITION.

''(a) REWARDS FOR LOW TUITION.—

''(1) COMPETITIVE GRANTS.—The Secretary shall award grants on a competitive basis to institutions of higher education that, for academic year 2008–2009 or any succeeding academic year, have an annual net tuition increase (expressed as a percentage) for the most recent academic year for which satisfactory data is available that is equal to or less than the percentage change in the higher education price index for such academic year.

''(2) USE OF FUNDS.—Funds awarded to an institution of higher education under paragraph (1) shall be distributed by the institution in the form of need-based grant aid to students who are eligible for Federal Pell Grants, except that no student shall receive an amount under this section that would cause the amount of total financial aid received by such student to exceed the cost of attendance of the institution.

''(b) REWARDS FOR GUARANTEED TUITION.—

''(1) BONUS.—For each institution of higher education that the Secretary of Education determines complies with the requirements of paragraph (2) or (3) of this subsection, the Secretary shall provide to such institution a bonus amount. Such institution shall award the bonus amount first to students who are eligible for Federal Pell Grants who were in attendance at the institution during the award year that such institution satisfied the eligibility criteria for maintaining low tuition and fees, then to students who are eligible for Federal Pell Grants who were not in attendance at the institution during such award year, in the form of need-based aid.

''(2) 4-YEAR INSTITUTIONS.—An institution of higher education that provides a program of instruction for which it awards a bachelor's degree complies with the requirements of this paragraph if such institution guarantees that for any academic year beginning on or after July 1, 2008, and for each of the 4 succeeding continuous academic years, the net tuition charged to an undergraduate student will not exceed—

''(A) the amount that the student was charged for an academic year at the time he or she first enrolled in the institution of higher education, plus

''(B) the product of the percentage increase in the higher education price index for the prior academic year, or the most recent prior academic year for which data is available, multiplied by the amount determined under subparagraph (A).

''(3) LESS-THAN 4-YEAR INSTITUTIONS.—An institution of higher education that does not provide a program of instruction for which it awards a bachelor's degree complies with the requirements of this paragraph if such institution guarantees that for any academic year (or the equivalent) beginning on or after July 1, 2008, and for each of the 1.5 succeeding continuous academic years, the net tuition charged to an undergraduate student will not exceed—

''(A) the amount that the student was charged for an academic year at the time he or she first enrolled in the institution of higher education, plus

''(B) the product of the percentage increase in the higher education price index for the prior academic year, or the most recent prior academic year for which data is available, multiplied by the amount determined under subparagraph (A).

''(c) MAINTAINING AFFORDABLE TUITION.—

''(1) INSTITUTION REPORTS.—If an institution of higher education has an increase in annual net tuition (expressed as a percentage), for the most recent academic year for which satisfactory data is available, that is greater than the percentage increase in the higher education price index for such academic year, the institution is required to submit to the Secretary the following information, within 6 months of such determination—

''(A) a report on the factors contributing to the increase in the institution's costs and the increase in net tuition and fees charged to students, including identification of the major areas in the institution's budget with the greatest cost increases;

''(B) the institution's 3 most recent Form 990s submitted to the Internal Revenue Service, as required under section 6033 of the Internal Revenue Code of 1986;

''(C) a description of the major areas of expenditures in the institution's budget with the greatest increase for such academic year; and

''(D) voluntary actions being taken by the institution to reduce net tuition.

''(2) REPORT TO CONGRESS.—The Secretary shall compile the information submitted under this subsection and shall provide to the relevant authorizing committees an annual report relating to such information.

''(d) PRIORITY.—In awarding incentives and rewards under this section, the Secretary shall give priority to institutions of higher education with the lowest annual net tuition increase for the most recent academic year for which satisfactory data is available, when compared with other institutions of higher education with annual net tuition increases that are equal to or less than the higher education price index for such academic year.

''(e) EXEMPTIONS.—An institution shall still be eligible to receive rewards under subsections (a) and (b), and will not be penalized under subsection (c) if, for any 2-year interval for which net tuition is computed under such subsections—

''(1) with respect to the class of institutions described in section 131(d)(5) to which the institution belongs, the net tuition of the institution is in the lowest quartile of institutions within such class, as determined by the Secretary, during the last year of such 2-year interval; or

''(2) the institution has a percentage change in its net tuition computed under subsection (a) or (c) that exceeds the rate of change in the higher education price index (as defined in section 401B(d)) over the same time period, but the dollar amount of the net tuition increase is less than $500.

''(f) DEFINITIONS.—

''(1) NET TUITION.—The term 'net tuition' has the same meaning as provided in section 131(h).

''(2) HIGHER EDUCATION PRICE INDEX.—The term 'higher education price index' has the same meaning as provided in section 131(h).

''(g) FUNDING.—There shall be available to the Secretary to carry out this section, from funds not otherwise appropriated, $15,000,000 for each of the fiscal years 2008 through 2012.

''(h) SUNSET.—The authority to carry out this section shall expire at the end of fiscal year 2012.''.

TITLE III—ENSURING A HIGHLY QUALIFIED TEACHER IN EVERY CLASSROOM

PART A—TEACH GRANTS

SEC. 301. TEACH GRANTS.

Part A of title IV (20 U.S.C. 1070a et seq.) is amended by adding at the end the following new subpart:

"Subpart 9—TEACH Grants

"SEC. 420L. PROGRAM ESTABLISHED.

''(a) PROGRAM AUTHORITY.—

''(1) PAYMENTS REQUIRED.—The Secretary shall pay to each eligible institution such sums as may be necessary to pay to each eligible student (defined in accordance with section 484) who files an application and agreement in accordance with section 420M, and who qualifies—

''(A) under paragraph (2) of section 420M(a), a TEACH Grant in the amount of $4,000 for each academic year during which that student is in attendance at the institution; and

''(B) under paragraphs (2) and (3) of section 420M(a), a Bonus TEACH Grant in the amount of $500 (in addition to the amount of the TEACH Grant under subparagraph (A)) for each academic year during which that student so qualifies.

''(2) REFERENCE.—Grants made under—

''(A) paragraph (1)(A) shall be known as 'Teacher Education Assistance for College and Higher Education Grants' or 'TEACH Grants'; and

''(B) paragraph (1)(B) shall be known as Bonus TEACH Grants.

''(b) PAYMENT METHODOLOGY.—

''(1) PREPAYMENT.—Not less than 85 percent of any funds provided to an institution under subsection (a) shall be advanced to eligible institutions prior to the start of each payment period and shall be based upon an amount requested by the institution as needed to pay eligible students until such time as the Secretary determines and publishes in the Federal Register with an opportunity for comment, an alternative payment system that provides payments to institutions in an accurate and timely manner, except that this sentence shall not be construed to limit the authority of the Secretary to place an institution on a reimbursement system of payment.

''(2) DIRECT PAYMENT.—Nothing in this section shall be interpreted to prohibit the Secretary from paying directly to students, in advance of the beginning of the academic term, an amount for which they are eligible, in cases where the eligible institution elects not to participate in the disbursement system required by paragraph (1).

''(3) DISTRIBUTION OF GRANTS TO STUDENTS.—Payments under this subpart shall be made, in accordance with regulations promulgated by the Secretary for such purpose, in such manner as will best accomplish the purposes of this subpart. Any disbursement allowed to be made by crediting the student's account shall be limited to tuition and fees and, in the case of institutionally-owned housing, room and board. The student may elect to have the institution provide other such goods and services by crediting the student's account.

''(c) REDUCTIONS IN AMOUNT.—

''(1) PART-TIME STUDENTS.—In any case where a student attends an institution of higher education on less than a full-time basis (including a student who attends an institution of higher education on less than a half-time basis) during any academic year, the amount of a grant under this subpart for which that student is eligible shall be reduced in proportion to the degree to which that student is not attending on a full-time basis, in accordance with a schedule of reductions established by the Secretary for the purposes of this subpart, computed in accordance with this subpart. Such schedule of reductions shall be established by regulation and published in the Federal Register in accordance with section 482 of this Act.

''(2) NO EXCEEDING COST.—The amount of a grant awarded under this subpart, in combination with Federal assistance and other student assistance, shall not exceed the cost of attendance (as defined in section 472) at the institution at which that student is in attendance. If, with respect to any student, it is determined that the amount of a TEACH Grant or a Bonus TEACH Grant exceeds the cost of attendance for that year, the amount of the TEACH Grant or Bonus TEACH Grant, respectively, shall be reduced until such grant does not exceed the cost of attendance at such institution.

''(d) PERIOD OF ELIGIBILITY FOR GRANTS.—

''(1) UNDERGRADUATE AND POST-BACCALAUREATE STUDENTS.—The period during which an undergraduate or post-baccalaureate student may receive grants under this subpart shall be the period required for the completion of the first undergraduate baccalaureate or post-baccalaureate course of study being pursued by that student at the institution at which the student is in attendance except that—

''(A) any period during which the student is enrolled in a noncredit or remedial course of study as defined in paragraph (3) shall not be counted for the purpose of this paragraph; and

''(B) the total amount that a student may receive under this subpart for undergraduate or post-baccalaureate study shall not exceed $16,000 with respect to a student who receives only TEACH Grants, and $18,000 with respect to a student who receives TEACH Grants and Bonus TEACH Grants.

''(2) GRADUATE STUDENTS.—The period during which a graduate student may receive grants under this subpart shall be the period required for the completion of a master's degree course of study being pursued by that student at the institution at which the student is in attendance, except that the total amount that a student may receive under this subpart for graduate study shall not exceed $8,000 with respect to a student who receives only TEACH Grants, and $10,000 with respect to a student who receives TEACH Grants and Bonus TEACH Grants.

''(3) REMEDIAL COURSE; STUDY ABROAD.—Nothing in this section shall exclude from eligibility courses of study which are noncredit or remedial in nature (including courses in English language acquisition) which are determined by the institution to be necessary to help the student be prepared for the pursuit of a first undergraduate baccalaureate or post-baccalaureate degree or certificate or, in the case of courses in English language instruction, to be necessary to enable the student to utilize already existing knowledge, training, or skills. Nothing in this section shall exclude from eligibility programs of study abroad that are approved for credit by the home institution at which the student is enrolled.

"SEC. 420M. ELIGIBILITY; APPLICATIONS.

''(a) APPLICATIONS; DEMONSTRATION OF ELIGIBILITY.—

''(1) FILING REQUIRED.—The Secretary shall from time to time set dates by which students shall file applications for grants under this subpart. Each student desiring a grant under this subpart for any year shall file an application containing such information and assurances as the Secretary may deem necessary to enable the Secretary to carry out the functions and responsibilities of this subpart.

''(2) DEMONSTRATION OF TEACH GRANT ELIGIBILITY.—Each application submitted under paragraph (1) for a TEACH Grant shall contain such information as is necessary to demonstrate that—

''(A) if the applicant is an enrolled student—

''(i) the student is an eligible student for purposes of section 484;

''(ii) the student—

''(I) has a grade point average that is determined, under standards prescribed by the Secretary, to be comparable to a 3.25 average on a zero to 4.0 scale, except that, if the student is in the first year of a program of undergraduate education, such grade point average shall be determined on the basis of the student's cumulative high school grade point average; or

''(II) displayed high academic aptitude by receiving a score above the 75th percentile on at least one of the batteries in an undergraduate, post-baccalaureate, or graduate school admissions test; and

''(iii) the student is completing coursework and other requirements necessary to begin a career in teaching, or plans to complete such coursework and requirements prior to graduating; or

''(B) if the applicant is a current or prospective teacher applying for a grant to obtain a graduate degree—

''(i) the applicant is a teacher or a retiree from another occupation with expertise in a field in which there is a shortage of teachers, such as math, science, special education, English language acquisition, or another high-need subject; or

''(ii) the applicant is or was a teacher who is using high-quality alternative certification routes, such as Teach for America, to get certified.

''(3) DEMONSTRATION OF BONUS TEACH GRANT ELIGIBILITY.—Each application submitted under paragraph (1) for a Bonus TEACH Grant shall contain such information as is necessary to demonstrate that the applicant is—

''(A) eligible for, and has applied for, a TEACH Grant; and

''(B) a student enrolled in a qualified teacher preparation program, as defined in section 420N.

''(b) AGREEMENTS TO SERVE.—Each application under subsection (a) shall contain or be accompanied by an agreement by the applicant that—

''(1) the applicant will—

''(A) serve as a full-time teacher for a total of not less than 4 academic years within 8 years after completing the course of study for which the applicant received a TEACH Grant under this subpart;

''(B) teach in a school described in section 465(a)(2)(A);

''(C) with respect to an applicant for—

''(i) TEACH Grants, teach in any of the following fields: mathematics, science, a foreign language, bilingual education, or special education, or as a reading specialist, or another field documented as high-need by the Federal Government, State government, or local education agency and approved by the Secretary; or

''(ii) TEACH Grants and Bonus TEACH Grants, teach mathematics, science, or a science-related field;

''(D) submit evidence of such employment in the form of a certification by the chief administrative officer of the school upon completion of each year of such service; and

''(E) comply with the requirements for being a highly qualified teacher as defined in section 9101 of the Elementary and Secondary Education Act of 1965; and

''(2) in the event that the applicant is determined to have failed or refused to carry out such service obligation, the sum of the amounts of any TEACH Grants and Bonus TEACH Grants received by such applicant will be treated as a loan and collected from the applicant in accordance with subsection (c) and the regulations thereunder.

''(c) REPAYMENT FOR FAILURE TO COMPLETE SERVICE.—In the event that any recipient of a grant under this subpart fails or refuses to comply with the service obligation in the agreement under subsection (b), the sum of the amounts of any TEACH Grants and Bonus TEACH Grants received by such recipient shall be treated as a Direct Loan under part D of title IV, and shall be subject to repayment, together with interest thereon accruing after the period of service, in accordance with terms and conditions specified by the Secretary in regulations under this subpart.

"SEC. 420N. DEFINITIONS.

''For the purposes of this subpart:

''(1) ELIGIBLE INSTITUTION.—The term 'eligible institution' means an institution of higher education, as defined in section 102, that the Secretary determines—

''(A) provides high quality teacher preparation and professional development services, including extensive clinical experience as a part of pre-service preparation;

''(B) is financially sound;

''(C) provides pedagogical course work, or assistance in the provision of such coursework, including the monitoring of student performance, and formal instruction related to the theory and practices of teaching; and

''(D) provides supervision and support services to teachers, or assistance in the provision of such services, including mentoring focused on developing effective teaching skills and strategies.

''(2) QUALIFIED TEACHER PREPARATION PROGRAM.—The term 'qualified teacher preparation program' means a program for students and teachers described in subparagraph (A) or (B) of section 420M(a)(2) (referred to jointly in this paragraph as 'teacher candidates') that—

''(A) recruits and prepares teacher candidates who major in science, technology fields, special education, foreign language, engineering, or mathematics disciplines to become certified as elementary and secondary teachers in those disciplines, special education teachers, or teachers of English Language Learners, with the goals of improving teacher knowledge and effectiveness and increasing elementary and secondary student academic achievement;

''(B) is implemented by an institution of higher education in partnership with high-need local educational agencies and schools;

''(C) offers a baccalaureate degree, post-baccalaureate teacher credential, or graduate degree with a concurrent teacher certification to teacher candidates;

''(D) is implemented in coordination with the faculty of the relevant departments of the institution of higher education;

''(E) utilizes experienced teachers who have a demonstrated record of success in teaching underserved students to instruct teacher candidates in the disciplines described in subparagraph (A);

''(F) provides teacher candidates with—

''(i) support services, including mentoring by experienced teachers who have a demonstrated record of success in teaching underserved students;

''(ii) exposure to, and field experience in, the classroom within the first year of entering the qualified teacher preparation program; and

''(iii) other related support practices while the teacher candidates are participating in the program, and after such candidates graduate from the institution of higher education and are employed as teachers;

''(G) participates in partnerships which include the institution of higher education and local educational agencies and charter districts to provide opportunities for teacher candidate field work;

''(H) focuses on increasing the number of teachers in the disciplines described in subparagraph (A); and

''(I) encourages individuals from underrepresented populations to enter into the teaching profession.

''(3) POST-BACCALAUREATE.—The term 'post-baccalaureate' means a program of instruction that does not lead to a graduate degree, and that consists of courses required by a State in order for the student to receive a professional certification or licensing credential that is required for employment as a teacher in an elementary school or secondary school in that State, except that such term shall not include any program of instruction offered by an institution of higher education that offers a baccalaureate degree in education.

"SEC. 420O. PROGRAM PERIOD AND FUNDING.

''There shall be available to the Secretary to carry out this subpart, from funds not otherwise appropriated, such sums as may be necessary to provide TEACH Grants and Bonus TEACH Grants in accordance with this subpart to each eligible applicant.''.

PART B—CENTERS OF EXCELLENCE

SEC. 311. CENTERS OF EXCELLENCE.

Title II (20 U.S.C. 1021 et seq.) is amended by adding at the end the following:

"PART C—CENTERS OF EXCELLENCE

"SEC. 231. DEFINITIONS.

''As used in this part:

''(1) ELIGIBLE INSTITUTION.—The term 'eligible institution' means—

''(A) an institution of higher education that has a teacher preparation program that meets the requirements of section 203(b)(2)and that is—

''(i) a part B institution (as defined in section 322);

''(ii) a Hispanic-serving institution (as defined in section 502);

''(iii) a Tribal College or University (as defined in section 316);

''(iv) an Alaska Native-serving institution (as defined in section 317(b)); or

''(v) a Native Hawaiian-serving institution (as defined in section 317(b));

''(B) a consortium of institutions described in subparagraph (A); or

''(C) an institution described in subparagraph (A), or a consortium described in subparagraph (B), in partnership with any other institution of higher education, but only if the center of excellence established under section 232 is located at an institution described in subparagraph (A).

''(2) HIGHLY QUALIFIED.—The term 'highly qualified' when used with respect to an individual means that the individual is highly qualified as determined under section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801) or section 602 of the Individuals with Disabilities Education Act (20 U.S.C. 1401).

''(3) SCIENTIFICALLY BASED READING RESEARCH.—The term 'scientifically based reading research' has the meaning given such term in section 1208 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6368).

''(4) SCIENTIFICALLY BASED RESEARCH.—The term 'scientifically based research' has the meaning given such term in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

"SEC. 232. CENTERS OF EXCELLENCE.

''(a) PROGRAM AUTHORIZED.—From the amounts appropriated to carry out this part, the Secretary is authorized to award competitive grants to eligible institutions to establish centers of excellence.

''(b) USE OF FUNDS.—Grants provided by the Secretary under this part shall be used to ensure that current and future teachers are highly qualified, by carrying out one or more of the following activities:

''(1) Implementing reforms within teacher preparation programs to ensure that such programs are preparing teachers who are highly qualified, are able to understand scientifically based research, and are able to use advanced technology effectively in the classroom, including use for instructional techniques to improve student academic achievement, by—

''(A) retraining faculty; and

''(B) designing (or redesigning) teacher preparation programs that—

''(i) prepare teachers to close student achievement gaps, are based on rigorous academic content, scientifically based research (including scientifically based reading research), and challenging State student academic content standards; and

''(ii) promote strong teaching skills.

''(2) Providing sustained and high-quality preservice clinical experience, including the mentoring of prospective teachers by exemplary teachers, substantially increasing interaction between faculty at institutions of higher education and new and experienced teachers, principals, and other administrators at elementary schools or secondary schools, and providing support, including preparation time, for such interaction.

''(3) Developing and implementing initiatives to promote retention of highly qualified teachers and principals, including minority teachers and principals, including programs that provide—

''(A) teacher or principal mentoring from exemplary teachers or principals; or

''(B) induction and support for teachers and principals during their first 3 years of employment as teachers or principals, respectively.

''(4) Awarding scholarships based on financial need to help students pay the costs of tuition, room, board, and other expenses of completing a teacher preparation program.

''(5) Disseminating information on effective practices for teacher preparation and successful teacher certification and licensure assessment preparation strategies.

''(6) Activities authorized under sections 202, 203, and 204.

''(c) APPLICATION.—Any eligible institution desiring a grant under this section shall submit an application to the Secretary at such a time, in such a manner, and accompanied by such information as the Secretary may require.

''(d) MINIMUM GRANT AMOUNT.—The minimum amount of each grant under this part shall be $500,000.

''(e) LIMITATION ON ADMINISTRATIVE EXPENSES.—An eligible institution that receives a grant under this part may not use more than 2 percent of the grant funds for purposes of administering the grant.

''(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out this part.

''SEC. 233. APPROPRIATIONS.

''There shall be available to the Secretary, from funds not otherwise appropriated, $50,000,000 for the period beginning with fiscal year 2008 and ending with fiscal year 2012, to carry out this part beginning with academic year 2008–2009, which shall remain available until expended. The authority to carry out this part shall expire at the end of fiscal year 2012.''.

TITLE IV—LEVERAGING FUNDS TO INCREASE COLLEGE ACCESS

PART A—STRENGTHENING HISTORICALLY BLACK COLLEGES AND UNIVERSITIES AND MINORITY-SERVING INSTITUTIONS

SEC. 401. INVESTMENT IN HISTORICALLY BLACK COLLEGES AND UNIVERSITIES AND MINORITY-SERVING INSTITUTION.

Title IV is amended by adding at the end the following new part:

''PART I—STRENGTHENING HISTORICALLY BLACK COLLEGES AND UNIVERSITIES AND OTHER MINORITY-SERVING INSTITUTIONS

''SEC. 499A. INVESTMENT IN HISTORICALLY BLACK COLLEGES AND UNIVERSITIES AND OTHER MINORITY-SERVING INSTITUTION.

''(a) ELIGIBLE INSTITUTION.—An institution of higher education is eligible to receive funds from the amounts made available under this section if such institution is—

''(1) a part B institution (as defined in section 322 (20 U.S.C. 1061));

''(2) a Hispanic-serving institution (as defined in section 502 (20 U.S.C. 1101a));

''(3) a Tribal College or University (as defined in section 316 (20 U.S.C. 1059c));

''(4) an Alaska Native-serving institution or a Native Hawaiian-serving institution (as defined in section 317(b) (20 U.S.C. 1059d(b)));

''(5) a Predominantly Black Institution (as defined in subsection (c)); or

''(6) an Asian and Pacific Islander-serving institution (as defined in subsection (c)).

''(b) NEW INVESTMENT OF FUNDS.—

''(1) IN GENERAL.—There shall be available to the Secretary to carry out this section, from funds not otherwise appropriated, $100,000,000 for each of the fiscal years 2008 through 2012. The authority to carry out this section shall expire at the end of fiscal year 2012.

''(2) ALLOCATION AND ALLOTMENT.—

''(A) IN GENERAL.—Of the amounts made available under paragraph (1) for any fiscal year—

''(i) 40 percent shall be available for allocation under subparagraph (B);

''(ii) 40 percent shall be available for allocation under subparagraph (C); and

''(iii) 20 percent shall be available for allocation under subparagraph (D).

''(B) HSI STEM AND ARTICULATION PROGRAMS.—The amount made available for allocation under this subparagraph by subparagraph (A)(i) for any fiscal year shall be available for Hispanic-serving Institutions for activities described in section 503, with a priority given to applications that propose—

''(i) to increase the number of Hispanic and other low income students attaining degrees in the fields of science, technology, engineering and mathematics; and

''(ii) to develop model transfer and articulation agreements between 2-year Hispanic-serving institutions and 4-year institutions in such fields.

''(C) ALLOCATION AND ALLOTMENT HBCUS AND PBIS.—From the amount made available for allocation under this subparagraph by subparagraph (A)(ii) for any fiscal year—

''(i) $34,000,000 shall be available to eligible institutions described in subsection (a)(1) and shall be made available as grants under section 323 and allotted among such institutions under section 324, treating such amount, plus the amount appropriated for such fiscal year in a regular or supplemental appropriation Act to carry out part B of title III, as the amount appropriated to carry out part B of title III for purposes of allotments under section 324, for use by such institutions with a priority for—

''(I) activities described in paragraphs (1), (2), (4), (5), and (10) of section 323(a); and

''(II) other activities, consistent with the institution's comprehensive plan and designed to increase the institution's capacity to prepare students for careers in the physical and natural sciences, mathematics, computer science and information technology and sciences, engineering, language instruction in the less-commonly taught languages and international affairs, and nursing and allied health professions; and

''(ii) $6,000,000 shall be available to eligible institutions described in subsection (a)(5) and shall be available for a competitive grant program to award 10 grants of $600,000 annually for programs in the following areas: science, technology, engineering, or mathematics (STEM); health education; internationalization or globalization; teacher preparation; or improving educational outcomes of African American males.

''(D) ALLOCATION AND ALLOTMENT TO OTHER MINORITY-SERVING INSTITUTIONS.—From the amount made available for allocation under this subparagraph by subparagraph (A)(iii) for any fiscal year (in this subparagraph referred to as the 'allocable amount')—

''(i) 60 percent of the allocable amount for such fiscal year shall be available to eligible institutions described in subsection (a)(3) and shall be made available as grants under section 316, treating such 60 percent of the allocable amount as part of the amount appropriated for such fiscal year in a regular or supplemental appropriation Act to carry out such section, and using such 60 percent for purposes described in subsection (c) of such section;

''(ii) 30 percent of the allocable amount for such fiscal year shall be available to eligible institutions described in subsection (a)(4) and shall be made available as grants under section 317, treating such 30 percent of the allocable amount as part of the amount appropriated for such fiscal year in a regular or supplemental appropriation Act to carry out such section and using such 60 percent for purposes described in subsection (a) of such section; and

''(iii) 10 percent of the allocable amount for such fiscal year shall be available to eligible institutions described in subsection (a)(6) for activities described in section 311(c).

''(c) DEFINITIONS.—

''(1) PREDOMINANTLY BLACK INSTITUTION.—The term 'Predominantly Black institution' means an institution of higher education that—

''(A) has an enrollment of needy undergraduate students as required and defined by paragraph (2);

''(B) has an average educational and general expenditure which is low, per full-time equivalent undergraduate student in comparison with the average educational and general expenditure per full-time equivalent undergraduate student of institutions that offer similar instruction, except that the Secretary may apply the waiver requirements described in section 392(b) to this subparagraph in the same manner as the Secretary applies the waiver requirements to section 312(b)(1)(B);

''(C) has an enrollment of undergraduate students—

''(i) that is at least 40 percent Black American students;

''(ii) that is at least 1,000 undergraduate students;

''(iii) of which not less than 50 percent of the undergraduate students enrolled at the institution are low-income individuals or first-generation college students (as that term is defined in section 402A(g)); and

''(iv) of which not less than 50 percent of the undergraduate students are enrolled in an educational program leading to a bachelor's or associate's degree that the institution is licensed to award by the State in which it is located;

''(D) is legally authorized to provide, and provides within the State, an educational program for which the institution of higher education awards a bachelors degree, or in the case of a junior or community college, an associate's degree;

''(E) is accredited by a nationally recognized accrediting agency or association determined by the Secretary to be a reliable authority as to the quality of training offered, or is, according to such an agency or association, making reasonable progress toward accreditation; and

''(F) is not receiving assistance under part B of title III.

''(2) ENROLLMENT OF NEEDY STUDENTS.—The term 'enrollment of needy students' means the enrollment at an eligible institution with respect to which not less than 50 percent of the undergraduate students enrolled in an academic program leading to a degree—

''(A) in the second fiscal year preceding the fiscal year for which the determination is made, were Federal Pell Grant recipients for such year;

''(B) come from families that receive benefits under a means-tested Federal benefits program (as defined in paragraph (4));

''(C) attended a public or nonprofit private secondary school—

''(i) that is in the school district of a local educational agency that was eligible for assistance under part A of title I of the Elementary and Secondary Education Act of 1965 for any year during which the student attended such secondary school; and

''(ii) which for the purpose of this paragraph and for that year was determined by the Secretary (pursuant to regulations and after consultation with the State educational agency of the State in which the school is located) to be a school in which the enrollment of children counted under section 1113(a)(5) of such Act exceeds 30 percent of the total enrollment of such school; or

''(D) are first-generation college students (as that term is defined in section 402A(g)), and a majority of such first-generation college students are low-income individuals.

''(3) LOW-INCOME INDIVIDUAL.—The term 'low-income individual' has the meaning given such term in section 402A(g).

''(4) MEANS-TESTED FEDERAL BENEFIT PROGRAM.—The term 'means-tested Federal benefit program' means a program of the Federal Government, other than a program under title IV, in which eligibility for the programs' benefits, or the amount of such benefits, or both, are determined on the basis of income or resources of the individual or family seeking the benefit.

''(5) ASIAN AMERICAN AND PACIFIC ISLANDER-SERVING INSTITUTION.—The term 'Asian American and Pacific Islander-serving institution' means an institution of higher education that—

''(A) is an eligible institution under section 312(b); and

''(B) at the time of application, has an enrollment of undergraduate students that is at least 10 percent Asian American and Pacific Islander students.

''(6) ASIAN AMERICAN.—The term 'Asian American' has the meaning given the term 'Asian' in the Office of Management and Budget's Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity as

published on October 30, 1997 (62 Fed. Reg. 58789).

''(7) PACIFIC ISLANDER.—The term 'Pacific Islander' has the meaning given the term 'Native Hawaiian' or 'Other Pacific Islander' in such Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity.

''(d) TERMINATION OF AUTHORITY.—The authority to carry out this section expires at the end of fiscal year 2012.''.

PART B—COLLEGE ACCESS CHALLENGE GRANTS

SEC. 411. COLLEGE ACCESS CHALLENGE GRANTS.

(a) CHALLENGE GRANT PROGRAM ESTABLISHED.—

(1) PROGRAM ESTABLISHED.—The Secretary shall establish a program to award matching grants to increase the number of eligible students from underserved populations who enter and complete college by providing grants to philanthropic organizations who are members of eligible consortia to carry out the activities of the consortia to achieve this purpose, including—

(A) providing need-based grants to eligible students;

(B) providing support to eligible students through school- or institution-based mentoring programs; and

(C) conducting outreach programs to encourage eligible students to pursue higher education.

(2) GRANT PERIOD; RENEWABILITY.—Grants under this section shall be awarded for one 5-year period, and may not be renewed.

(3) GRANT AMOUNTS.—

(A) IN GENERAL.—A grant awarded under this part for a given fiscal year to a philanthropic organization shall be in an amount equal to the lesser of—

(i) 200 percent of the amount of charitable gifts received in the preceding fiscal year by the eligible consortia, including charitable gifts received by the individual members of the consortia with which the philanthropic organization is associated; or

(ii) the maximum grant amount established by the Secretary by regulation, pursuant to subsection (f).

(B) GIFTS PROVIDED IN CASH OR IN-KIND.—For the purposes of subparagraph (A), the charitable gifts received by an eligible consortia and its members may be provided in cash or in-kind, including physical non-cash contributions of monetary value such as property, facilities, and equipment, but excluding services.

(b) USES OF GRANT.—

(1) IN GENERAL.—A philanthropic organization receiving a grant under this section shall—

(A) provide grants to eligible students; and

(B) distribute grants to members of the consortia with which the philanthropic organization is affiliated, in accordance with the plan described in subsection (c)(2)(A), to fund the activities of such consortia in accordance with the application under subsection (c).

(2) LIMITATION.—Not more than 15 percent of the funds made available annually through a grant under this section may be used for administrative purposes.

(c) APPLICATIONS.—A philanthropic organization desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. Such application shall include the following:

(1) A description of an eligible consortia that meets the requirements of subsection (d), with which the philanthropic organization is affiliated, in accordance with subsection (g).

(2) A detailed description of—

(A) the philanthropic organization's plans for distributing the matching grant funds among the members of the eligible consortia; and

(B) the eligible consortia's plans for using the matching grant funds, including how the funds will be used to provide financial aid, mentoring, and outreach programs to eligible students.

(3) A plan to ensure the viability of the eligible consortia and the work of the consortia beyond the grant period.

(4) A detailed description of the activities that carry out this section that are conducted by the eligible consortia at the time of the application, and how the matching grant funds will assist the eligible consortia with expanding and enhancing such activities.

(5) A description of the organizational structure that will be used to administer the activities carried out under the plan, including a description of the system used to track the participation of students who receive grants to degree completion.

(6) A description of the strategies that will be used to identify eligible students who are enrolled in secondary school and who may benefit from the activities of the eligible consortia.

(d) ELIGIBLE CONSORTIA.—An eligible consortia with which a philanthropic organization is affiliated for the program under this section shall—

(1) be a partnership of mulitple entities that have agreed to work together to carry out this section, including—

(A) such philanthropic organization, which shall serve as the manager of the consortia;

(B) a State that demonstrates a commitment to ensuring the creation of a Statewide system to address the issues of early intervention and financial support for eligible students to enter and remain in college; and

(C) at the discretion of the philanthropic organization described in subparagraph (A), additional partners, including other non-profit organizations, government entities (including local municipalities, school districts, cities, and counties), institutions of higher education, and other public or private programs that provide mentoring or outreach programs; and

(2) conduct activites to assist eligible students with entering and remaining in college, which include—

(A) providing need-based grants to eligible students;

(B) providing early notification to low-income students of their potential eligibility for Federal financial aid (which may include assisting students and families with filling out FAFSA forms), as well as financial aid and other support available from the eligible consortia;

(C) encouraging increased eligible student participation in higher education through mentoring or outreach programs; and

(D) conducting marketing and outreach efforts that are designed to—

(i) encourage full participation of eligible students in the activities of the consortia that carry out this section; and

(ii) provide the communities impacted by the activities of the consortia with a general knowledge about the efforts of the consortia.

(e) REGULATIONS.—The Secretary shall promulgate regulations to carry out this section. Such regulations shall include—

(1) the maximum grant amount that may be awarded to a philanthropic organization under this section;

(2) the minimum amount of chartable gifts an eligible consortia (including its members) shall receive in a fiscal year for the philanthropic organization affiliated with such consortia to be eligible for a grant under this section.

(f) DEFINITIONS.—For the purposes of this section:

(1) ELIGIBLE STUDENT.—The term ''eligible student'' means an individual who—

(A) is a member of an underserved population;

(B) is enrolled—

(i) in a secondary school pursuing a high school diploma; or

(ii) in an institution of higher education or is planning to attend an institution of higher education; and

(C) either—

(i) is receiving, or has received, financial assistance or support services from the consortium; or

(ii) meets 2 or more of the following criteria:

(I) Has an expected family contribution equal to zero (as described in section 479 of the Higher Education Act of 1965) or a comparable alternative based upon the State's approved criteria in section 415C(b)(4) of such Act.

(II) Has qualified for a free lunch, or at the State's discretion a reduced price lunch, under the school lunch program established under the Richard B. Russell National School Lunch Act.

(III) Qualifies for the State's maximum need-based undergraduate award.

(IV) Is participating in, or has participated in, a Federal, State, institutional, or community mentoring or outreach program, as recognized by the eligible consortia carrying out activities under this section.

(2) PHILANTHROPIC ORGANIZATION.—The term ''philanthropic organization'' means a non-profit organization—

(A) that does not receive funds under title IV of the Higher Education Act of 1965 or under the Elementary and Secondary Education Act of 1965;

(B) that is not a local educational agency or an insitution of higher education;

(C) that has a demonstrated record of dispersing grant aid to underserved populations to ensure access to, and participation in, higher education;

(D) that is affiliated with an eligible consortia (as defined in subsection (d)) to carry out this section; and

(E) the primary purpose of which is to provide financial aid and support services to students from underrepresented populations to increase the number of such students who enter and remain in college.

(3) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, and Puerto Rico.

(4) UNDERSERVED POPULATION.—The term ''underserved population'' means a group of individuals who traditionally have not been well represented in the general population of students who pursue and successfully complete a higher education degree.

(g) PROGRAM FUNDING.—

(1) IN GENERAL.—There shall be available to the Secretary to carry out this section, from funds not otherwise appropriated, $300,000,000 for the period beginning with fiscal year 2008 and ending with fiscal year 2012.

(2) USE OF EXCESS FUNDS.—If, at the end of a fiscal year, the funds available for awarding grants under this section exceed the amount necessary to make such grants, then all of the excess funds shall remain available for the subsequent fiscal year, and shall be used to award grants under section 401 of the Higher Education Act of 1965 (20 U.S.C. 1070a) for such subsequent fiscal year.

(h) SUNSET.—The authority to carry out this section shall expire at the end of fiscal year 2012.

PART C—UPWARD BOUND

SEC. 412. UPWARD BOUND.

(a) ABSOLUTE PRIORITY PROHIBITED IN UPWARD BOUND PROGRAM.—Section 402C (20 U.S.C. 1070a–13) is amended by adding at the end the following new subsection:

''(f) ABSOLUTE PRIORITY PROHIBITED IN UPWARD BOUND PROGRAM.—Except as otherwise expressly provided by amendment to this section, the Secretary shall not implement or enforce, and shall rescind, the absolute priority for Upward Bound Program participant selection and evaluation published by the Department of Education in the Federal Register on September 22, 2006 (71 Fed. Reg. 55447 et seq.).''.

(b) ADDITIONAL FUNDS.—Section 402C is further amended by adding after subsection (f) (as added by subsection (a)) the following new subsection:

''(g) ADDITIONAL FUNDS.—

''(1) AUTHORIZATION AND APPROPRIATION.—There are authorized to be appropriated, and

there are appropriated to the Secretary, from funds not otherwise appropriated, $30,000,000 for each of the fiscal years 2008 through 2011 to carry out paragraph (2), except that any amounts that remain unexpended for such purpose for each of such fiscal years may be available for technical assistance and administration costs for the Upward Bound program.

''(2) USE OF FUNDS.—The amounts made available by paragraph (1) shall be available to provide assistance to all Upward Bound projects that did not receive assistance in fiscal year 2007 and that have a grant score above 70. Such assistance shall be made available in the form of 4-year grants.''.

The SPEAKER pro tempore. After 1 hour of debate on the bill, as amended, it shall be in order to consider the amendment in the nature of a substitute printed in part B of the report if offered by the gentleman from California (Mr. MCKEON) or his designee, which shall be considered read, and shall be separately debatable for 1 hour, equally divided and controlled by the proponent and an opponent.

The gentleman from California (Mr. GEORGE MILLER) and the gentleman from California (Mr. MCKEON) each will control 30 minutes of debate on the bill.

The Chair recognizes the gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise in strong support of H.R. 2669, the College Cost Reduction Act of 2007, which was reported by the Committee on Education and Labor pursuant to the reconciliation instructions of the budget resolution. The committee was tasked to decrease the deficit by $750 million without reducing the assistance that makes college more affordable to students.

In keeping with that policy, this bill will significantly reduce the costs that place college out of reach for far too many students today. This bill represents the largest effort to help students and families pay for college since 1944, when the Congress passed the GI Bill, which helped millions of veterans go to college, the first generation to do so under that legislation.

For years, college costs are rising rapidly and are far outstripping families' ability to pay for them. Students are graduating with more debt than ever before and are working harder to pay back the loans which they borrowed to pay for their college education.

Several hundred thousand students a year now decide to forego a college education, even though they are completely qualified, fully prepared to go to college, because they don't know how they'll pay for it or how they'll manage the debt that they will inherit when they graduate.

Recognizing this need, H.R. 2669 demonstrates our commitment to growing and strengthening America's middle class by making college more affordable and accessible for all qualified students. It also recognizes our commitment to those who are less fortunate, for low-income families, to make sure that we increase the Pell Grants that are available to the students, and also low-cost loans to those same students who need to borrow beyond the Pell Grant.

The College Cost Reduction Act, which passed the Committee on Education and Labor with bipartisan support, boosts the college financial aid by roughly $18 billion over the next 5 years. And this bill does so in a fiscally responsible way. We are committed to the pay-as-you-go budget rules, and we honor that commitment with this legislation.

H.R. 2669 recognizes that we have an obligation to make sure that students have the maximum opportunity to take advantage of a college education and that they need access to that education, they need preparation for that education, they need success while they're there, and they need completion of their education. To do that we've made sure that, regardless of their background, that they will be prepared for college, they will have access to higher education, they will graduate to achieve their goals, and they will not be so burdened with unmanageable debt that that becomes a failure.

The bill does that by, for low-income students, increasing the Pell Grant $500 over the next 4 years. This is a very significant increase in the Pell Grant. As many know, the President promised many years ago that he would have it up to $5,100, and the fact of the matter is it was at $4,050. They failed to increase the Pell Grants.

It cuts in half the interest rates for subsidized loans for hardworking families that are going to borrow money, students that are borrowing money. We will cut their interest rates in half from 6.8 percent to 3.4 percent. This will save the average student graduating with about $13,000 in debt, $4,400 over the life of that loan. We guarantee that those students who borrow this money, when they begin their time in the work world, they will not have to commit more, if they decide not to, to commit more than 15 percent of their income to pay back the loans so that they can enter those professions that may not have great starting wages, but over time in that career, they will build up income.

We also provide, in keeping with the mandate, to try to provide highly qualified teachers in every classroom for students who are excelling in college and want to teach, if they make a commitment to teach in difficult public schools, we will provide $4,000 a year in tuition assistance while they're in school, not after they graduate, while they're in school, to a maximum of $16,000.

For those students who go to college and they get their degrees and they want to enter professions and serve the public, they want to be first responders, they want to be nurses, they want to be firefighters and public defenders and prosecutors and special education teachers and early childhood teachers, we offer them a $5,000 forgiveness of their loans if they stay in that field for 5 years. We know that in each one of these areas there is a crisis in attracting people to those fields. Many in Congress, hundreds of Members of Congress, have co-authored legislation to provide loan forgiveness for some of these professions. This bill, in fact, funds that loan forgiveness for those individuals.

We also increase the loan limits so that students will have greater access to more money to pay for the increasing cost of college and not have to go to the private market, where they will be able to continue to take advantage of the subsidies provided in the Federal loan program.

Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GEORGE MILLER of California. We also make a landmark investment in minority-serving institutions to make sure that those institutions that serve a disproportionate number of minority students are able to provide the services, to make sure that those students who are fully qualified to go to college, who are prepared to go to college, in fact, stay in college, so we don't have a continuation of the situation we had today where, all too often, because services aren't provided in college to help those students stay in college, those students end up out of college, no diploma and a lot of debt. And we want to make sure that that, in fact, doesn't happen.

So today this legislation provides a great deal of promise and a great deal of assistance and a great deal of resources to those students and their families who are sitting down figuring out how they're going to pay for this college education that is so incredibly valuable today if you're going to fully participate in the American economic system, if you're going to participate in our democratic society.

This is a very, very important piece of legislation. This is legislation that is designed to help these students be able to pay for that education.

We do something else in this legislation. We set up a partnership where we go to the private sector, to wealthy individuals, to corporations, to foundations, and we tell them for every dollar that they'll put up to pay for essentially a Pell-eligible student to complete their education without going into debt, we will match them 50 cent on the dollar.

We are told by those individuals who have actively been participating in raising money for these students that this should allow them to raise hundreds of millions of dollars additionally because of that match; to have that public/private partnership pursuing one of the great goals of this great democratic society, which is to make sure that a student from any part of American society who's prepared to go to college can, in fact, go to college.

So we not only have the government helping them out, we also have private citizens, corporations, philanthropic organizations, and in some cases even local governments if they decide this is good for their economy, and we will provide a match to help them do that.

This is a comprehensive bill. It recognizes the complex needs of families and students to gain access to college, to pay for college, and to succeed in their employment afterwards; and I would urge my colleagues to support this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. MCKEON. Mr. Speaker, I also ask unanimous consent for 2 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MCKEON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to H.R. 2669, the cleverly titled College Cost Reduction Act. And what I would like to encourage my colleagues to do, in listening to this debate, is try to find what in this bill actually will cut or lower the cost of a college education.

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There will be a lot of talk about cutting subsidies to lenders. There will be a lot of talk about lowering student interest rates, which actually then is paid to graduates of college, but what are we doing to hold down the cost of a college education? The cost of higher education has been going up more than four times the rate of inflation for the last 20 years, and we have not done anything to lower those costs.

This bill allegedly has been crafted to balance fiscal responsibility with significant new aid for college students and their families. In fact, the majority touts the bill as the most substantial package of new benefits since the GI bill. But under the microscope, it is clear that these claims fall completely flat.

In reality, this legislation is nothing more than a Trojan Horse for new entitlement spending at the long-term expense for American taxpayers. Even though we are considering this bill under the expedited procedure of budget reconciliation, which, as my colleagues know, is intended for real deficit reduction, this bill simply and shamelessly exploits the process. It cuts roughly $18.58 billion over 5 years in payments to student loan providers but simultaneously spends more than $17 billion during that same period on multiple programs, including nine new entitlement programs. So while they are talking about cutting mandatory spending, they are actually creating nine new entitlement programs, an apparent net savings of less than 9 percent.

These new entitlements include grants to Native Alaskan, Native Hawaiian and other minority-serving institutions, grants to institutions with low tuition, grants to institutions to create new teacher preparation programs, grants to philanthropic organizations, a new mandatory Perkins loan program, cooperative education grants, and on and on and on. These sound like wonderful things, and I think what we are really seeing is that Democrats are Democrats. Give them an opportunity to spend money, they can't help themselves.

History has proven that once Washington, DC creates a new entitlement program, it never ever dies. In other words, taxpayers will foot the bill for this onslaught of new entitlement spending for years to come. These same students that will be given some savings through some of these special entitlement programs eventually are going to have to pay for them in higher taxes that they will provide later. During that time, it will certainly dwarf the token ''savings'' found in H.R. 2669.

It should be noted, too that much of this new entitlement spending is aimed at colleges, universities and philanthropic organizations, which we have never done before. The Federal Government has been sending Federal money to the students directly. Now they are sending it to organizations rather than to the students. This represents a historic departure from the intent of Federal student aid programs. As long as the Higher Education Act has existed, student aid entitlement dollars have been targeted towards students themselves. It is lost on me how sending these funds to institutions rather than to the students attending them helps more Americans pay for college. I doubt that we will see any reduction in tuition rates when they get this new money. But that is just what H.R. 2669 aims to do.

What is more, Mr. Speaker, other proposals included in this bill, such as the interest rate cut for certain college graduates included in the ill-fated Six for '06 legislation passed earlier this year, will have even more explosive long-term costs that could amount to tens of billions more in Federal Government spending. Who will be paying for it? You guessed it. The American taxpayers. And don't forget the cut to interest rates would not aid a single college student. Only graduates. Rather, the benefit would be aimed squarely at those who by definition no longer attend college. While the intent of this new spending is admirable, it is equally misdirected.

Mr. Speaker, President Bush has threatened a veto of this disingenuous legislation and for good reason. With billions in new programs, most of which are directed toward institutions and graduates rather than students, those who really need the help to get into college and stay in college to get on the ladder to achieve the American Dream, this bill marks the first step towards an explosion in new, unchecked entitlement spending and another unfortunate step toward further hyperinflation in college costs.

Indeed, the measure before us overreaches by creating new entitlement spending for every conceivable constituency in higher education. It overreaches by failing to focus on the historical Federal roll in higher education supported by Democrats and Republicans alike: helping low-income students. And it overreaches by extracting too much out of the Federal Financial Aid Program, which has been a success by all measures.

I cannot support it, and I ask my colleagues to join me in opposition.

Mr. Speaker, I reserve the balance of my time.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentleman from Iowa (Mr. LOEBSACK).

Mr. LOEBSACK. Mr. Speaker, I thank the gentleman from California for yielding.

I rise today in strong support of the College Cost Reduction Act of 2007, and I thank Chairman MILLER for his impressive work on this legislation.

As a result of this legislation, Iowa students and families will receive $232 million over 5 years in additional benefits in the form of student loans and Pell grants. Almost 77,000 students will benefit from the eligibility expansion and Pell Grant increase in this bill.

I am also very pleased that an amendment that I offered in committee to allow part-time students and students in certificate programs to participate in the year-round Pell Grant program and accelerate their studies was accepted.

As a long-time teacher at Cornell College in Iowa, I regularly encountered students struggling to afford their education, and I am certain that this bill makes the right investments at a critical time for our students.

I urge my colleagues to support this bill, and I strongly support its passage.

Mr. MCKEON. Mr. Speaker, I yield 5 minutes at this time to the gentleman from Wisconsin, the ranking member of the Budget Committee (Mr. RYAN).

Mr. RYAN of Wisconsin. I thank the ranking member for yielding.

Mr. Speaker, the student aid bill that passed out of the Committee on Education and Labor is nothing but a Trojan Horse for new spending. In fact, the bill creates nine, count it, nine new entitlement programs and abuses the protection of reconciliation procedures through token budgetary ''savings.'' It also favors the government-controlled and costly direct lending program over the nonprofit and commercial lenders, promoting a back-door expansion of taxpayer-financed student support and a substantial increase in taxpayer liability.

I want to make four basic points, Mr. Speaker: Number one, budget experts have unequivocally warned Congress, experts from the left and from the right and center and everywhere else, that the unrestrained growth in entitlement spending programs is the most

fundamental challenge and the largest threat to our Nation's long-term economic health. Comptroller General David Walker refers to the rising costs of entitlements as a ''fiscal cancer'' that threatens ''catastrophic consequences for our country'' and could ''bankrupt America.'' Despite all of these warnings, the majority not only failed to address the problem in their budget; they are choosing to make the problem even worse by creating nine new entitlement programs in this bill alone. That is nine new entitlement programs and nothing, not a zilch, of reforms. They're not expanding. They're not replacing. They are creating nine new entitlement programs. While the bill claims that some of these programs will sunset, we all know entitlement programs, once created, never die.

Second, this creates a new mandatory Pell Grant program. Among the new entitlement programs created is an unprecedented mandatory Pell Grant. The Pell grant is a great program, and under Republican leadership, we saw a tripling of Pell Grants from the year 1996 to 2006. Suddenly, this authorizing committee doesn't think that it is enough, and it is planning on taking the committee away from the appropriators into their jurisdiction, making an entitlement which, in my opinion, reduces congressional oversight.

Third, this contains no meaningful reform whatsoever. The bill contains none at all. It represents business as usual for existing programs, except that interest rates and limits in existing programs are changed to make room for more spending. Rather than maybe putting the savings in special education or deficit reduction to fund an unfunded mandate in local schools or reducing our deficit, it creates all of these new programs and this new spending. They will add from $15 billion to $32 billion in spending over the next 5 years alone on top of the already unsustainable entitlement costs we are facing today. Instead of reducing long-term spending, they are using a vehicle originally intended to limit spending to do just the opposite, to fund these new programs.

This bill gets Fast-Track legislation under the guise of deficit reduction, under the guise of controlling spending. Yet what we see here today is a bill that takes $18.58 billion from student loan providers only to spend more than $17.13 billion on new entitlement programs. The savings of this bill is 9 percent, a net savings of 9 percent.

Look at these two bars on the chart next to me. Does it look like the savings are anywhere near the new spending level, or does it look like a sliver of savings is being used to abuse the process of expedited reconciliation protection so they can create all of these new programs?

I offered an amendment in the Rules Committee that would have required that the bulk of these savings be going toward deficit reduction. It is the same amendment that Senator KENT CONRAD, the chairman of the Senate Budget Committee, offered and was passed by unanimous consent on the Senate floor. I couldn't even get this amendment past the Rules Committee, much less on the floor of the House.

There is one last point, Mr. Speaker, that bears repeating, and that is, this favors government over markets. It increases taxpayer liabilities. It favors a government-controlled and costly direct lending program over nonprofit and commercial lenders, promoting a back-door expansion of taxpayer-financed student support. As students are pushed toward the government monopoly, the student benefits and services provided by nongovernment lenders to attract business would be lost. Further, the government-run program only handles 20 percent of the loans today. It would be overwhelmed with the new business and shut done, as it has been in the past, when large volumes shifted to the program.

I just want to finish with one quote from the Democrat chairman of the Budget Committee: ''The reconciliation instruction that led to this bill'' we are seeing here today is a ''stalking horse for a significant expansion of spending.''

Please join me in opposing this back-door expansion of new entitlement spending. Let's use budget reconciliation for what it was made for, reducing the deficit and controlling spending, rather than creating nine new entitlements.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield for the purpose of making a unanimous consent request to the gentleman from Texas (Mr. GENE GREEN).

(Mr. GENE GREEN of Texas asked and was given permission to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Speaker, I rise in support of the College Reduction Act of 2007, and I thank the chairman and the committee for bringing this bill to the floor. I think it is a great step forward for our college students.

This important piece of legislation will strengthen the middle class by making college more affordable in several ways at no additional cost to taxpayers.

First, it will increase the maximum Pell grant scholarship by at least $500 over the next 5 years, and expand student eligibility for other grants like the National SMART grant. Both of these things will increase the purchasing power for students who otherwise would not be able to afford going to college.

In Texas alone, over 475,000 students will benefit from a $500 increase in the Pell grant.

In addition, this bill will cut interest rates on need-based Federal student loans from 6.8 percent to 3.4 percent over the next 5 years.

All of this will be done at no additional cost to the taxpayers by cutting excess subsidies paid by the Federal Government to lenders in the student loan industry.

Four of the six offsets were already approved by the House this year, when it overwhelmingly voted to pass the College Student Relief Act of 2007 this past January.

During the past few years, student lenders have been able to increase their efficiencies through market-driven mechanisms, but the Government's subsidization has continued unchecked.

The Congress has a chance to help the American people at no additional cost for the taxpayer. How can we resist doing this?

In our district, financial barriers often inhibit the ability of high school graduates to go to college.

By reducing student loan interest rates and increasing Federal grants, we are encouraging families and students to get a college education.

When we pass this legislation, we are investing in the future of our economy, because we will have more college graduates with a lower debt burden. This will enable graduates to do things like buy homes, invest, and fuel our economy.

This is such a critical bill, and it's important that this body approach this bill in a manner that shows bipartisan support for educating our children.

I urge my colleagues to support this bill.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. SARBANES).

Mr. SARBANES. I thank the chairman for yielding time.

Mr. Speaker, I rise today to speak in support of H.R. 2669, the College Cost Reduction Act of 2007, which would provide the most significant investment in higher education since the GI bill. I strongly urge my colleagues to support this legislation, and I thank Chairman MILLER for his leadership.

What we do here in Congress does matter. It does matter to ordinary people and to the average American. I was struck by an article in USA Today earlier this year about a family whose daughter was pursuing an undergraduate degree in art. Despite the fact that their daughter received scholarships to cover about a fifth of her cost, this family had to clean out their emergency savings account and their college savings fund and then borrow from the family's 401(K) plan. Still their daughter will graduate with $45,000 in loans. That's just not right. It doesn't have to be that hard. And it won't be that hard if we pass the College Cost Reduction Act, which cuts interest rates for student loans, provides fiscally responsible and targeted loan forgiveness, and increases and expands the Pell Grant program.

I was thrilled to be able to work with Chairman MILLER and others on the committee to ensure provisions that would advance loan forgiveness.

This is a terrific bill, and I urge my colleagues to support H.R. 2669.

□ 1245

Mr. MCKEON. I am happy to yield 4 minutes to the gentleman from Texas, chairman of the RSC (Mr. HENSARLING).

Mr. HENSARLING. I thank the gentleman for yielding.

Mr. Speaker, this might possibly be the single most fiscally irresponsible bill to come to the floor this year, and it has had a lot of healthy competition. Why? Because this bill would create nine, count them, nine, Mr. Speaker, new entitlement programs.

Now, Mr. Speaker, we all know what entitlement programs are; sometimes the American people don't. These are the programs that we put on automatic pilot that get very little oversight. And these nine new entitlement programs are going to be on top of almost 10,000 other Federal programs that are already on the books. And we know that it is entitlement spending that is threatening future generations and threatening their educational opportunities.

As the ranking member on the Budget Committee, the gentleman from Wisconsin talked about, we've heard from our chairman of the Federal Reserve, ''Without early and meaningful action to address the rapid growth of entitlements, the U.S. economy could be seriously weakened, with future generations bearing much of the costs, costs that could have been used for their educational opportunities.''

We've heard from Comptroller General Walker, ''The rising costs of government entitlements are a fiscal cancer that threatens catastrophic consequences for our country and could bankrupt America.'' And what does this bill do, Mr. Speaker? It ignores this greatest fiscal threat to our Nation, a threat to educational opportunities, and dumps nine new entitlement spending programs on top of it.

Now, I have no doubt that the bill's sponsor will claim that this saves money, but it uses gimmicks. It claims that these entitlements will expire. Well, Mr. Speaker, we see Haley's Comet more frequently than we ever see an entitlement program expiring in the Nation's Capitol. It's got interest rate snapbacks. And we all know that once these entitlement seeds grow, the cost will be borne by future generations.

One thing I want to make very clear, Mr. Speaker, is that the worst part of this program is that it will ultimately lessen educational opportunities for hardworking American families. And it will because it is all part of a Democratic spend-and-tax program. Programs like these necessitate the largest single tax increase in American history, which they put into their budget, which takes away from families' opportunities to spend on their educational opportunities.

I heard from Melanie in Chandler, Texas, who's in my district. She wrote, ''Congressman, if I have to pay more taxes, then I can't afford to go to school. If taxes are raised, I won't have a choice but to quit school and go back to work.''

I heard from Rose in Garland, Texas, also in my congressional district. ''I'm a divorced mother with a child in college and a child in daycare. An increase in taxes would wipe out hope of the first college graduate in the family.''

I heard from Bruce in Garland. ''In my particular case, an additional $2,200 in taxes would cut into the finances I use to pay for my son's college education. I really believe that given more money, Congress will spend more money, so that is not the answer. A control in reduction of spending is what is needed.''

Now, Mr. Speaker, there are very few opportunities that are as wondrous and as fundamental to the American Dream as education. And so I want to make it very clear again today, we're not having a debate over how much we're going to spend as a Nation on education, but we are having a very fundamental debate on who does that spending.

This bill, brought by the Democrat majority, would put all of the control in government. It would reduce opportunities. It would reduce choice. It would reduce innovation for families trying to finance education. And ironically, as part of the largest single tax increase in American history, it takes money away from families. But if people beg for it, maybe they'll get a little bit of it back.

We should reject this bill.

Mr. GEORGE MILLER of California. I yield myself 15 seconds to say, it's most interesting to sit here and be lectured by people who, when they controlled every department of government, every branch of government, they took a $5 trillion surplus that they inherited from the Clinton administration and immediately turned it into a $3 trillion debt that this Nation now is carrying around as it tries to compete in the world. To be lectured by mindless spenders like that is really a treat on this floor.

Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. BISHOP).

Mr. BISHOP of New York. I thank the gentleman for yielding.

Mr. Speaker, I have many good things to say about this bill. I urge my colleagues to support it, but let me focus on a couple of quick things.

First, it is a long overdue and much-needed infusion of support for Federal need-based financial aid programs. It raises the Pell Grant maximum from $4,310 to $5,200 over a period of years. It increases the Federal capital contribution for the Perkins loan program, a program, by the way, that this administration seems intent on killing, and it increases loan limits so that students will have access to greater support.

In doing all of those things, we help students avoid what has become termed the ''wild west'' of student lending, that is, the private loan market. We have driven students to the private loan market because we have not properly supported the programs that currently exist. And with these increases, we will be properly supporting those programs.

And lastly, the reduction in the interest rates has been characterized by the other side as not affecting access or affordability and, in fact, it does. Students make decisions about the schools that they are going to attend by virtue of their anticipated indebtedness, and we address that.

I urge my colleagues to support this bill.

Mr. MCKEON. Mr. Speaker, might I inquire as to how much time is remaining.

The SPEAKER pro tempore. The gentleman from California has 17 minutes. Mr. MILLER from California has 21¾ minutes.

Mr. GEORGE MILLER of California. I yield 1 minute to the Democratic leader.

Mr. HOYER. I thank the chairman for yielding, and I want to congratulate the chairman. There is nobody in this body who has served longer with more focus on the quality of education, the access to higher education, and whether we're dealing with primary, secondary or higher education, more concern than GEORGE MILLER of California, and I congratulate him on the service that he has given.

I also want to congratulate the ranking member, who himself has been an outspoken advocate of education quality in America.

Let me say, before I start my remarks, that I'm always interested to hear the comments of the ranking member of the Budget Committee and of the leader of the Republican Study Committee. I'm interested to hear their remarks because of course they have both said nine new entitlements. I was here with both of them for 3 hours one night, from 3 a.m. to 6 a.m. in the morning, and we enacted the largest entitlement that has been enacted since the 1960s, and we were told that was going to cost $395 billion by the administration. The administration did not tell us the truth, and they knew they were not telling us the truth. And the person who knew the truth was prohibited by the administration from giving us the truth on pain of being removed, a civil servant, not an administration appointee. He knew the cost of that program, as he projected it, was $524 billion, or $125 billion more than we were told on this floor. But it was told $395 billion additional entitlement.

Now the interesting thing is that Mr. RYAN and Mr. HENSARLING both voted for that program. That program has a larger unfunded liability as of this day than Social Security. So I think the lecture on fiscal responsibility is, frankly, not well taken.

Mr. HENSARLING. Mr. Speaker, will the gentleman yield?

Mr. HOYER. I would be glad to yield to my friend.

Mr. HENSARLING. Did the gentleman support the Democrat alternative that cost even more, as scored by CBO?

Mr. HOYER. The gentleman, of course, is not on this floor lamenting

the creation of entitlements as is my friend from Texas, so I suggest your question is inappropriate because your concern is about entitlements. But you voted for an entitlement that was the largest entitlement passed on the floor of this House in four decades, about as long as I think the gentleman has been alive. I wish that I could say the same; unfortunately, I've been alive a lot longer than that. So I think the question begs the question, my friend.

But let me say about this landmark legislation, the College Cost Reduction of 2007 is yet another example of how this Democratic Congress is committed to moving our Nation in a new and better direction and working on behalf of the American people.

In short, this legislation will provide the single largest investment in college financial aid, and about $18 billion over the next 5 years. Now, that is about one-fifteenth of the mistake that was made in the entitlement that you supported, my friend. And it's the largest since the GI Bill was funded in 1944. The GI Bill was an entitlement. And very frankly, the Greatest Generation was worth investing in. And that investment has paid off 100 fold in the economy that this Greatest Generation built in America, and it will do so in this case as well. And it does so at no new cost to the American taxpayer by cutting excess subsidies paid by the Federal Government to lenders in the student loans industry. The administration suggested $16 billion. We're a little above that. So there is not a disagreement as to whether or not there is an overpayment here; it's a question of where you're going to put your money. In fact, it includes a $750 million, not a lot of money in the scheme of billions of dollars and trillions of dollars, reduction in the deficit.

A few months ago Bill Gates, the chairman and cofounder of the Microsoft Corporation and one of our Nation's great innovators, wrote in the Washington Post, ''If we, the United States, are to remain competitive, we need a workforce that consists of the world's brightest minds.'' That's what this bill seeks to enhance. Mr. Gates added, ''Education has always been the gateway to a better life in this country.''

Mr. Speaker, this legislation not only recognizes that education is a key to personal development, fulfillment and success, but also, and critically, a crucial factor in our national competitiveness, our continued prosperity, and yes, I suggest to all of my colleagues, our national security.

Simply stated, this legislation will make a college education more affordable for millions of students and their families. The fact is, college tuition today is exploding. Tuition at 4-year public colleges has grown by 35 percent in the last 5 years. Let me say in my State of Maryland, tuition cost has gone up 43 percent in the last 4 years. America cannot afford to shut people out of the access to college education if we're going to be successful in world markets in a flat world, as Tom Friedman refers to it. Too many students graduate with tremendous debt, and too many others simply don't go to college because they cannot afford it. To address this situation, this bill will increase the maximum Pell Grant scholarships by at least $500 over the next 5 years. That will not come close to what the Pell Grants initially, when they were adopted, replaced in tuition costs, about 70 percent. We're now down to 30 percent. When combined with other Pell scholarship increases proposed by Congress this year, the maximum Pell Grant will reach $4,900 in 2008, $5,200 in 2011, up from $4,050 in 2006. Notwithstanding, the President in 2000, in his campaign, said he was going to increase the Pell Grant very substantially. It doesn't happen.

The bill also will cut interest in half on subsidized student loans over the next 5 years, and it will guarantee that borrowers will not have to pay more than 15 percent of their discretionary income to loan repayments. In addition, this bill seeks to ensure highly qualified teachers in every classroom, a critical need in our Nation, by providing up-front tuition assistance to qualified students who commit to teaching in public schools in high-poverty communities or high-need areas. That is important for our country's ability to compete and to develop every mind in America. There is not a child to waste in America. We know that.

It encourages and rewards public service by providing loan forgiveness for first responders, law enforcement officers, firefighters, nurses and others. And it encourages landmark new investment, $500 million guaranteed over 5 years, for Historically Black Colleges and Universities, Hispanic-serving institutions, and tribally controlled, native or predominantly black institutions.

Mr. Speaker, this legislation is a very significant and important step toward realizing the goal of making college affordable for every qualified student.

□ 1300

I want to congratulate Chairman MILLER once more and the staff and all of the members of the committee and Mr. MCKEON for the positive role, whatever position one might take for or against, the positive role that the committee has played. It is a historic investment in our people and our Nation. I urge every Member to strongly support this legislation.

Mr. MCKEON. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia (Mr. WESTMORELAND).

Mr. WESTMORELAND. I thank my friend for yielding.

Mr. Speaker, I don't know how I am always so lucky, or unlucky, I guess, to speak after the majority leader's minute, which is probably the longest minute I have ever seen. But to listen to him talk, you know, this weekend I bought a TV from somebody that was as good a salesman as Mr. HOYER. I didn't need the TV. It was too expensive, and I really didn't want it. But after talking to the salesman, I ended up thinking I needed it and I could afford it and it was what I needed. So I bought it.

Mr. HOYER and I have had this conversation on the floor before, and that is that you can fool some of the people some of the time, but you can't fool all of the people all of the time. So the American people were sold a bill of goods last November, and they are continually being sold things in this Congress.

I come from Georgia. We have the HOPE scholarship, Mr. Speaker, one of the greatest tools for education that I think has been done. It comes from a lottery, which a lot of people oppose, but a lot of young people in Georgia are now able to go to college. What we found in Georgia was that when the State started paying for the college tuition, that the tuition went out of sight. It was another funding means for these institutions of higher education to charge more.

Now, the majority leader said that tuition in Maryland had gone up 43 percent in 4 years. Well, if he thinks that is something, wait until this bill passes. Because what is going to end up happening is that when the government starts loaning the money and paying for this, those tuitions are going to skyrocket, because the people that are getting it don't really care how much the tuition is.

Let me say this: When I bought this TV that I didn't need, that I couldn't afford, I got down to the bottom dollar of what I thought that I could afford. Of course, this great salesman walked away because he said, do you know what? If I can't make some money, I am not going to do this. We ended up negotiating. What ended up happening is that I paid up more than what I wanted to. He took less.

But a bank is not going to loan money if they can't make money. We hear a lot of back and forth on this floor. We don't know who to believe and who not to believe. Let me tell you the truth. If a bank, a lending institution, cannot make money, they are not going to do business with people. So the reality is that the private sector is going to get out of making these loans, which is probably the last stop we have of having any type of accountability to it. The government is going to start doing it all. If the banks will not loan it at this interest rate because they are losing money, and the government will, then that means, again, here is the thing, if we continue to govern our political correctness, the taxpayers end up holding the bag. They are going to end up holding the bag on this.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. PELOSI), the Speaker of the House.

Ms. PELOSI. I thank the gentleman for yielding. I thank you, Mr. Chairman, for your great leadership in bringing us to this historic day. I thank all of the other members of the committee for their leadership in making this day possible, for expanding America's middle class, for giving opportunity to America's children, and for making our future brighter.

Mr. Speaker, I rise in strong support of the College Cost Reduction Act of 2007.

In 1944, when the GI Bill of Rights became law, our Nation made a decision. They made a decision to invest in the future. It was an investment that transformed the lives of millions of Americans. It transformed America to the benefit of all Americans. Indeed, it built America.

Over the years, the GI Bill offered opportunity and economic security through education to more than 20 million of the brave men and women who wore our Nation's uniform. It has given America hundreds of thousands of engineers, teachers and doctors, and it has given us a model for the value of investing in the education of our people for our country.

Today, with this legislation, we will make the single largest increase in college aid since the GI Bill of Rights revolutionized America. It is an investment for a bright future for our children, and, just as the GI Bill has been, an investment in a bright future for our Nation.

Any economist will tell you that any dollar spent on education is a dollar that makes a big return to our Treasury. In fact, no dollar invested or spent, no tax credit, no financial initiative you can name brings more money to the Treasury than investing in education.

I want to again thank Chairman MILLER and the distinguished members of the Education and Labor Committee for their leadership in making sure higher education is affordable and accessible.

In today's competitive job market, a college education often makes all the difference. Americans with college degrees can earn 60 percent more than those with only a high school diploma. So in the interests of individuals, this is very, very important. Indeed, higher education is the single best investment our young people can make in themselves, that families can make in the success of their children, and our country can make in its future strength.

It is important to note why this legislation is very important. Financial barriers will prevent 4½ million high school graduates from attending a 4-year public college over the next decade and prevent another 2 million high school graduates from attending any college at all. Over 6½ million students will not have access to some college or any college at all.

Higher education, as we all know, is the key to achieving the American dream. This legislation has made sure that all who are qualified and determined to have that education will have access to it.

It has been said that cutting interest rates in half will make it possible for more Americans to achieve their potential. This is especially important for strengthening the middle class. Middle-income families in America struggle to educate their children. This interest rate cut is very important for them. By increasing the maximum Pell Grant scholarship by over $500, nearly 6 million students will be given help to afford expanding college costs.

In hearing the debate on the cost, I think that it is important to note that the cost of this bill is the equivalent of 6 weeks in Iraq; 6 weeks in Iraq. Imagine that, for 6 weeks in Iraq, we can expand higher education to all who wish to achieve it in America. That investment has a return to our Treasury. It will grow our economy and prepare us for the future.

This legislation is a very important part of our Innovation Agenda, where we do need to invest in many more scientists, engineers and mathematicians. By giving opportunities to highly qualified teachers in our classrooms for this Innovation Agenda, it provides an essential component for a bright future for our Nation. It will provide up-front tuition for highly qualified teachers who agree to teach in high-needs areas, increase loan forgiveness for those who practice civic responsibility and encourage students to give back to their communities as teachers, librarians, childcare and welfare workers and public sector employees.

Members have talked about this over and over again. The fact is that, again, for the cost of 6 weeks in Iraq, we can ensure the education of our young people across the broad spectrum of America. We can reward those who want to be civically involved as teachers. It is all paid for.

Today, we are not only relieving the debt of America's students, but doing so in a way that not only helps relieve their debt but does not heap mountains of national debt on top of our young people. This legislation keeps our promise to pay as you go with no new deficit spending. Democrats believe that is just as essential as ensuring that American students have the opportunity to attend college.

Mr. Speaker, the College Cost Reduction Act strengthens the future for our students and it strengthens our Nation. I think, again, that this is a historic day, because it is a day that is about the American dream. It is a day about expanding opportunity in our country. It is a day that recognizes that the best dollar that we can spend is a dollar spent on education. It recognizes that education is the key to a brilliant future, not only for the self-fulfillment of our people, but for the success of our country. It is about our self-fulfillment personally. It is about growing our economy. It is about our National security. It is about carrying the banner of our Founders who have made a commitment to future generations.

Thank you, Chairman MILLER, and members of the Committee on Education and Labor, for helping us honor that commitment to future generations. I urge our colleagues to support this very important and historic legislation.

Mr. MCKEON. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. WALBERG), a member of the committee.

Mr. WALBERG. Mr. Speaker, today I rise in strong opposition to this cleverly entitled College Cost Reduction Act of 2007. Under the guise of saving money and paying down the deficit, Democratic leaders are using the budget reconciliation process as a vehicle to create a host of expensive new Federal bureaucracies rather than making tough decisions to restrain entitlement spending and balance the Federal budget.

Mandatory spending programs consume the largest portion of the Federal budget, and their share will only increase as Social Security and Medicare costs explode in coming years. Unfortunately, this action comes as no surprise. After reclaiming the majority under the claims of fiscal accountability, House Democrats have already voted to approve a massive $400 billion tax increase on working families and small businesses, and may I add, that amounts to over $3,000 on average tax increase for these students who we are attempting to help.

Now we are considering a piece of legislation that will create nine new entitlement programs resulting in $18 billion in new spending. The explosion in new, unchecked entitlement spending is another unfortunate step backwards for the American taxpayer. I agree that Congress must remain committed to ensuring affordable access to post-secondary education. But instead of focusing the bulk of need on increasing access to higher education for low-income students, the bill increases aid to colleges and universities at the expense of students who receive Pell Grants. H.R. 2669 only targets $4.9 billion towards Pell Grants, increasing the maximum award by only $100 per year for 5 years. Pell Grants have proven to be effective in helping low-income students attain higher education. This bill will not prioritize Pell Grants.

I do wish to take a moment to thank Chairman MILLER for working with me to remove section 201 of his bill in his manager's amendment. I was happy to work with our State's Governor to make this change. This action withheld funds from the Leveraging Education Assistance Partnership, known as the LEAP, if a State reduced the average amount of funding it has provided over the last 5 years. This so-called maintenance of effort provision is a bold and unprecedented overreach of Federal authority designed to dictate State budgets.

□ 1315

This is particularly true because the Federal Government provides little direct assistance to States or higher education institutions. Low-income and financially needy students should not have to struggle because of a State's budgetary shortfalls. My home State of Michigan continues to suffer from a struggling economy and difficult choices must be made on how to most appropriately fund the State. However, needy students should not have critical financial aid yanked away because the State cannot afford the same financial commitment it has made to the LEAP program in more prosperous years.

I was also prepared to offer an amendment to the House Rules Committee concerning the Upward Bound program. I appreciate that the chairman's manager's amendment removes a section that earmarked $30 million for prior Upward Bound grantees who submitted low-scoring applications, bypassing 107 new applicants who submitted competitive proposals.

But despite these small improvements, the College Cost Reduction Act contains dozens of poison pills that mark another step towards unchecked spending. I urge my colleagues to vote ''no'' on the so-called College Cost Reduction Act.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. ANDREWS).

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. Mr. Speaker, a few minutes ago my friend from Georgia described buying something he didn't need at a price he couldn't afford. I want to thank him for giving us a perfect description of the last 7 years of the governance of this country under the Bush administration.

We got a lot of things we didn't need: a war in Iraq, a misadventure in Iraq at a price we couldn't afford, $4 trillion in new debt under their watch. We got $12 billion a month in Iraq under their watch.

This is something we do need and we can afford. Higher college scholarships for American students, lower school loan interest rates for American students. And it is paid for, unlike their massive spending increase, unlike their tax break giveaways to the wealthy, this does not increase the deficit by a dollar. We are changing their failed policy of buying things we don't need at prices we can't afford. They should vote for that change today.

Mr. MCKEON. Mr. Speaker, how much time remains?

The SPEAKER pro tempore. The gentleman from California (Mr. MCKEON) has 10¾ minutes, and the gentleman from California (Mr. GEORGE MILLER) has 18¾ minutes.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1½ minutes to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Speaker, today parents have a choice of a second job, a second mortgage, or dipping into their savings to help pay for their kids' college education, and that is the wrong choice to ask parents to make.

In Illinois, tuition last year went up, increases of 14.5 percent, the fourth largest increase of any State in America. Today when a kid graduates from college, they graduate with an average of $15,000 of debt. So on the front page they get a diploma, and on the back side, they get their first credit card bill. That is the wrong choice for America.

You could not write the American decade if you didn't look at the GI bill and making a high school education universal in America. Those are the two most significant economic acts of the last 100 years.

My colleagues on the other side of the aisle noted two examples. One, they are worried about the deficit. After $4 trillion of new debt, I appreciate your conversion to concern about increasing the deficit, but there is no deficit spending here.

Second, and most importantly, they talk about the importance of the Pell Grants. This is after, in fact, the President's budget cut Pell Grants one year $1 billion, and froze it for the last 3 years. We are doing the right investment. Not one of us would be in this institution if it wasn't for two things: the love of our parents and the access to a higher education. We are providing Americans something different from the last 6 years. Rather than slamming the door shut on their access to a college education, we are opening the doors and making the American Dream possible. I compliment our leadership for bringing this bill and opening the doors of America's future with a good college education bill.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. ALTMIRE).

Mr. ALTMIRE. Mr. Speaker, when I was elected to the House of Representatives last November, I asked to serve on the Higher Education Subcommittee specifically so I could help make college more affordable for American families, and this bill does just that. It raises Pell Grant awards to their highest level in history. It cuts in half the interest rates students will pay on their student loans, and this bill rewards community service by providing loan forgiveness for those who choose careers in important fields like first responders, law enforcement, firefighters, and nurses.

And we do all of this at no additional cost to the taxpayer. This bill is fully funded, and I am proud to have played a part in crafting this important legislation.

Mr. MCKEON. Mr. Speaker, I yield 3 minutes to the gentlewoman from North Carolina (Ms. FOXX), a member of the committee.

Ms. FOXX. Mr. Speaker, I want to thank the ranking member for giving me this time.

I have sat here and listened to this debate on this bill, and I want to say we are back at dealing with hypocrisy again, as we have been on a daily basis.

The College Cost Reduction Act, the title is not just a misnomer; it is an outright lie. Much of the $18 billion in new spending doesn't reduce the cost of college, but instead consists of new welfare targeted at people who aren't even students.

And comparing this bill to the GI bill is truly, truly hypocrisy. We instituted the GI bill to help men and women who had fought for this country and returned to this country to help them get college education and get back into our culture.

All this is going to do is increase the nanny state. What we are doing is taking away personal responsibility from people and giving them out and out payments for loans that they take out that they don't need to take out.

Economists are not going to tell us that money spent on education is a good investment, and the government doesn't invest money. The government spends money. It is interesting to me that they brought out the big guns for this bill and they say it is no new cost to taxpayers. Well, every dollar we take away from taxpayers is a cost to them.

Why is tuition up 43 percent? We are looking at the wrong issue. As long as the government keeps throwing money, then the institutions are going to keep expanding what they charge. I have used myself as an example before, but I know many people who have done this. They went to college and never borrowed a dime. They were as poor as could be.

We should call this the new Democrat welfare bill. It is a Trojan horse. It is designed to fool the American people. We have used this analogy before. You can put lipstick on a pig, but it is still a pig, and that is what this bill is. There is no need for this. There is no need for people to go into debt to go to college in this country. There are all kinds of choices for people. All we are doing is taking money away from hardworking American people and creating new government programs.

I am really concerned about the direction in which we are heading in this country. The Democrats have never seen a welfare program they didn't like. Republicans were able to decrease welfare costs when they took over in this body in 1995. This is another attempt by the Democrats to continue the welfare program.

I want Americans to have access to education. I have worked in education all my life: school board member, university administrator, college president. I have dealt with low-income students. This is not the way to do it. We don't need a return to the nanny state.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield myself 15 seconds

to say that I find it unbelievable that Republicans would decide that families that are making every sacrifice to borrow money, and students that are making every sacrifice to borrow and pay back money, that somehow they are called welfare recipients. These are hardworking American families who are struggling to educate their children, and I want to disassociate myself from that kind of characterization of these families or these students.

Mr. Speaker, I yield 1 minute to the gentleman from Rhode Island (Mr. KENNEDY).

Mr. KENNEDY. Mr. Speaker, I rise for a colloquy with the gentleman from California.

As I understand, an important provision in this bill is a loan forgiveness program for individuals serving in high-need professions. One of those is child and adolescent mental health professionals.

Do I understand the chairman in helping me secure this program in the overall bill so that we can bring more professionals into this area?

Mr. GEORGE MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. KENNEDY. I yield to the gentleman from California.

Mr. GEORGE MILLER of California. I want to thank the gentleman for bringing this to our attention, and we look forward to continuing to work with him on this issue.

As he has pointed out to this committee and many Members of Congress, we in fact have a workforce crisis, and that is what we have tried to address in the loan forgiveness program in those professions that are not necessarily the highest paying in our society but are essential to the well-being of our society. We will work with the gentleman as this bill proceeds through the legislative process on this matter.

Mr. KENNEDY. Suicide is the third leading cause of death for young people. Too many people are waiting in our juvenile detention facilities all across America. It is causing a disruption in education all across this country. We need more child and adolescent mental health professionals if we are going to have an education system, and I thank the gentleman for helping us get more of those professionals in the field so we can move forward with their education.

Mr. GEORGE MILLER of California. I thank the gentleman from Rhode Island and look forward to continuing to work with him on this issue in this conference and also on the Higher Education Act.

Mr. KENNEDY. I thank the chairman of the committee.

I'd like to thank Chairman MILLER for his leadership in bringing to the floor the largest single investment in college financial aid since the GI Bill.

The bill we are considering here increases the maximum Pell Grant by $500. It will cut the interest rate on student loans in half.

It provides loan forgiveness for college graduates that agree to teach in high-need areas and who agree to go into public service professions. It accomplishes all of that, and yet here is the best part: this bill saves the American taxpayers $750 million.

By reducing the excessive subsidies that Congress has lavished on private lenders, lenders that we have seen in the news this year have acted unscrupulously time and again, Chairman MILLER has more than paid for the investments he is making in our students.

I know that my constituents in Rhode Island who take out Federal students loans will appreciate the $4,420 in savings this bill provides to them. And I also know that the rest of my constituents will appreciate the fact that this increase in student aid does not cost them one extra dime.

When Democrats took control in Congress, we promised to cut student loan interest rates in half, while at the same time proceeding in a fiscally responsible fashion. Today, we are fulfilling that promise. I will be proud to vote in favor of this bill, and I urge my colleagues to do the same.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. HARE), a member of the committee.

Mr. HARE. Mr. Speaker, I rise in strong support of H.R. 2669, the College Cost Reduction Act of 2007. By passing this bill today, we make the largest single investment in higher education since the 1944 GI bill.

College costs have grown nearly 40 percent in just the last 5 years, and too many students have found themselves drowning in debt or, worse, unable to afford an education at all. I believe education is an investment, not an expenditure. This bill will increase our Nation's competitiveness and allow Americans from all economic backgrounds to achieve the dream of a college career.

This act would make need-based student loans more easily accessible and provide for additional mandatory funding for the Pell Grant scholarship, benefiting nearly 230,000 students in my home State of Illinois.

The bill also cuts the interest rate on subsidized student loans in half over the next 5 years and includes tuition assistance for students who teach in the Nation's public schools and loan forgiveness for college graduates who go into public service professions. I urge my colleagues to join us in supporting H.R. 2669.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. TIERNEY).

Mr. TIERNEY. Mr. Speaker, I thank the gentleman for acknowledging me. I am happy to rise in support of this bill here today. A conversation I heard a short while ago from my colleagues that there are some people in America who are taking welfare and don't need to have public assistance to go on to college are probably not thinking of the same America that I am thinking of.

I am thinking of the America where college costs have gone up 41 percent after inflation, and that is just for public higher education. I am thinking of the America where parents are working two jobs on many occasions, the students are working, and they still can't afford the cost of a public higher education.

I am thinking of the America that has not raised the value of a Pell Grant for many, many years, and we have a chance here to do just that. I am looking at a bill and supporting a bill that in fact will raise the Pell Grants, is going to lower the interest rate on student loans, both of which are necessary for many, many families in this country. I am talking for businesses as well as families. This is a chance not just to help the individuals, but to help our economy.

We all are very happy to talk about the need, to really have the college-educated populace out there so we can be competitive globally. This is our opportunity to put our money where our mouth is. This is a good piece of work. I congratulate the chairman for getting this through and look forward to passing this bill in the whole House.

□ 1330

The SPEAKER pro tempore. The gentleman from California (Mr. GEORGE MILLER) has 13¼ minutes remaining. The gentleman from California (Mr. MCKEON) has 7¾ minutes remaining.

Mr. MCKEON. Mr. Speaker, I yield 3½ minutes to the gentleman from Wisconsin (Mr. PETRI), a senior member of the committee.

Mr. PETRI. Mr. Speaker, I thank my colleague, and I'd like to share an alternative Republican viewpoint on the bill before us this afternoon. Traditionally, Republicans have stood for budgetary responsibility and competition to ensure a good return on taxpayer investment in Federal programs. I believe that this bill, while not perfect, is something that any Republican who stands for these principles should support.

For many years, I have spoken out against the excess subsidies that taxpayers pay to lenders in the guaranteed loan program. Government and private economists, including those in the Office of Management and Budget, the Congressional Budget Office, the Government Accountability Office and the Treasury Department, have all confirmed the significant inefficiencies in the program due to the arbitrary and capricious nature in which lender subsidies have been set over the last 40 years.

In fact, these scorekeepers have found that taxpayers spend $3 to $5 billion each year on unnecessary subsidies that could be better applied as direct aid to students. The status quo on lender subsidies is inefficient, wasteful and unacceptable, and I applaud the effort made in this bill to redirect these resources primarily as Pell Grants and interest rate reductions.

This bill also contains two other critically important provisions that

largely have been overlooked in this debate. First, it includes an amendment that I offered and which was unanimously adopted in committee to study and implement a pilot program using market-based reforms, such as auctions, to bring down the cost to taxpayers in the guaranteed loan program. The reason we find ourselves needing to redirect these subsidies in the first place is due to the fact that Congress set subsidy rates blindly and irresponsibly, not based on any market considerations.

As a free-market Republican, I believe Congress has no business setting lender returns. Other mechanisms, such as auctions, will actually capture market demands to obtain the optimal rate for taxpayers and for lenders. Given the tremendous waste, fraud and unethical relationships that have been uncovered in this program over the last 6 months, it's clear that the guaranteed loan program is fundamentally and structurally flawed. This study and pilot are key to comprehensively reforming this program to ensure it serves students and taxpayers. And I'd like to thank the chairman and the committee for their strong support for this important effort.

Further, this bill applies a small portion of the savings towards improving income-contingent student loan repayment. Earlier this year, I introduced the IDEA Act, H.R. 2465, to make key changes to our current, limited income-contingent loan repayment program. The bill would make this repayment model accessible to all borrowers and better address the growing debt burdens which our students are graduating with. Some of my colleagues may be surprised to learn that this repayment model was actually developed by free-market economist Milton Friedman as the optimal way for all students, no matter their income, to repay their student loans.

The College Cost Reduction Act includes several provisions included in my legislation to improve this program, such as a 15 percent cap on adjusted income payments and moving the floor from 100 to 150 percent of the poverty level. These are positive first steps towards implementing a viable income-contingent repayment program, and I hope my colleagues will consider cosponsoring the IDEA Act to develop a loan repayment system for the 21st century.

I thank my colleague for yielding me this time.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Mrs. DAVIS), a member of the committee who had a major amendment in this legislation.

Mrs. DAVIS of California. Mr. Speaker, I rise today in support of reducing the cost of higher education and increasing access for all of those who dream of attending college, and that includes, Mr. Speaker, our servicemembers.

Our servicemembers face extraordinary challenges when activated to go to Iraq or Afghanistan while in college.

Under current law, those deciding not to return to school must begin to repay the loan immediately after returning home, and this means, as we all know, that they will receive their student loan bills in the mail within days of returning from a combat zone.

Among the other benefits in this bill, the College Cost Reduction Act includes an amendment to give those activated while in college a 13-month deferment before they must begin repaying a student loan.

This bill is important, and it's important for this reason, because it provides our servicemembers the protections and the rights they deserve when activated while in college.

I urge my colleagues to support the overall legislation.

Mr. GEORGE MILLER of California. Mr. Speaker, I thank the gentlewoman for her amendment, and I yield 1 minute to the gentlewoman from California (Ms. WOOLSEY) a member of the committee.

(Ms. WOOLSEY asked and was given permission to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, every single American, no matter what circumstances he or she comes from, deserves the opportunity to earn a college degree, but this opportunity should not come at the cost of years of crippling financial debt. That's why the time has come for this Congress to ease the education burden by increasing Pell Grants, reducing interest rates and closing the gap between college costs and financial aid.

For the fifth time in 6 years, the college system in California raised tuition. In fact, this fall, students at Sonoma State University in my district will be required to pay nearly $3,000 more a year in tuition. That's a 10 percent increase from their current tuition.

We need to do better. We need to work with our colleges to keep costs low. We need to invest in financial aid, and today, we are finally doing that.

And it's going to cost $18 billion to help this financial aid increase; $18 billion, about the same as 6 weeks of our occupation in Iraq.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. HOLT), a member of the committee.

Mr. HOLT. Mr. Speaker, I thank the gentleman from California and congratulate him and thank him for developing this legislation.

We've outlined many of the provisions of the bill today. I would just point out that this will result in more than $250 million in additional loan and Pell grant aid to New Jersians. I'm also pleased that this legislation includes provisions from my bill, the Part-Time Student Assistance Act, that will make Pell Grants available year-round instead of the current two semesters a year, and this is important for students who work and go to school.

Also, we have raised the income protection allowance in the College Cost Reduction Act so that students who will have to work to support themselves and their families can earn more without having that count against their student aid.

The bill also includes provisions from my bill, the National Security Language Act. This provides $5,000 in loan forgiveness for Federal employees with critical foreign language skills.

The bill also provides upfront grant aid for those who are becoming math, science and foreign language teachers. Without qualified teachers in these areas, we're endangering the competitiveness of our children in the global economy.

I urge my colleagues to support this legislation.

Mr. MCKEON. Mr. Speaker, I'm happy to yield 3 minutes to the gentleman from Indiana (Mr. SOUDER), a member of the committee.

Mr. SOUDER. Mr. Speaker, this is a truly historic debate on the difference of philosophy of government. We agree on much of what's in this bill. In fact, my friend from Texas, Congressman RON PAUL, is a purist, capitalist, libertarian, but in fact, we've always had a blended government.

And the question is, whether it's through tax incentives, direct spending or loans, we've had a blended economy from the days of building canals and from our beginning; the question is, which way are we going to tilt? Is it going to be a capitalist tilt, or is the tilt going to be government running this?

I believe, and I understand that likely today I'm going to lose, I'm going to be on the losing side, but I want to go on record pointing out how in fact extreme this bill is.

There is a section, a provision of this bill, however well-intentioned, that reverses the normal role of trying to balance what you purchase with your ability to repay. It's an income-based section 133 open-ended entitlement benefit, regardless of profession, that allows them to cap the maximum loan payment each year at 150 percent of discretionary income and have the remainder of the loan forgiven after 20 years.

Under the bill, this means a typical entry-level Hill staffer earning $25,000 a year would never be forced to pay more than $120 a month on their student loans. This would no doubt be popular to our staff, but the American taxpayer I don't believe would approve of this.

An income-based repayment program would eliminate once and for all any need for students to weigh their choice of college or university against which type of career they plan to enter after the degree. It's a disconnect with capitalism because you don't have to say, if I get this number of degrees and go this far, how is my job going to repay this? Should I go to a local campus?

Should I go to a lower priced college? It's disconnected now based from your choice of employment.

While the government surely has a role in increasing access to education, this program would totally strip any incoming college student from making a responsible choice. It's kind-hearted but reckless.

One final example to strengthen the point. Say someone leaves school with an advanced degree and $120,000 of loan debt and takes a job making a steady $65,000 a year. He or she, if they selected to become part of this program, making $65,000 a year and made only minimum monthly payments, using the current 6.8 percent interest rate, the required monthly payment under the program would not even cover the interest on the loan, so that, 20 years later, they would have their $150,000 forgiven, even though they had been making $65,000 a year. That's because the median income in the United States is only $46,000.

I believe that we should work with low-income students through Pell Grants, and I support many parts of this bill in targeting, but when you disconnect the economic decisions that you make on your graduate degrees, on what profession and what college, it is State-controlled, economic controlled, not capitalism.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentlewoman from Hawaii (Ms. HIRONO), a member of the committee.

(Ms. HIRONO asked and was given permission to revise and extend her remarks.)

Ms. HIRONO. Mr. Speaker, I rise in strong support of the College Cost Reduction Act, the largest increase in college aid since the GI bill, and I especially thank Chairman MILLER for his leadership.

This legislation will make college more affordable and accessible for students in Hawaii and across America. It will do so at no new cost to taxpayers.

Keeping America competitive requires an educated workforce prepared for high-skilled jobs. Beyond preparing our youth for careers, education is vital for the full development of an individual.

College costs have skyrocketed beyond the needs of many students and their families, and as a result, students in Hawaii and elsewhere are holding off going to college or skipping it all together, and those who do attend college are taking on increasing amounts of debt.

So this bill is of critical importance because the hardworking families I represent need this help.

I also want to mention a few other provisions in this legislation that are very important to me. As a member of this committee, I worked to increase funding for colleges and universities for native Hawaiians and Alaska natives $30 million over the next 5 years. For this and many other reasons, I rise in strong support of this measure.

Mr. MCKEON. Mr. Speaker, how much time do I have left?

The SPEAKER pro tempore. The gentleman from California (Mr. MCKEON) has 1¼ minutes remaining, and the gentleman from California (Mr. GEORGE MILLER) has 9¼ minutes remaining.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentlewoman from New York (Ms. CLARKE), a member of the committee.

(Ms. CLARKE asked and was given permission to revise and extend her remarks.)

Ms. CLARKE. Mr. Speaker, it is with great pleasure that I rise today to give my enthusiastic support to the College Cost Reduction Act of 2007, H.R. 2669. I want to thank Chairman MILLER for his leadership in this matter.

In the advent of the 21st century, the question we must ask ourselves is, what have we done to ensure the success of our Nation, the development of our civil society? Education has been and will always be the portal for our advancement.

The cost of attending college has increased by 40 percent over the past 5 years. As a result, students are graduating with more debt than ever and postponing enrollment or avoiding college all together because they just can't afford it. This legislation is a much-needed sigh of relief for traditional college students, working families and adult learners in my home district in Brooklyn, New York, and across this Nation.

The College Cost Reduction Act cuts interest rates in half on subsidized student loans over the next 5 years, increases the amount of Federal loans available to students, and so I ask your enthusiastic support for this groundbreaking legislation.

□ 1345

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. DAVIS), a member of the committee.

Mr. DAVIS of Illinois. Mr. Speaker, I rise in strong support of this investment in America. In spite of what we have heard from the other side about a spending plan, what we are really looking at is an investment in education, for those individuals who, without it, would never have an opportunity to experience a college education.

I have heard some things that I thought were unimaginable this afternoon. Eighty percent of the students in my district who attend the University of Illinois rely upon financial aid.

This legislation provides money for Historically Black Colleges and Universities that are falling apart, many of them, at the seams, Hispanic-serving institutions. Individuals who would never, ever get an opportunity to go to college and experience higher education will do so as a result of this legislation, this investment in America. I thank the chairman for a great bill, and I urge its passage.

First let me express my sincere appreciation to Chairman MILLER, and Subcommittee Chairman HINOJOSA for their efforts in introducing this landmark legislation to Congress. In my tenure as a Congressional representative for the citizens of the 7th District of Illinois, this is one of, if not the most critical national policy initiative for which I have been able to advocate. Why? Because in my district for example, approximately 80 percent of the students attending the University of Illinois rely on financial aid programs to support their education, and this bill provides the single largest increase in college aid to students across the country since the GI Bill.

The College Cost Reduction Act increases the maximum Pell Grant scholarship by at least $500 over the next 5 years, and I am pleased that an amendment which I cosponsored added $900,000,000 to the pool; invests in Upward Bound, a proven effective program that empowers students with the resources they need to help them succeed as they pursue higher education; and invests substantial appropriations in historically Black colleges and universities, Hispanic-serving institutions, tribally controlled, Native and predominately black institutions and American and Asian American Pacific institutions.

Detractors will try to paint this as another spending boondoggle by the Democrats, but this bill benefits students and families at no new cost to taxpayers by cutting excess subsidies the Federal government pays to lenders in the student loan industry.

Some may ask why we didn't just focus on Pell Grants, but the fact remains that families who don't qualify for Pell Grants still need assistance paying for college costs, and that approximately 50 percent of students who do qualify for Pell Grants borrow money to pay for college costs. The College Cost Reduction Act of 2007 is the national policy initiative which demonstrates that America recognizes its responsibility to provide an educational environment that inspires and supports the pursuit of academic excellence.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentleman from Connecticut (Mr. COURTNEY), a member of the committee.

Mr. COURTNEY. Mr. Speaker, I rise in strong support of this measure.

I come from the district in Connecticut that's the home of the University of Connecticut, Eastern Connecticut State University, three community colleges, Conn. College, Mitchell College. We are the higher ed district of the State of Connecticut. New loan assistance and aid through grants in the amount of $130 million will be coming to Connecticut as a result of this measure being passed, which, again, is great news for my district.

Frankly, this bill is about something more than just parochial priorities, which are very important to my district. It's also about the change of direction that this new Congress is keeping faith with with passage of this legislation.

When I campaigned last year as a challenger in the closest race in America, the decision of the last Congress to take $12 billion out of the higher education account and use it to raise interest rates on student loans for the

purpose of making sure that the Paris Hilton stratum of American society was going to get their tax cuts was a perfect symbol for how out of touch the prior Congress was with the needs of America.

Passing this legislation will keep faith with the voters who had the courage to vote for change.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. LINDA T. SÁNCHEZ), a member of the committee.

Ms. LINDA T. SÁNCHEZ of California. Mr. Speaker, I rise in strong support of the College Cost Reduction Act.

Students from working families, especially those who are the first in their families to attend college, face many obstacles.

For example, there is no one at home to say the SATs aren't that difficult or that tricky; or that financial aid forms aren't going to be a nightmare to fill out; or that taking out a student loan isn't as scary as it might seem.

The high cost of college is, of course, the biggest obstacle. In recent years, rising college tuitions have far outstripped inflation, and the previous congressional majority failed to ensure that Pell Grants kept up.

That's why I am proud to support this bill. It provides the single largest investment in higher education since the GI Bill at no new cost to taxpayers.

My mother and father, both immigrants who arrived in the U.S. with little money, and not knowing English, raised seven children. With a lot of hard work and sacrifice, all of us attended college and two even made it into Congress.

What I really like about this bill is that it ensures that the doors that were open to my brothers and sisters and me will stay open for the young people of today and generations to come.

I urge support for this inportant bill.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentlewoman from New Hampshire (Ms. SHEA-PORTER), a member of the committee.

Ms. SHEA-PORTER. Mr. Speaker, I rise in strong support of this bill.

Education is the key to prosperity in our Nation, and we have always known that. When our troops returned home during World War II, they became eligible for the GI Bill, which built the middle class in this country.

Today we have the opportunity to once again invest in America in our next generation. This is the key to competitiveness. It's the key to the global economy, to make sure that our people will be able to work in the world and to prosper. It is our honor to be able to present this without raising any, any taxes on the American taxpayer.

In my State of New Hampshire alone, over 15,000 students will benefit from this increase; 1,500 more New Hampshire students will qualify for Pell Grants. We have a wonderful opportunity to invest in our Nation and our next generation, and to strengthen the middle class.

It is with great honor that I support this, and I thank the chairman for bringing this bill to us.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1½ minutes to the gentleman from New Jersey (Mr. PAYNE).

Mr. PAYNE. I would like to begin by thanking Chairman MILLER for his leadership on this bill and certainly urge my colleagues to vote for the College Cost Reduction Act of 2007.

Mr. Speaker, I rise in support of H.R. 2669, the College Cost Reduction Act of 2007. This legislation will provide the single largest investment in college financial aid since the 1944 GI Bill, helping millions of low- and middle-income students and families pay for college.

This legislation would provide about $18 billion over the next 5 years in college financial aid at no cost to the United States taxpayers, no new costs.

This new investment is critically important because college costs have grown nearly 40 percent in the last 5 years. Students are graduating from college with more debt than ever before. Many would-be students are holding off going to college or skipping it altogether because they do not believe they can afford it.

By boosting scholarship and reducing loan and tuition costs, the College Cost Reduction Act of 2007 makes an historic investment in America's college students, its economic competitiveness and its future, while maintaining fiscal responsibility.

I urge my colleagues to support this landmark legislation.

The SPEAKER pro tempore (Mr. ROSS). The gentleman from California on the Democratic side has 2¾ minutes remaining, and the gentleman from California on the Republican side has 1¼ minutes remaining.

Mr. MCKEON. Mr. Speaker, I think this has been a very interesting debate.

At the beginning of the debate, I asked our colleagues to please listen carefully for anything they might hear that would lower tuition rates, that would lower the cost of a college education. I have listened very carefully, and I haven't heard anything.

I have heard a lot of talk about investment, I have heard a lot of talk about new spending, and a lot of these things sound wonderful. It reminds me kind of when I would take my children to sit on Santa Claus's knee. He would ask them what they want. They would tell him all the wonderful things, and many times I wished I could have been Santa Claus and just give them all that they wanted. Sometimes it comes back to reality and the parents have to make some tough decisions based on our budget.

I think people that are listening to this debate realize that there is no free lunch. With all of the new programs, nine new entitlement programs, somebody is going to have to pay for those.

I just entreat those who are watching to not create nine new entitlements, to place the interests of colleges, universities, graduates, philanthropic organizations above the needs of low-income students. Let's not put this price on our children and our grandchildren.

Mr. Speaker, I yield back the balance of my time.

Mr. GEORGE MILLER of California. Mr. Speaker, I want to thank all of the members of the committee for their work on this legislation on both sides of the aisle. I certainly want to thank the staff as we finish general debate.

Mr. Speaker, we said when we gained the majority in this Congress that we wanted to take America in a new direction. This legislation, in fact, does that.

For 6.8 million students who take out need-based loans, this legislation will allow for cutting the interest rate in half over the next 5 years for those students. That will save them almost $4,400 on the average debt that they graduate with. For almost 5.5 million students who rely on a Pell Grant for the basic cost of their education, this means that over the next 4 years that grant will increase by some $500, definitely a new direction.

Because what we saw in the past was the Republicans made it more expensive to pay for your student loans. They provided little or no contribution to the Pell Grant over the last 4 or 5 years. That is a new direction.

What does it mean to America? It means that we are investing in the students and the talent of the future. It means that these are the young people that will take their talents and provide the next generation of discovery, the next generation of innovation, the next generation of jobs in America, the next generation of economic activity here at home. That's the investment that was made by our grandparents back in 1944, in that generation, the first generation to go to college in such great numbers with the GI Bill, and that's the investment that we have the courage and the vision to make in this generation of young people for the future of this country.

That's what this legislation is about. It's about making sure that the doors of a higher education that every employer tells us is now necessary to come to the American workplace if you want a career and you want a decent wage and you want to be able to provide for your family. The doors to those higher education institutions, be they community colleges, State colleges, universities or elite universities, however you want to characterize them, that those doors will not be closed to people who are talented and ready and qualified to go to college.

This legislation provides the means to ensure their access to help them pay for it and to help them make sure that they don't have to make choices against their best interest because of

that debt and later in life that they can choose to go into the professions that serve us as a society. This is a dramatic departure, a dramatic departure from the status quo, a dramatic departure.

What the Republicans did, when they had a chance, they had $20 billion. They decided they would help pay for the tax cuts to the wealthiest people in the country. That's what they did with a big chunk of the money that they took from these excess subsidies, the subsidies that we are taking a way from the banks.

The entitlement program that the banks have today as we stand here will be changed. Yes, it will become an entitlement program for America's families, America's students, those most at need in this country. That's what this Congress ought to be doing. That's what this society wants us to do, and we're going to do it today when we pass this legislation.

Mr. BACA. Mr. Speaker, I rise today in support of H.R. 2669, the College Cost Reduction Act of 2007.

This historic piece of legislation is the relief our working families have been waiting for and I am proud to stand with this Democratic-led Congress to make college educations more accessible for our youth.

Housing, gas, food, utilities, and health insurance prices are going through the roof. Our middle-class parents are working overtime to keep up with the cost of living and hopefully save for retirement.

It has become increasingly difficult for our families to save for college. With tuition prices increasing an average of 3.5 percent each year, American families are facing an uphill battle.

As a result, more and more of our children are coming out of school with staggering amounts of debt and many are being forced to attend part-time in order to work and pay for books and student fees.

In my home State of California, the average 4-year public school student will walk away with over $15,000 in debt after graduation. This is not how we should be sending our youth into the workforce.

H.R. 2669 is going to slash the interest rates on student loans, saving the average American student about $4,400 in interest payments over the life of their loan.

Furthermore, we're going to help our families take on less student debt by making Pell Grants keep up with the real cost of tuition.

During the Republican-controlled Congress, the maximum Pell Grant amount remained unchanged at $4,050 since 2003. H.R. 2669 is going to increase that figure to $4,310 in 2007 alone. By next year, it will be $4,900 and by 2011, it will be $5,200.

In my home State of California, over 600,000 Pell Grant recipients stand to benefit from the legislation we're going to pass today.

That means our children will be in a better position to save for retirement, become homeowners, and contribute to the economy.

H.R. 2669 will also make landmark investments to our minority serving institutions. Black, Hispanic, Tribal, Native Hawaiian, and Asian-Pacific Islander-serving institutions stand to receive $500 million in aid to teach and equip our minority youth, particularly in the science, technology, engineering, and math fields.

H.R. 2669 provides an additional $228 million for Upward Bound, which will fund 188 additional programs to help prepare low-income, first generation students for college.

Finally, H.R. 2669 will provide loan forgiveness for students who pursue careers as public school teachers. Each would receive upfront tuition assistance of $4,000 per year, to a maximum of $16,000. This will provide aid to at least 21,500 undergraduate and graduate students who commit to teaching a high-need subject in high-need schools for four years.

As the youngest of 15 children, I was the first in my family to attend college. I can tell you from personal experience that it has made all the difference in the world.

I worked hard to get through school and I'm grateful for the assistance I received to complete my education. And it's time for the government to step up and give our children the same support.

The College Cost Reduction Act is the kind of reform my constituents need and I am proud to support this legislation. I urge my colleagues to do the same and support H.R. 2669.

Mr. HINOJOSA. Mr. Speaker, I rise in strong support of H.R. 2669, The College Cost Reduction Act. I urge all of my colleagues to vote "yes" on the largest investment in student aid since the passage of the GI bill.

The College Cost Reduction Act re-affirms the fundamental federal interest in higher education—ensuring that students and families have access to the financial and other supports they need to achieve a college education.

The fundamental guaranty in our student aid programs is not to protect lucrative lines of business in the lending industry; it is a guaranty of college access for students. When we lose sight of this core principle, we lose our way as we have seen with the recent scandals in the student loan industry.

H.R. 2669 is about guaranteeing access. This legislation increases student financial aid on an order of magnitude we have not seen in more than a generation. It invests in our public servants and in our teachers. It brings the private sector and charitable organizations to the table to leverage resources so that more first generation, low-income college students can realize their full potential.

I am particularly proud of our work to strengthen the institutions that are the gateways of access to higher education for minority students. Through this amendment we will commit to investing one-half billion dollars over 5 years in hispanic-serving institutions, historically black colleges and universities, predominantly black institutions, tribally-controlled Colleges and Universities, Native Alaskan and Native Hawaiian serving Institutions, and institutions that serve Asian and Pacific Islanders. This represents a doubling of the current investment in the strengthening and developing institutions programs in Titles III and V of the Higher Education Act.

Many on the other side will say that we are investing in institutions and not students. They will rail against new entitlement spending. These arguments reflect a fundamental lack of understanding of the communities that will fuel the growth in our workforce. Worse, they indicate an unwillingness to invest in those communities.

HSIs, HBCUs, and other minority-serving institutions are only going to grow in their importance for ensuring that our Nation continues to have enough college graduates to fill the jobs in our knowledge-based economy. The 2007 Condition of Education reports that 42 percent of our public school children are racial or ethnic minorities—one in five is Hispanic.

These students face many challenges.

Seventy percent of black 4th graders, 73 percent of Hispanic 4th graders, and 65 percent of Native American 4th graders are eligible for free and reduced priced lunches. These students are also concentrated in our highest poverty public schools where over 75 percent of the students are from low-income families.

These schools are the focus of the No Child Left Behind Act. They are the feeder schools to our Title III and Title V institutions. It is in our national interest to strengthen the capacity of these institutions to serve their communities. It is a worthy investment.

I urge all of my colleagues to support H.R. 2669.

Mrs. MALONEY of New York. Mr. Speaker, I rise in strong support of the College Cost Reduction Act.

I want to commend Chairman MILLER on this legislation, which provides the single largest investment in higher education since the GI bill—at no new cost to taxpayers.

I am proud that this Democratic Congress has tackled the college cost crisis: the time to act is now. Over the last 5 years, college costs have grown by nearly 40 percent. Students across the country are graduating with more and more debt. In my home state of New York, the typical student with need-based loans graduates from 4-year public schools with over $14,000 in debt. And each year nearly 200,000 students in our country hold off on attending college, or opt out altogether, simply because they cannot afford to go.

This historic bill would make college more affordable by cutting interest rates on subsidized student loans in half over the next 5 years. In New York, this means an average student saves $4,570 over the life of their loan.

It will also increase the purchasing power of the Pell Grant Scholarship, upping the maximum scholarship by at least $500 over the next 4 years and ultimately reaching a maximum scholarship of at least $5,200 by 2011. In New York, this increased purchasing power could directly help over 420,000 students.

Under the College Cost Reduction Act, students from New York and all across the country will be better able to achieve their goals and reach their dreams. Our Nation and our economy also benefit when we strengthen the middle class by making college more affordable. I am proud to cast my vote for this historic bill, which makes a tremendous step towards ensuring that no one is denied the opportunity to go to college simply because of the price.

Mr. SPRATT. Mr. Speaker, I rise in support of H.R. 2669 (the College Cost Reduction Act of 2007), a bill that is good for students and good for the Federal budget. Our budget resolution for fiscal year 2008 included reconciliation instructions for the House Committee on Education and Labor to cut its spending by $750 million by 2012, and this bill more than fulfills that target. In fact, this reconciliation bill will reduce the Federal Government's budget

deficit by $2.8 billion over the next 5 years while investing billions of dollars in making college more affordable for millions of students.

One of the first actions of the 110th Congress was to institute a tough pay-as-you-go rule in the House that requires all changes to mandatory spending and revenues to be offset so that they do not lower the budget's bottom line. The rule was necessary to help restore fiscal balance, and it requires Congress to make tough choices about priorities. This bill adheres to the pay-as-you-go rule—with net savings of $2.8 billion over the 2007–2012 period and even greater savings over 2007–2017—while also providing needed improvements in student loans and grant aid.

Like previous reconciliation bills, the College Cost Reduction Act includes some new resources that are more than offset by cuts elsewhere. All of the new resources in the bill will make college more affordable, either by lowering the cost of loans—up-front or through forgiveness after graduation—or by increasing the amount of grant aid available. But none of these resources will increase the deficit: the bill not only complies with our pay-as-you-go rule and the reconciliation directive but actually reduces the deficit by $2.8 billion over the next 5 years.

To pay for these student benefits, the bill reduces the extra subsidies that the government pays to banks. These reductions are similar to those in H.R. 5, which passed the House in January by a bipartisan vote of 356–71, and to the subsidy cuts in the President's 2008 budget proposal. But the student loan business will continue to be an attractive one for banks, which are still guaranteed to receive 95 percent of unpaid principal on any defaulted loan and still receive a subsidy from the Federal Government on each loan they provide.

Mr. BLUMENAUER. Mr. Speaker, I support H.R. 2269, the College Cost Reduction Act of 2007, the single largest investment in college financial aid since the 1944 GI bill. This legislation will help millions of middle- and low-income families and students pay for college without any new cost to taxpayers. At a time of skyrocketing tuition costs, government investment has not kept up. As college degrees become more expensive, we must help keep bright students in school and ensure a bright future for America.

The legislation boosts college financial aid by about $18 billion over the next 5 years, and pays for itself by reducing excessive federal subsidies paid to lenders in the college loan industry by $19 billion. Over the course of 5 years, almost 70,000 Oregon students would benefit from an additional $194 million in available loans and Pell Grants. The average Oregon student graduates with more than $14,000 in debt, and this legislation would cut by almost $5,000 the interest paid on their loans. By investing in our students, we ensure a well-educated, globally competitive workforce. We also benefit our communities by providing incentives for our brightest to go into public service jobs and into our neediest schools.

I am proud to be part of this new Congress that prioritizes education, making it feasible for all families to send their kids to college, and keeping America competitive.

Mr. MICHAUD. Mr. Speaker, I am pleased to support the College Cost Reduction Act of 2007. This legislation will provide the single largest investment in higher education since the GI bill, helping low- and middle-income students and families pay for college.

Unfortunately, too many Maine students do not obtain a postsecondary education because they cannot afford the dramatically escalating costs of higher education. This legislation is a historic opportunity to put education goals within reach for many students by increasing funding for Pell Grants, cutting interest rates on subsidized student loans, and increasing funding for Upward Bound.

While there are provisions within the underlying bill to protect small lenders, I will continue to work hard to ensure that the small lenders in Maine, including the Finance Authority of Maine (FAME), are protected in the final legislation. FAME has provided many Maine students the opportunity to go on to postsecondary education and it's important to ensure that they, and other small lenders, are able to continue to provide the best service possible for Maine students.

Ms. SOLIS. Mr. Speaker, I rise today in strong support of H.R. 2669, the College Cost Reduction Act of 2007. Not since 1944, with the GI Bill, has Congress taken such a proactive step in ensuring that millions of Americans can attend higher education institutes.

It is time to start providing our students with the aid needed to keep America competitive by strengthening the middle class and increasing diversity on our campuses. H.R. 2669 will allow middle class and minority families to have access to quality education by increasing grant aid and lessening the burden of loans. Along with H.R. 5, this legislation ensures that our students will finally have the funding for higher education that has long been denied them.

This bill will increase the Pell Grant by $500, benefiting 646,000 students in my home state of California. In addition, 6.8 million students nationwide who take out need-based federal student loans would see the interest rates cut in half, providing California alone with over $1.4 billion more in loan and Pell aid. H.R. 2669 not only puts and keeps students in college—it strengthens our communities by providing financial assistance to people entering public service careers, like nurses, police, firefighters, first responders, and teachers.

For students in Los Angeles, this is real dollars in the pockets of those who need it most. Since 1980 the Latino population in the United States has doubled, but Latinos attending college has only increased 5 percent during this same period. Latinos continue to face numerous obstacles on the road to college. Low family incomes, low financial aid awards and a reluctance to assume debt has hindered Latinos for too long in achieving their higher education goals. The College Cost Reduction Act helps support those institutions helping Latino students by guaranteeing $500 million over 5 years for Hispanic-Serving Institutions, Historically Black Colleges and Universities, and Tribal Colleges.

Financial assistance was critical to my ability to obtain a higher education and I am proud that H.R. 2669, the College Cost Reduction Act of 2007, will help Latinos and other low income students get the financial security to pursue their dreams. I strongly support this legislation that invests in our students, our communities and our Nation.

Mr. AL GREEN of Texas. Mr. Speaker, the road to a better society is paved with better education. H.R. 2669, the College Cost Reduction Act of 2007, is the single largest investment in higher education since the GI bill and highlights the commitment of this Congress to making college more affordable. By making this investment in our students, we are investing in the future of our country.

This landmark legislation will provide vital assistance to low- and middle-income students by increasing the Pell Grant Scholarship by $500 over the next 5 years. In the State of Texas alone, over 470,000 could benefit from this increase.

H.R. 2669 will also encourage philanthropic participation in college financing through matching grants aimed at increasing the number of first generation and low-income college students.

By passing this bill we will be making great strides on behalf of minority students. The College Cost Reduction Act invests $500 million in minority serving institutions and creates two new designations—Predominately Black Institutions and Institutions Serving Asian Americans and Pacific Islanders. By recognizing these institutions, we recognize their commitment and dedication to serving our minority students.

Mr. Speaker, I believe in an America where every child should grow up knowing that if they study and work hard, that they will have the opportunity to achieve the American Dream.

I believe in an America where the circumstances into which you are born do not determine whether you will one day stand in front of family and friends as you receive a college diploma.

I commend Chairman MILLER and our Democratic Leadership for their continued commitment to ensuring that a college education is not out of reach for low- and middle-income Americans.

Mr. LEVIN. Mr. Speaker, I rise in strong support of H.R. 2669, the College Cost Reduction Act of 2007.

In 2004, a report by Michigan's Lt. Governor John Cherry's Commission on Higher Education and Economic Growth laid out how two-thirds of the jobs created in the next decade will require post-secondary education and training. There is little debate that Michigan's economic future is directly linked to our ability to accelerate the completion of degrees in higher education.

Despite increasing costs across the country and in our state, our federal investment in higher education has faltered. Direct grant aid, which once made up roughly 60 percent of the federal government's student aid contribution has dropped to 40 percent, with the remaining 60 percent offered through loans. The real dollar value of Pell Grants has sunk in recent years, while the average college graduate is now faced with close to $17,500 in debt. For lower and middle income students and families these costs are simply too great, forcing nearly 200,000 to delay or postpone their college dreams because of the prohibitive costs.

It has become increasingly clear that the failure of the federal government to adequately invest in higher education will have effects beyond college accessibility. In 2005, the National Academies of Sciences released a report entitled ''Rising Above the Gathering Storm'' which expressed deep concern that our country is losing its competitive advantage in science and technology research, two fields that are critical to our economic leadership.

The seriousness of our higher education crisis necessitates a comprehensive response of dramatic proportions. The College Cost Reduction Act of 2007 rises to this challenge by investing $18 billion over the next 5 years in higher education, the single largest investment in college financial aid since the GI Bill in 1944.

The maximum Pell Grant is boosted $500 to $5,200—up from just $4,050 in 2006—with its eligibility expanded to more students. TEACH grants are established to provide $4,000 per year for high-achieving students who commit to teach in high-need schools or high-need fields—like math and science. The interest rates for need-based student loans would be halved.

In Michigan, over 200,000 students could see benefits from the Pell increases and about 144,000 student borrowers with subsidized loans would see savings of over $4,200 on average over the life of their loans. This bill provides close to $513 million in loans and grants to Michigan's students and families.

The investments in this bill maintain the commitment made by this Democratic Congress to fiscal responsibility. The bill is fully offset by trimming excessive federal subsidies to lenders in the college loan industry. Not only will this not cost taxpayers a dime, it includes $750 million over 5 years to pay down our national deficit.

The College Cost Reduction Act meets the mounting hurdle of higher education affordability with vigorous across-the-board grant aid and loan investments. It shows the commitment by this Congress to the availability of a college education and the importance of this education to our economic competitiveness. Improving access to higher education is vital to expanding opportunity for Michigan students and building Michigan's economic future. This has to be an ongoing priority for the federal government and this legislation is an important step in the right direction. With this legislation, Congress has stepped up to the plate to ensure a better future for our students, their families and our country.

Mr. DINGELL. Mr. Speaker, I have always believed students must have the opportunity to earn degrees based on their academic accomplishments rather than on their economic situation. Today's economy demands a highly educated work force, which is why Congress must ensure we are providing educational access to every qualified student that wants to attend college. H.R. 2669, the College Cost Reduction Act, will do just that by making the single largest investment in college financial aid since the 1944 GI Bill.

I have heard from many of my constituents that the daunting costs of a college education are preventing them from achieving a college degree. They are not alone. Nearly 200,000 students are holding off on going to college or forgoing college completely because they can't afford it. In the last 5 years tuition at 4-year public colleges has grown by 35 percent, forcing both students and their families to take on increasing amounts of debt to pay for college. At a time when Michigan's economy and workforce is struggling, a college education should not be a luxury that is unreachable for middle-class families.

When the Democrats took the majority this year, we committed to making college more affordable and accessible. H.R. 2669 will do this by cutting the interest rate from 6.8 percent to 3.4 percent over the next 5 years. Each year 6.8 million students take out need-based loans and accrue thousands of dollars of debt while completing their college degree. This legislation will cut in half the interest rates on their loans, saving the average student—with $13,800 in need-based student loan debt—$4,400 over the life of the loan.

H.R. 2669 will also increase the maximum value of the Pell Grant scholarship by $500 over the next 5 years, ultimately reaching a maximum scholarship level of $5,200. As the Federal Government's single largest source of grant aid for college students, this proposed increase will directly benefit over 5 million low- and moderate-income students.

More importantly, this legislation will prevent student borrowers from facing unmanageable levels of Federal student debt by guaranteeing borrowers will never have to spend more than 15 percent of their yearly discretionary income on loan repayments and by allowing borrowers who enter public service to have their loans forgiven after 10 years. This is critically important because students today are graduating from college with more debt than ever before.

Many people may be asking how this will help those who are struggling in Michigan. In our great State of Michigan, over 143,000 students take out need-based loans each year. The average student has $13,256 in need-based student loan debt. H.R. 2669 will provide interest rate cuts that win save each Michigan student $4,240 over the life of their student loan. This legislation will also provide $513 million in increased loan and Pell Grant aid to students and families in Michigan over the next five years—benefiting over 200,000 students.

Mr. Speaker, I rise in support of this legislation not only because it will increase college affordability, but because it will help our workforce. Our economy depends on aggressive investment in our workforce if we want to continue to be competitive in a global economy. I urge my colleagues to vote in favor of this legislation, showing American families that Congress is committed to investing in higher education.

Ms. HIRONO. Mr. Speaker, I ask permission to revise and extend my remarks.

I rise in support of the College Cost Reduction Act, the largest increase in college aid since the G.I. bill, and I thank especially Chairman MILLER for his leadership.

This legislation will make college more affordable and more accessible for students in Hawai'i and across America.

It will do so at no new cost to taxpayers.

Keeping America competitive requires an educated workforce prepared for high skilled jobs.

Beyond preparing our youth for careers, education is vital for the full development of an individual.

College costs have skyrocketed beyond the means of many students and their families. As a result, many students in Hawai'i and elsewhere are holding off on going to college or skipping it altogether. And those who do attend college are taking on increasing amounts of debt, so this bill is of critical importance to the hard-working families I represent.

I also want to mention a few other provisions in this legislation that are especially important to me: As a member of the Education and Labor Committee, I worked to increase funding for colleges and universities serving Native Hawaiians and Alaska Natives by $30 million over the next 5 years.

We also included a $10 million investment in institutions serving Asian and Pacific Islander populations that historically have had low education attainment.

This legislation includes the provisions from my Early Educator Loan Forgiveness bill that provides college loan forgiveness for graduates who enter the field of early education to encourage more of them to pursue this field.

For these reasons and more, I am proud to support this legislation.

Mrs. CHRISTENSEN. Mr. Speaker, I rise today in support of H.R. 2669, the College Cost Reduction Act. I commend the Honorable GEORGE MILLER for introducing this much needed piece of legislation and for his leadership on this issue and education in general.

As you all know, college costs in America are simply out of range for far too many Americans. The University of the Virgin Islands, a Historically Black University in my district, costs $10,000 per year while the median income of a Virgin Islands resident is $32,613. One does not have to be a rocket scientist to see the problem. It is further amplified when examining my alma mater, the George Washington University. Tuition at George Washington for an undergraduate starting this fall will be $39,210 per year—a hefty sum when considering that the median income of need-based federal loan borrowers in 2003–2004 was $45,000.

This welcome legislation will raise the maximum value of the Pell Grant Scholarship by $500, thus increasing its purchasing power and benefiting roughly 5.5 million low- and moderate-income students. And this is only the beginning.

The College Cost Reduction Act will also cut in half interest rates on need-based student loans which so often become an unnecessary burden over the heads of those just starting out in their respective professions. In lowering the interest rates from 6.8 percent to 3.4 percent over the next five years, we are saving the average student borrower $4,400 on their overall loan. The sad reality is that many students from middle class homes miss out on obtaining a secondary education because of a failure on our part. Many middle class students have guardians that make too much money to qualify for Federal grants but not enough to actually provide needed financial support.

Every one of our children and indeed every American strive to reach the American dream. As their representatives, we must support them in this pursuit by granting middle class Americans every opportunity possible to obtain affordable higher education. This legislation will expand eligibility of grants by almost 600,000 students, thus, helping to end the unfair burden many students from middle class homes now face.

Colleagues, I urge you to support this needed legislation. The College Cost Reduction Act of 2007 will be the single largest increase in secondary education support by the United States Government since the GI Bill—and it will not cost the American tax payer one cent. Our young people are America's future. It is critical that we invest in that future.

Mr. STARK. Mr. Speaker, I rise today in strong support of the College Cost Reduction Act of 2007. This bill provides the largest single investment in higher education since the

Montgomery GI Bill of 1944, with no new cost to taxpayers.

Today, Federal financial aid programs fail to meet the needs of many students. That means a college education is unattainable for many young people. Public university students can only expect one-third of the cost of attendance at a 4-year institution to be covered by the Pell grant, down from two-thirds of the cost covered in 1980. This bill makes higher education more affordable by increasing the maximum Pell grant by $500 and increasing the number of eligible students by over half a million. These improvements are long overdue.

In addition to strengthening Pell grants, this bill builds on other existing Federal student aid programs to help provide our next generation with a chance to succeed. It lowers Federal loan interest rates to improve accessibility and ease the growing debt burden of graduates. In 2004, one-fourth of all graduating students with loans carried more than $25,000 in loan debt. Perversely, last year the Republican-controlled Congress enacted the largest reduction ever to Federal student aid programs to finance tax cuts for the rich. The College Cost Reduction Act—H.R. 2669—begins to reverse failed Republican policies by reducing the Federal interest rate on student loans from 6.8 percent to 3.4 percent over 5 years.

We must strengthen our education system if we hope to compete in a global economy. In addition to making college more financially feasible, careers in public service need to be rewarded. Quality elementary and secondary teachers are essential to our public school system, but in 2003–2004 their median salary was only $31,704. Teachers deserve more than pats on the back. This bill provides upfront tuition assistance for aspiring educators who commit to teaching high-need subjects in underperforming schools.

This bill pays for itself by reducing some of the massive fees paid to the scandal-plagued student loan industry. Instead of subsidizing the profits of lenders, this bill puts money in the hands of low- and middle-income students. Not surprisingly, President Bush is siding with the big lenders and he's threatened to veto this essential legislation. He and the Republicans in Congress continue to obstruct real progress in education and almost every other domestic priority.

We must address the rising cost of higher education, reinvest in our schools by attracting new teachers, and cultivate the next generation of American leaders. I urge all of my colleagues to join me in voting for America's future and supporting this bill.

Mr. ETHERIDGE. Mr. Speaker, I rise in support of this legislation and urge my colleagues to join me in voting for it.

As the first member of my family to graduate from college, I know firsthand that affordable access to quality higher education is the key to the American dream for working families. Unfortunately, college costs have skyrocketed in recent years even as many fine colleges and universities, like those in North Carolina, have gone to great lengths to keep higher education affordable. The Federal Government has an obligation to step up to the plate and provide more assistance, and H.R. 2669 makes several important changes to the Federal student financial assistance effort.

Specifically, H.R. 2669 would provide nearly $18 billion in college financial aid at no new cost to the taxpayers. The bill would increase the maximum Pell grant scholarship for low-income and moderate-income students by $500 over the next 5 years. It would cut in half the interest rate on need-based Federal student loans from 6.8 percent to 3.4 percent over 5 years. This will save the typical borrower some $4,400 over the life of the loan. This provision alone could benefit more than 162,000 students in North Carolina.

H.R. 2669 would make historic investments in Historically Black Colleges and Universities—HBCUs—with $170 million in new grants for HBCUs, such as Shaw University and Fayetteville State University, in my congressional district. H.R. 2669 also would create a new designation of Predominantly Black Institutions, which are defined as schools that enroll students in financial need and have at least 40 percent African-American student enrollment. These schools would be eligible to receive $30 million in grant aid over 5 years for academic programs in the fields of science, technology, engineering, health education, and teacher education. This legislation would provide $228 million in funding over 4 years for Upward Bound that increases high school completion, college participation, and graduation rates among low-income and first-generation college students.

I enthusiastically support the bill's tuition assistance for excellent undergraduate students who agree to teach in the Nation's public schools and its loan forgiveness for college graduates that go into public service professions. In addition, H.R. 2669 would make important new investments in science, technology, engineering and mathematics—STEM—education that is so critical to our prosperity in the global economy.

I want to thank Chairman MILLER and his outstanding professional staff, especially Gaby Gomez, Denise Forte, and Mark Zuckerman, for working with me to help nonprofit lenders, like we have in North Carolina. Specifically, this bill provides non-profit and small lenders a significant boost to their bottom line earnings and their ability to compete with for-profit lenders. These lenders will save $85 million in the first year to re-invest in their college aid financing and nearly $500 million over 5 years to serve students even better.

As the legislative process moves forward, I want to continue to work with Chairman MILLER to ensure that cuts to lender subsidies do not result in North Carolina students paying more for their loans than they do today. I am confident the final product will achieve that result, and I urge my colleagues to join me in voting to pass H.R. 2669.

Ms. SCHAKOWSKY. Mr. Speaker, this is such an exciting day. Today, we say to the nearly 200,000 students every year who do not attend college for financial reasons, you deserve better. You deserve better than outdated financial aid packages, crippling debt, and empty promises of support once you graduate. Today we are delivering on that promise.

Higher education has become increasingly important in this country and around the world, yet it has been rapidly slipping from the grasp of thousands and thousands of students every year. Over the past several years, states have cut higher education funding and in many cases, passed that cost on to students.

Student loans, which for two-thirds of our students average $20,000, not only affect student's financial viability down the road, they effect the range of opportunities that are available to new graduates as they seek out professions that will enable them to repay their loans. Education is supposed to be the gateway to opportunity, not the path to financial ruin.

One of the most important provisions of H.R. 2669 is an expansion of eligibility and an increase in the Pell grant scholarship to $5,200 over the next 5 years. This bill will also encourage and enable graduates to go into the public service fields they're interested in—and which our country so desperately needs—by providing loan forgiveness for first responders, early childhood educators, librarians, nurses, public defenders, and public prosecutors. These professions are some of the most important to our communities, yet they are chronically undersupported.

This bill will also provide tuition assistance to students who commit to teaching in public schools, high-poverty communities, and high-need subject areas. It also makes a landmark investment in Hispanic-Serving Institutions and Tribally Controlled, Native or Predominately Black Institutions.

By redirecting excessive Federal subsidies for lenders in the student loan industry, these new commitments will come at no additional cost to taxpayers. It's time that taxpayer dollars go towards our student's future—and the future of our competitiveness as a nation.

I urge my colleagues to support this remarkable legislation.

Mr. WELDON of Florida. Mr. Speaker, I join with my colleagues in support of efforts to make college education more affordable for more Americans. Indeed earlier this year I voted in support of H.R. 5, the College Student Relief Act of 2007. I believed that bill took some positive steps and was pleased to support it.

I am very disappointed that the bill before us, H.R. 2669, falls far short of its goal. While those who drafted the bill assert that it is a comprehensive solution to making college more affordable, H.R. 2669 fails to address the core problem of access to U.S. colleges and universities: sky-rocketing rates of tuition and room and board. In just the last 7 years, yearly inflation has increased on average 2.7 percent. However, higher education costs for students has increased an average of 4.2 percent—a rate that is 55 percent higher than regular inflation. This bill makes it easier for students to borrow more money to face these costs, but it does nothing to fix the root problem. And, the end result will be that under H.R. 2669, the average college student graduating from college 4 years from now will still face a higher college debt than those graduating this year—even with all of the billions of dollars included in this bill. Why is that the case? Because this bill does nothing to address the core problem facing college students: uncontrolled growth in tuition, room and board.

Under H.R. 2669, those attending college in the future will be able to borrow more money and perhaps pay a lower interest rate, but with college expenses growing at a rate that far exceeds the annual inflation rate, students will end college with a significantly larger debt. By failing to address this fundamental problem, this bill avoids the major issue facing families and college students. It is due to this obvious omission that I could not vote for final passage of this bill.

H.R. 2669 will enable students to take on more debt which will further burden them for many years past graduation. In 2006, the Higher Education Price Index, HEPI, calculation showed that inflation for colleges and universities jumped to 5 percent. This is 30 percent higher than the regular inflation rate. When colleges and universities know that students have access to more funds through financial aid, loans, and grants they have simply seen this as an opportunity to raise costs for students. This was the case in the past and it is likely to happen again.

This bill does nothing to discourage colleges and universities from further inflating their tuition rates. In fact, it will do the opposite. If we truly want to help our students go into the world with a good education and saddled with less debt, we should hold colleges and universities who take government aid more accountable and not allow them to continue their excessive increases in college costs. Our students deserve better.

The SPEAKER pro tempore. All time for debate on the bill has expired.

AMENDMENT OFFERED BY MR. MCKEON

Mr. MCKEON. Mr. Speaker, I have an amendment made in order at the desk.

The SPEAKER pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment in the nature of a substitute printed in House Report 110–224 offered by Mr. MCKEON:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Pell Grant Enhancement Act'' .

SEC. 2. REDUCTION OF LENDER INSURANCE PERCENTAGE.

(a) AMENDMENT.—Subparagraph (G) of section 428(b)(1) of the Higher Education Act of 1965 (20 U.S.C. 1078(b)(1)(G)) is amended to read as follows:

''(G) insures 95 percent of the unpaid principal of loans insured under the program, except that—

''(i) such program shall insure 100 percent of the unpaid principal of loans made with funds advanced pursuant to section 428(j) or 439(q); and

''(ii) notwithstanding the preceding provisions of this subparagraph, such program shall insure 100 percent of the unpaid principal amount of exempt claims as defined in subsection (c)(1)(G);''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect with respect to loans made on or after October 1, 2007.

SEC. 3. GUARANTEE AGENCY COLLECTION RETENTION.

Clause (ii) of section 428(c)(6)(A) of the Higher Education Act of 1965 (20 U.S.C. 1078(c)(6)(A)(ii)) is amended to read as follows:

''(ii) an amount equal to 24 percent of such payments for use in accordance with section 422B, except that—

''(I) beginning October 1, 2003 and ending September 30, 2007, this subparagraph shall be applied by substituting '23 percent' for '24 percent';

''(II) beginning October 1, 2007 and ending September 30, 2008, this subparagraph shall be applied by substituting '20 percent' for '24 percent';

''(III) beginning October 1, 2008 and ending September 30, 2010, this subparagraph shall be applied by substituting '18 percent' for '24 percent'; and

''(IV) beginning October 1, 2010, this subparagraph shall be applied by substituting for '24 percent' a percentage determined in accordance with the regulations of the Secretary and equal to the average rate paid to collection agencies that have contracts with the Secretary.''.

SEC. 4. ELIMINATION OF EXCEPTIONAL PERFORMER STATUS FOR LENDERS.

(a) ELIMINATION OF STATUS.—Part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.) is amended by striking section 428I (20 U.S.C. 1078–9).

(b) CONFORMING AMENDMENTS.—Part B of title IV of such Act is further amended—

(1) in section 428(c)(1) (20 U.S.C. 1078(c)(1))—

(A) by striking subparagraph (D); and

(B) by redesignating subparagraphs (E) through (H) as subparagraphs (D) through (G), respectively; and

(2) in section 438(b)(5) (20 U.S.C. 1087–1(b)(5)), by striking the matter following subparagraph (B).

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on October 1, 2007.

SEC. 5. REDUCTION OF LENDER SPECIAL ALLOWANCE PAYMENTS.

Section 438(b)(2)(I) of the Higher Education Act of 1965 (20 U.S.C. 1087–1(b)(2)(I)) is amended by adding at the end the following new clauses:

''(vi) REDUCTION FOR LOANS DISBURSED ON OR AFTER OCTOBER 1, 2007.—With respect to a loan on which the applicable interest rate is determined under section 427A(l) and for which the first disbursement of principal is made on or after October 1, 2007, the special allowance payment computed pursuant to this subparagraph shall be computed—

''(I) by substituting '2.0 percent' for '2.34 percent' each place it appears in this subparagraph;

''(II) by substituting '1.4 percent' for '1.74 percent' in clause (ii); and

''(III) by substituting '2.0 percent' for '2.64 percent' each place it appears in clauses (iii) and (iv).''.

SEC. 6. UNIT COST CALCULATION FOR GUARANTY AGENCY ACCOUNT MAINTENANCE FEES.

Section 458(b) of the Higher Education Act of 1965 (20 U.S.C. 1087h(b)) is amended—

(1) by striking ''Account'' and inserting the following:

''(1) FOR FISCAL YEARS 2006 AND 2007.—For each of the fiscal years 2006 and 2007, account''; and

(2) by adding at the end the following new paragraph:

''(2) FOR FISCAL YEAR 2008 AND SUCCEEDING FISCAL YEARS.—

''(A) UNIT COST BASIS.—For fiscal year 2008 and each succeeding fiscal year, the Secretary shall calculate the account maintenance fees payable to guaranty agencies under subsection (a)(3), on a per-loan cost basis in accordance with subparagraph (B).

''(B) DETERMINATIONS.—To determine the amount that shall be paid under subsection (a)(3) per outstanding loan guaranteed by a guaranty agency for fiscal year 2008 and succeeding fiscal years, the Secretary shall—

''(i) establish the per-loan cost basis amount by—

''(I) dividing the total amount of account maintenance fees paid under subsection (a)(3) in fiscal year 2006, by

''(II) the number of loans under part B that were outstanding in that fiscal year; and

''(ii) determine on October 1 of fiscal year 2008 and each subsequent fiscal year, and pay to each guaranty agency, an amount equal to the product of the number of loans under part B that are outstanding on October 1 of that fiscal year and insured by that guaranty agency multiplied by—

''(I) the amount determined under clause (i); increased by

''(II) a percentage equal to the percentage increase in the Consumer Price Index for Wage Earners (as determined by the Bureau of Labor Statistics of the Department of Labor) between the calendar quarter ending on June 30, 2006, and the calendar quarter ending on the June 30 preceding such October 1 of such fiscal year.''.

SEC. 7. TUITION SENSITIVITY.

(a) ELIMINATION OF TUITION SENSITIVITY.—Section 401(b) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b)) is amended—

(1) by striking paragraph (3); and

(2) by redesignating paragraphs (4) through (9) as paragraphs (3) through (8), respectively.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on July 1, 2008.

SEC. 8. MANDATORY PELL GRANT INCREASES.

(a) EXTENSION OF AUTHORITY.—Section 401(a) (20 U.S.C. 1070a(a)) is amended by striking ''fiscal year 2004'' and inserting ''fiscal year 2017''.

(b) FUNDING FOR INCREASES.—Section 401(b) (20 U.S.C. 1070a(b)) is amended by adding at the end the following new paragraph:

''(9) ADDITIONAL FUNDS.—

''(A) IN GENERAL.—For an academic year, there are authorized to be appropriated, and there are appropriated, such sums as may be necessary to carry out subparagraph (B) of this paragraph (in addition to any other amounts appropriated to carry out this section and out of any money in the Treasury not otherwise appropriated) the following amounts:

''(i) $1,454,000,000 for fiscal year 2008;

''(ii) $1,915,000,000 for fiscal year 2009;

''(iii) $2,380,000,000 for fiscal year 2010;

''(iv) $2,845,000,000 for fiscal year 2011;

''(v) $3,386,000,000 for fiscal year 2012;

''(vi) $3,407,000,000 for fiscal year 2013;

''(vii) $3,443,000,000 for fiscal year 2014;

''(viii) $3,474,000,000 for fiscal year 2015;

''(ix) $3,502,000,000 for fiscal year 2016; and

''(x) $3,526,000,000 for fiscal year 2017.

''(B) INCREASE IN FEDERAL PELL GRANTS.—The amounts made available pursuant to subparagraph (A) of this paragraph shall be used to increase the amount of the maximum Pell Grant for which a student shall be eligible during an award year, as specified in the last enacted appropriation Act applicable to that award year, by—

''(i) $350 for award year 2008–2009;

''(ii) $450 for award year 2009–2010;

''(iii) $550 for award year 2010–2011;

''(iv) $650 for award year 2011–2012; and

''(v) $750 for each of the award years 2012–2013 through 2017–2018.''.

(c) AUTHORIZED MAXIMUMS.—Section 401(b)(2)(A) (20 U.S.C. 1070a(b)(2)(A)) is amended to read as follows:

''(2)(A) The amount of the Federal Pell Grant for a student eligible under this part shall be for each of the award years 2008–2009 through 2016-2017, the sum of—

''(i) the amount appropriated in the applicable appropriation Act for the maximum Federal Pell Grant for that award year; and

''(ii) the amount specified in subsection (a)(2)(B) for that award year;

less an amount equal to the amount determined to be the expected family contribution with respect to that student for that year.''.

SEC. 9. PLUS LOAN INTEREST RATES.

Paragraph (2) of section 427A(l) of the Higher Education Act of 1965 (20 U.S.C. 1077a(l)(2)) is amended to read as follows:

''(2) PLUS LOANS.—Notwithstanding subsection (h), with respect to any loan under section 428B, the applicable rate of interest—

''(A) shall be 8.5 percent on the unpaid principal balance of any such loan for which

the first disbursement is made on or after July 1, 2006, and before July 1, 2008; and

''(B) shall be 7.9 percent on the unpaid principal balance of any such loan for which the first disbursement is made on or after July 1, 2008.''.

SEC. 10. CONSUMER INFORMATION AND PUBLIC ACCOUNTABILITY IN HIGHER EDUCATION.

Section 131 of the Higher Education Act of 1965 (20 U.S.C. 1015) is amended to read as follows:

''SEC. 131. CONSUMER INFORMATION AND PUBLIC ACCOUNTABILITY IN HIGHER EDUCATION.

''(a) PURPOSE.—It is the purpose of this section to—

''(1) provide students and families with an easy-to-use, comprehensive web-based tool for researching and comparing institutions of higher education;

''(2) increase the transparency of college cost, price, and financial aid; and

''(3) raise public awareness of information available about postsecondary education, particularly among low-income families, non-traditional student populations, and first-generation college students.

''(b) COLLEGE OPPORTUNITY ON-LINE (COOL) WEBSITE RE-DESIGN PROCESS.—In carrying out this section, the Commissioner of Education Statistics—

''(1) shall identify the data elements that are of greatest importance to prospective students, enrolled students, and their families, paying particular attention to low-income, non-traditional student populations, and first-generation college students;

''(2) shall convene a group of individuals with expertise in the collection and reporting of data related to institutions of higher education to—

''(A) determine the relevance of particular data elements to prospective students, enrolled students, and families;

''(B) assess the cost-effectiveness of various ways in which institutions of higher education might produce relevant data;

''(C) determine the general comparability of the data across institutions of higher education;

''(D) make recommendations regarding the inclusion of specific data items and the most effective and least burdensome methods of collecting and reporting useful data from institutions of higher education; and

''(3) shall ensure that the redesigned COOL website—

''(A) uses, to the extent practicable, data elements currently provided by institutions of higher education to the Secretary;

''(B) includes clear and uniform information determined to be relevant to prospective students, enrolled students, and families;

''(C) provides comparable information, by ensuring that data are based on accepted criteria and common definitions;

''(D) includes a sorting function that permits users to customize their search for and comparison of institutions of higher education based on the information identified through the process as prescribed in paragraph (1) as being of greatest relevance to choosing an institution of higher education.

''(c) DATA COLLECTION.—

''(1) DATA SYSTEM.—The Commissioner of Education Statistics shall continue to redesign the relevant parts of the Integrated Postsecondary Education Data System to include additional data as required by this section and to continue to improve the usefulness and timeliness of data collected by such systems in order to inform consumers about institutions of higher education.

''(2) COLLEGE CONSUMER PROFILE.—The Secretary shall continue to publish on the COOL website, for each academic year and in accordance with standard definitions developed by the Commissioner of Education Statistics (including definitions developed under section 131(a)(3)(A) as in effect on the day before the date of enactment of the College Affordability and Transparency Act of 2007), from at least all institutions of higher education participating in programs under title IV the following information:

''(A) The tuition and fees charged for a first-time, full-time, full-year undergraduate student.

''(B) The room and board charges for a first-time, full-time, full-year undergraduate student.

''(C) The price of attendance for a first-time, full-time, full-year undergraduate student, consistent with the provisions of section 472.

''(D) The average amount of financial assistance received by a first-year, full-time, full-year undergraduate student, including—

''(i) each type of assistance or benefits described in 428(a)(2)(C)(ii);

''(ii) institutional and other assistance; and

''(iii) Federal loans under parts B, D, and E of title IV.

''(E) The number of first-time, full-time, full-year undergraduate students receiving financial assistance described in each clause of subparagraph (D).

''(F) The institutional instructional expenditure per full-time equivalent student.

''(G) Student enrollment information, including information on the number and percentage of full-time and part-time students, the number and percentage of resident and non-resident students.

''(H) Faculty-to-student ratios.

''(I) Faculty information, including the total number of faculty and the percentage of faculty who are full-time employees of the institution and the percentage who are part-time.

''(J) Completion and graduation rates of undergraduate students, identifying whether the completion or graduation rates are from a 2-year or 4-year program of instruction and, in the case of a 2-year program of instruction, the percentage of students who transfer to 4-year institutions prior or subsequent to completion or graduation.

''(K) A link to the institution of higher education with information of interest to students including mission, accreditation, student services (including services for students with disabilities), transfer of credit policies and, if appropriate, placement rates and other measures of success in preparing students for entry into or advancement in the workforce.

''(L) The college affordability information elements specified in subsection (d).

''(M) Any additional information that the Secretary may require.

''(d) COLLEGE AFFORDABILITY INFORMATION ELEMENTS.—The college affordability information elements required by subsection (c)(2)(L) shall include, for each institution submitting data—

''(1) the sticker price of the institution for the 3 most recent academic years;

''(2) the net tuition price of the institution for the 3 most recent academic years;

''(3) the percentage change in both the sticker price and the net tuition price over the 3-year time period that is being reported;

''(4) the percentage change in the CPI over the same time period; and

''(5) whether the institution has been placed on affordability alert status as required by subsection (e)(3).

''(e) OUTCOMES AND ACTIONS.—

''(1) RESPONSE FROM INSTITUTION.—Effective on June 30, 2008, an institution that increases its sticker price at a percentage rate for any 3-year interval ending on or after that date that exceeds two times the rate of change in the CPI over the same time period shall provide a report to the Secretary, in such a form, at such time, and containing such information as the Secretary may require. Such report shall be published by the Secretary on the COOL website, and shall include—

''(A) a description of the factors contributing to the increase in the institution's costs and in the tuition and fees charged to students; and

''(B) if determinations of tuition and fee increases are not within the exclusive control of the institution, a description of the agency or instrumentality of State government or other entity that participates in such determinations and the authority exercised by such agency, instrumentality, or entity.

''(2) QUALITY-EFFICIENCY TASK FORCES.—

''(A) REQUIRED.—Each institution subject to paragraph (1) that has a percentage change in its sticker price that is in the highest 5 percent of all institutions subject to paragraph (1) shall establish a quality-efficiency task force to review the operations of such institution.

''(B) MEMBERSHIP.—Such task force shall include administrators, business and civic leaders, and faculty, and may include students, trustees, parents of students, and alumni of such institution.

''(C) FUNCTIONS.—Such task force shall analyze institutional operating costs in comparison with such costs at other institutions within the class of institutions. Such analysis should identify areas where, in comparison with other institutions in such class, the institution operates more expensively to produce a similar result. Any identified areas should then be targeted for in-depth analysis for cost reduction opportunities.

''(D) REPORT.—The results of the analysis by a quality-efficiency task force under this paragraph shall be made available to the public on the COOL website.

''(3) CONSEQUENCES FOR 2-YEAR CONTINUATION OF FAILURE.—If the Secretary determines that an institution that is subject to paragraph (1)) has failed to reduce the subsequent increase in sticker price below two times the rate of change in the CPI for 2 consecutive academic years subsequent to the 3-year interval used under paragraph (1), the Secretary shall place the institution on affordability alert status.

''(4) EXEMPTIONS.—Notwithstanding paragraph (3), an institution shall not be placed on affordability alert status if, for any 3-year interval for which sticker prices are computed under paragraph (1)—

''(A) with respect the the class of institutions described in paragraph (6) to which the institution belongs, the sticker price of the institution is in the lowest quartile of institutions within such class, as determined by the Secretary, during the last year of such 3-year interval; or

''(B) the institution has a percentage change in its sticker price computed under paragraph (1) that exceeds two times the rate of change in the CPI over the same time period, but the dollar amount of the sticker price increase is less than $500.

''(5) INFORMATION TO STATE AGENCIES.—Any institution that reports under paragraph (1)(B) that an agency or instrumentality of State government or other entity participates in the determinations of tuition and fee increases shall, prior to submitting any information to the Secretary under this subsection, submit such information to, and request the comments and input of, such agency, instrumentality, or entity. With respect to any such institution, the Secretary shall provide a copy of any communication by the

Secretary with that institution to such agency, instrumentality, or entity.

''(6) CLASSES OF INSTITUTIONS.—For purposes of this subsection, the classes of institutions shall be those sectors used by the Integrated Postsecondary Education Data System, based on whether the institution is public, nonprofit private, or for-profit private, and whether the institution has a 4-year, 2-year, or less than 2-year program of instruction.

''(7) DATA REJECTION.—Nothing in this subsection shall be construed as allowing the Secretary to reject the data submitted by an individual institution of higher education.

''(f) INFORMATION TO THE PUBLIC.—The Secretary shall work with public and private entities to promote broad public awareness, particularly among middle and high school students and their families, of the information made available under this section, including by distribution to students who participate in or receive benefits from means-tested federally funded education programs and other Federal programs determined by the Secretary.

''(g) FINES.—In addition to actions authorized in section 487(c), the Secretary may impose a fine in an amount not to exceed $25,000 on an institution of higher education for failing to provide the information required by this section in a timely and accurate manner, or for failing to otherwise cooperate with the National Center for Education Statistics regarding efforts to obtain data under subsections (c) and (j) and pursuant to the program participation agreement entered into under section 487.

''(h) GAO STUDY AND REPORT.—

''(1) GAO STUDY.—The Comptroller General shall conduct a study of the policies and procedures implemented by institutions in increasing the affordability of postsecondary education. Such study shall include information with respect to—

''(A) a list of those institutions that—

''(i) have reduced their sticker prices; or

''(ii) are within the least costly quartile of institutions within each class described in subsection (e)(6);

''(B) policies implemented to stem the increase in tuition and fees and institutional costs;

''(C) the extent to which room and board costs and prices changed;

''(D) the extent to which other services were altered to affect tuition and fees;

''(E) the extent to which the institution's policies affected student body demographics and time to completion;

''(F) what, if any, operational factors played a role in reducing tuition and fees;

''(G) the extent to which academic quality was affected, and how;

''(H) if the institution is a public institution, the relationship between State and local appropriations and the institution's tuition and fees;

''(I) the extent to which policies and practices reducing costs and prices may be replicated from one institution to another; and

''(J) other information as necessary to determine best practices in increasing the affordability of postsecondary education.

''(2) INTERIM AND FINAL REPORTS.— The Comptroller General shall submit an interim and a final report regarding the findings of the study required by paragraph (1) to the appropriate authorizing committees of Congress. The interim report shall be submitted not later than July 31, 2011, and the final report shall be submitted not later than July 31, 2013.

''(i) STUDENT AID RECIPIENT SURVEY.—

''(1) SURVEY REQUIRED.—The Secretary shall conduct a survey of student aid recipients under title IV on a regular cycle and State-by-State basis, but not less than once every 4 years—

''(A) to identify the population of students receiving Federal student aid;

''(B) to describe the income distribution and other socioeconomic characteristics of federally aided students;

''(C) to describe the combinations of aid from State, Federal, and private sources received by students from all income groups;

''(D) to describe the debt burden of educational loan recipients and their capacity to repay their education debts, and the impact of such debt burden on career choices;

''(E) to describe the role played by the price of postsecondary education in the determination by students of what institution to attend; and

''(F) to describe how the increased costs of textbooks and other instructional materials affects the costs of postsecondary education to students.

''(2) SURVEY DESIGN.—The survey shall be representative of full-time and part-time, undergraduate, graduate, and professional and current and former students in all types of institutions, and designed and administered in consultation with the Congress and the postsecondary education community.

''(3) DISSEMINATION.—The Commissioner of Education Statistics shall disseminate the information resulting from the survey in both printed and electronic form.

''(j) REGULATIONS.—The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this section.

''(k) DEFINITIONS.—For the purposes of this section:

''(1) NET TUITION PRICE.—The term 'net tuition price' means the average tuition and fees charged to a first-time, full-time, full-year undergraduate student, minus the average grants provided to such students, for any academic year.

''(2) STICKER PRICE.—The term 'sticker price' means the average tuition and fees charged to a first-time, full-time, full-year undergraduate student by an institution of higher education for any academic year.

''(3) CPI.—The term 'CPI' means the Consumer Price Index-All Urban Consumers (Current Series).''.

SEC. 11. COLLEGE AFFORDABILITY DEMONSTRATION PROJECT.

(a) .—Part G of title IV is amended by inserting after section 486 (20 U.S.C. 1093) the following new section:

''SEC. 486A. COLLEGE AFFORDABILITY DEMONSTRATION PROJECT.

''(a) PURPOSE.—It is the purpose of this section—

''(1) to provide, through a college affordability demonstration project, for increased innovation in the delivery of higher education and student financial aid in a manner resulting in reduced costs for students as well as the institution by employing one or more strategies including accelerating degree or program completion, increasing availability of, and access to, distance components of education delivery, engaging in collaborative arrangements with other institutions and organizations, and other alternative methodologies; and

''(2) to help determine—

''(A) the most effective means of delivering student financial aid as well as quality education;

''(B) the specific statutory and regulatory requirements that should be altered to provide for more efficient and effective delivery of student financial aid, as well as access to high quality distance education programs, resulting in a student more efficiently completing postsecondary education; and

''(C) the most effective methods of obtaining and managing institutional resources.

''(b) DEMONSTRATION PROJECT AUTHORIZED.—

''(1) IN GENERAL.—In accordance with the purposes described in subsection (a) and the provisions of subsection (d), the Secretary is authorized to select not more than 100 institutions of higher education, including those applying as part of systems or consortia of such institutions, for voluntary participation in the College Affordability Demonstration Project in order to enable participating institutions to carry out such purposes by providing programs of postsecondary education, and making available student financial assistance under this title to students enrolled in those programs, in a manner that would not otherwise meet the requirements of this title.

''(2) WAIVERS.—The Secretary is authorized to waive for any institutions of higher education, or any system or consortia of institutions of higher education, selected for participation in the College Affordability Demonstration Project, any requirements of this Act or the regulations thereunder as deemed necessary by the Secretary to meet the purpose described in subsection (a)(1), and shall make a determination that the waiver can reasonably be expected to result in reduced costs to students or institutions without an increase in Federal program costs. The Secretary may not waive under this paragraph the maximum award amounts for an academic year or loan period.

''(3) ELIGIBLE APPLICANTS.—

''(A) ELIGIBLE INSTITUTIONS.—Except as provided in subparagraph (B), only an institution of higher education that is eligible to participate in programs under this title shall be eligible to participate in the demonstration project authorized under this section.

''(B) PROHIBITION.—An institution of higher education described in section 102(a)(1)(C) shall not be eligible to participate in the demonstration project authorized under this section.

''(c) APPLICATION.—

''(1) IN GENERAL.—Each institution or system of institutions desiring to participate in the demonstration project under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may require.

''(2) CONTENTS OF APPLICATIONS.—Each application for the college affordability demonstration project shall include at least the following:

''(A) a description of the institution or system or consortium of institutions and what quality assurance mechanisms are in place to ensure the integrity of the Federal financial aid programs;

''(B) a description of the innovation or innovations being proposed and the affected programs and students, including—

''(i) a description of any collaborative arrangements with other institutions or organizations to reduce costs;

''(ii) a description of any expected economic impact of participation in the project within the community in which the institution is located; and

''(iii) a description of any means the institution will employ to reduce the costs of instructional materials, such as textbooks;

''(C) a description of each regulatory or statutory requirement for which waivers are sought, with a reason for each waiver;

''(D) a description of the expected outcomes of the program changes proposed, including the estimated reductions in costs both for the institution and for students;

''(E) an assurance from each institution in a system or consortium of a commitment to fulfill its role as described in the application;

''(F) an assurance that the participating institution or system of institutions will

offer full cooperation with the ongoing evaluations of the demonstration project provided for in this section; and

''(G) any other information or assurances the Secretary may require.

''(d) SELECTION.—In selecting institutions to participate in the demonstration project under this section, the Secretary shall take into account—

''(1) the number and quality of applications received, determined on the basis of the contents required by subsection (c)(2);

''(2) the Department's capacity to oversee and monitor each institution's participation;

''(3) an institution's—

''(A) financial responsibility;

''(B) administrative capability;

''(C) program or programs being offered via distance education, if applicable;

''(D) student completion rates; and

''(E) student loan default rates; and

''(4) the participation of a diverse group of institutions with respect to size, mission, and geographic distribution.

''(e) NOTIFICATION.—The Secretary shall make available to the public and to the authorizing committees a list of institutions selected to participate in the demonstration project authorized by this section. Such notice shall include a listing of the specific statutory and regulatory requirements being waived for each institution and a description of the innovations being demonstrated.

''(f) EVALUATIONS AND REPORTS.—

''(1) EVALUATION.—The Secretary shall evaluate the demonstration project authorized under this section on a biennial basis. Such evaluations specifically shall review—

''(A) the extent to which expected outcomes, including the estimated reductions in cost, were achieved;

''(B) the number and types of students participating in the programs offered, including the progress of participating students toward recognized certificates or degrees and the extent to which participation in such programs increased;

''(C) issues related to student financial assistance associated with the innovations undertaken;

''(D) effective technologies and alternative methodologies for delivering student financial assistance;

''(E) the extent of the cost savings to the institution, the student, and the Federal Government resulting from the waivers provided, and an estimate as to future cost savings for the duration of the demonstration project;

''(F) the extent to which students saved money by completing their postsecondary education sooner;

''(G) the extent to which the institution reduced its tuition and fees and its costs by participating in the demonstration project

''(H) the extent to which any collaborative arrangements with other institutions or organizations have reduced the participating institution's costs; and

''(I) the extent to which statutory or regulatory requirements not waived under the demonstration project present difficulties for students or institutions.

''(2) POLICY ANALYSIS.—The Secretary shall review current policies and identify those policies that present impediments to the implementation of innovations that result in cost savings and in expanding access to education.

''(3) REPORTS.—The Secretary shall provide a report to the authorizing committees on a biennial basis regarding—

''(A) the demonstration project authorized under this section;

''(B) the results of the evaluations conducted under paragraph (1);

''(C) the cost savings to the Federal Government by the demonstration project authorized by this section; and

''(D) recommendations for changes to increase the efficiency and effective delivery of financial aid.

''(g) OVERSIGHT.—In conducting the demonstration project authorized under this section, the Secretary shall, on a continuing basis—

''(1) ensure compliance of institutions or systems of institutions with the requirements of this title (other than the sections and regulations that are waived under subsection (b)(2));

''(2) provide technical assistance to institutions in their application to and participation in the demonstration project;

''(3) monitor fluctuations in the student population enrolled in the participating institutions or systems of institutions;

''(4) monitor changes in financial assistance provided at the institution; and

''(5) consult with appropriate accrediting agencies or associations and appropriate State regulatory authorities.

''(h) TERMINATION OF AUTHORITY.—The authority of the Secretary under this section shall cease to be effective on October 1, 2012.''.

SEC. 12. MULTIPLE GRANTS.

(a) AMENDMENT.—Paragraph (5) of section 401(b) (as redesignated by section 7(a)(2) of this Act) is amended to read as follows:

''(5) YEAR-ROUND PELL GRANTS.—The Secretary is authorized, for students enrolled in a baccalaureate degree, associate's degree, or certificate program of study at an eligible institution, to award such students not more than two Pell grants during an award year to permit such students to accelerate progress toward their degree or certificate objectives by enrolling in courses for more than 2 semesters, or 3 quarters, or the equivalent, in a given academic year.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be effective July 1, 2009.

SEC. 13. DEFERRAL OF LOAN REPAYMENT FOLLOWING ACTIVE DUTY.

Part G of title IV is amended by inserting after section 484B (20 U.S.C. 1091b) the following new section:

''SEC. 484C. DEFERRAL OF LOAN REPAYMENT FOLLOWING ACTIVE DUTY.

''(a) DEFERRAL OF LOAN REPAYMENT FOLLOWING ACTIVE DUTY.—In addition to any deferral of repayment of a loan made under this title pursuant to section 428(b)(1)(M)(iii), 455(f)(2)(C), or 464(c)(2)(A)(ii), a borrower of a loan under this title who is a member of the National Guard or other reserve component of the Armed Forces of the United States, or a member of such Armed Forces in a retired status, is called or ordered to active duty, and is currently enrolled, or was enrolled within six months prior to the activation, in a program of instruction at an eligible institution, shall be eligible for a deferment during the 13 months following the conclusion of such service, except that a deferment under this subsection shall expire upon the borrower's return to enrolled student status.

''(b) ACTIVE DUTY.—Notwithstanding section 481(d), in this section, the term 'active duty' has the meaning given such term in section 101(d)(1) of title 10, United States Code, except that such term—

''(1) does not include active duty for training or attendance at a service school; but

''(2) includes, in the case of members of the National Guard, active State duty.''.

The SPEAKER pro tempore. Pursuant to House Resolution 531, the gentleman from California (Mr. MCKEON) and a Member opposed each will control 30 minutes.

The Chair recognizes the gentleman from California.

Mr. MCKEON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, if bridging the gap between low-income students and their dream of a college education is a primary goal of this House, then this substitute should be adapted with ease. That's because this amendment nearly doubles the Pell Grant increase provided by the underlying bill.

It makes Pell funding available year around for students seeking to finish their degrees more quickly by taking summer courses, which also makes a savings for them, and it eliminates a role that needlessly punishes students attending low-cost schools by limiting the amount of Pell Grant funds they can receive each year.

First some background. Less than a third of savings in the underlying bill, roughly $6 billion, is directed to the most successful student aid program on the books today, the Pell Grant program.

In fact, more funds under the base bill are directed toward those who are, by definition, no longer even students. This is done by temporarily phasing down interest rates on certain loans being repaid by college graduates.

The remaining third of the bill triggers billions of dollars in new entitlement spending, including nine new areas of entitlement spending all together. In fact, some of this new spending is not even directed towards students, but rather to institutions, like colleges, universities, and philanthropic organizations.

This Pell Grant substitute will tip the balance back toward low-income students struggling to pay for their college education by increasing the maximum Pell Grant far more than the underlying bill. Specifically, it would provide for $9 billion in additional funding for Pell Grants over the next 5 years. Again, that's nearly double what the underlying bill would do.

Here's how we do it. This Pell Grant proposal adopts the same cut to lender insurance rates from 97 to 95 percent as the underlying bill, while having the same goal of reducing administrative fees paid to guaranteed agencies as well.

In addition, this substitute would save the Federal Government about $11 billion through lower special allowance payments.

I believe this structural savings is far more responsible than the underlying bill which, much like the President's fiscal year 2008 budget, fails to take into account the fact that Congress cut some $18 billion from the student loan programs just last year.

With these savings, more than $15 billion in total, this amendment corrects current law to equalize the Pell and direct loan rates for PLUS loans at 7.9 percent. It retains bipartisan language from the underlying bill to permit members of the Armed Forces the ability to defer their loans for up to 13 months upon returning from service.

Most importantly, it invests more than $9 billion in the Pell Grant program. This investment would allow us to increase the maximum Pell Grant by $350 in 2008, compared to the smaller increase in the underlying bill, and by $100 for each year thereafter.

On top of that, this measure would pay down the deficit by $5.74 billion. That's more than three times what the underlying bill would dedicate toward deficit reduction.

□ 1400

Also included in this substitute are key college cost reforms, including the College Affordability and Transparency Act legislation that I introduced earlier this year to arm parents and students with more information about college costs than ever before. The measure also would take important steps to insist that colleges and universities be held more accountable for their role in the college cost crisis.

Mr. Speaker, through my substitute amendment, we would increase Pell, decrease the deficit, more directly address college costs and put in place a handful of other student benefits without creating a single new entitlement program. We would accomplish all of this without creating a new maze of rules and regulations for students, parents and institutions to navigate. And, we would accomplish all of this without shortchanging the low-income students who need the most help to get on the ladder to achieve the American dream. I urge my colleagues to join me in supporting it.

Mr. Speaker, I reserve the balance of my time.

Mr. GEORGE MILLER of California. Mr. Speaker, I claim the time in opposition to the amendment.

The SPEAKER pro tempore. The gentleman is recognized for 30 minutes.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. WU), a member of the committee.

Mr. WU. Mr. Speaker, I thank the chairman for yielding me the time.

And with just a minute or two of time, one of the saddest moments, one of the two saddest moments in my relatively brief career here in the United States House was when this Chamber acted at the President's request to cut $12 billion from college financial aid. That occurred the day after a State of the Union Address where the President talked about American competitiveness.

Today, we take a bold step in rectifying that error. And I just want to refer a moment to the other saddest day of my thus far 8 years in the House of Representatives, and that was the decision in this Chamber to go to war in Iraq.

Those were the two saddest moments in my congressional career: Begin a war in error, and now perpetuating a pride. But at least today, at this moment, we are having an opportunity to rectify, in my view, the other great error that we committed during my time in this Chamber, and that is the $12 billion cut that the Education Committee passed, the prior majority passed in this Chamber, and that went into effect without a necessary 60-vote majority in the Senate.

Now, we can propose this greatest increase in college financial aid. We may or may not have the votes for cloture in the other Chamber, but this is the right thing to do. This is the right thing to do. It will make America more competitive. It will help individuals, and it will help our society, and we will rectify the errors we have made in the past one by one.

I rise in support of the College Cost Reduction Act.

Affordable access to quality post-secondary education is the best tool available to ensure success and the kind of career that can support a family. It is also critical that American students have the education that will help them remain competitive in an increasingly global and knowledge-based economy.

The College Cost Reduction Act provides a major funding increase to assist students and their families achieve the goal paying for college, and much more—at no new expense to taxpayers. It provides tuition assistance to undergraduates who commit to teaching in low-income communities or high-need subject areas. It rewards those who serve their communities—first responders and law enforcement officers, for example, by providing loan forgiveness to those that serve others.

Perhaps most importantly, the bill provides a major help to students in my home state of Oregon. The bill expands Pell Grant eligibility, and the maximum Pell Grant scholarship is increased over $500. This means nearly 70,000 Oregonians could benefit from the bill. This translates into $194 million dollars in aid to Oregon students and families over five years.

College costs have skyrocketed over the past decade.

The College Cost Reduction Act is instrumental in helping more Americans achieve their dream of a college education. I strongly support this bill, and urge my colleagues to do so as well.

Mr. GEORGE MILLER of California. Mr. Speaker, I recognize the gentleman from New York (Mr. BISHOP) for 5 minutes.

Mr. BISHOP of New York. Mr. Speaker, I rise in opposition to the amendment of the ranking member, and I urge its defeat, and I urge our colleagues to vote in support of the underlying bill. I do so for several reasons; but before I talk about that, I would like to talk about some of the things that I have heard here today in the debate that disturbed me greatly and I think require being addressed.

First is that I believe the ranking member, I am going to paraphrase him, but I think correctly said that we just can't help ourselves; that if you give us an opportunity to spend money, we are going to spend it. And I would rephrase that, and I would say that, we just can't help ourselves. If you give us an opportunity to solve a problem, we are going to solve it, and we are going to do so in a fiscally responsible way. And the problem that we are trying to solve with this underlying bill is diminished access and affordability to higher education, a problem which, if we leave unaddressed, is going to have a very serious consequence in terms of our future and in terms of our security. And we are addressing this problem, as I say, in a fiscally responsible way. It will not cost the taxpayers one dime.

I have also heard a great deal of talk about how we are not addressing the issue of entitlement spending and how we are creating nine new entitlements. Our mandatory budget represents about 60 or 70 percent of the total expenditures of this Nation, and it includes a number of so-called entitlement programs: Social Security, Medicare, Medicaid, interest on the national debt. And I would point out that, of all these programs, only one is truly mandatory, and that is interest on the national debt. And that number has ballooned over the last 6 years under the watch of the then majority when they controlled every lever of power in this town.

Fiscal year 2001, interest on the national debt was $200 billion a year. Fiscal year 2007, interest on the national debt is $265 billion a year. And the total debt has grown by $3 trillion.

So I would simply say that it rings hollow to hear a lecture on fiscal responsibility and to be told that we are behaving in a way that is injurious to the American taxpayer when in fact our behavior is the antithesis of the behavior that has held sway this House for the last 6 years.

Now, with the amendment here is what we would not get if we were to pass Mr. MCKEON's amendment: We would get no reduction in interest rates, a condition that would influence students' decisions to attend colleges. There would be no increase in the Federal capital contribution for the Perkins loan program. I will repeat; this is a loan program that this administration is trying earnestly to kill in what is a terribly ill-advised move.

There is this notion out there that the Federal capital contribution for Perkins will increase availability of Perkins loans. And to correct a common misperception, the Perkins loan program is not duplicative of the FFEL program or of the Direct Lending program. In fact, a great many students borrow from both programs. There would be no investment in cooperative education, a program that exposes students to the world of work and help enriches their college experience. There would be no investment in placing a highly qualified teacher in every classroom, something that we absolutely must do if we are going to make the advances on the K–12 level that we simply must make, the advances that were contemplated by the No Child Left Behind legislation, advances that we now have the opportunity to put in place. And there would be diminished opportunity for students who are needy to pursue careers in public service and in

not-for-profit. We cannot have a condition in which students choose their career based on their indebtedness, and this underlying legislation will address that.

So I believe that the College Cost Reduction Act is, as I said before, long overdue, much needed and will address some very serious concerns that currently confront college students and their families, and will do so in a fiscally responsible way. And I urge its passage, and I urge defeat of the amendment by Mr. MCKEON.

Mr. MCKEON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me say how relieved I am that the measure we are considering today does not incorporate the highly controversial STAR Act, which would turn over the entire Federal student loan program to Washington bureaucrats. I appreciate the chairman for not including that.

I continue to strongly support healthy competition between the government-run Direct Loan program and the market-based Pell program, and doing anything to upset that competition would be terrible for students, parents and taxpayers alike. Nonetheless, I would be remiss if I did not express some concerns about the extent of the Pell cuts in H.R. 2669.

After cutting some $18 billion from our student loan program during a budget reconciliation process in the last Congress, an additional cut of more than $18.75 billion this year strikes me as overreaching. Though this figure is close to the President's cut in his latest budget proposal, I believe the administration itself went too far and gave very little consideration to the impact of the cuts we made in the last Congress.

I also believe supporters of H.R. 2669 did not take into account the impact the bill's cuts may have on student loan default rates. When I became chairman, 12 years ago, of this subcommittee over higher education, the default rates were running about 25 percent. And through competition and the things that we have worked on during that time, we have cut that rate to where now the default rate is running at about 5 percent. If it gets back up to those higher ranges again, that is going to cost the American taxpayer another $11 billion a year.

House Republicans are already on record as having supported savings from some of the lender subsidies, and there may well be room to go even further. Later today, in my substitute, I offer cutting $15 billion, which is a little less than the underlying bill but may still be too high. Only time will tell. But we must be cautious to not overreach.

The majority often takes aim at student lenders and seeks continual and excessive cuts as a way to punish them for daring to make a profit. You know, businesses have to make a profit or they don't remain in business. And if they don't remain in business and making loans to students, running about $70 billion a year now, if they don't continue to make those loans, some would say, well, then the direct lending program can take it over, which means the Department of Education, which there have been some criticisms of, would become the largest bank in the world, doing all of the student loan system. Early in my tenure here, they had to shut down their program because they couldn't keep up, and it was a much smaller program at the time. I have very great concerns of turning the whole student loan program over to the Department of Education.

The real victims in all of this debate are the smaller lenders. The large lenders, which is kind of a paradox because they are the ones that we seem to be going after, they will survive, and they will even get better. The small lenders that help those that need the small loans, it takes about $7,000 for a lender to make a profit on these loans. In my community, kids going to the community colleges need a much smaller loan. The tuition, the fees and everything run less than $1,000 a year. And if they take out a loan to cover that, the lenders that are making that loan really aren't making any money; they are doing it as a service. They are not going to do that for long. When they keep getting hit with these kind of cuts, they will just get out of the program, and then, eventually, it will be turned over to the government-run program.

Let me just give a couple of examples here of the things I am concerned about. The Navy Federal Credit Union right here in Virginia that holds $280 million in Federal loans; or San Miguel Federal Credit Union that holds $140 million; or Simmons First National Bank in Pine Bluff, Arkansas, that holds $86 billion; or Sovereign Bank in Reading, Pennsylvania, that holds $79 million; Commerce Bank and Trust in Topeka, Kansas, that holds $60 million; or Zion's First National Bank in Salt Lake with $67 million; will these lenders still be in a program offering loans to their local citizens, or will they be driven out of the program by large lenders such as Sallie Mae? That is something that time will tell as we keep cutting the subsidy that the Federal Government gives now to help these small businesses remain to give the help to those students that need the loans the very most.

Mr. Speaker, I reserve the balance of my time.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky (Mr. YARMUTH).

Mr. YARMUTH. Mr. Speaker, in this great land of opportunity, wealth should not be a prerequisite for education, and it should not be a prerequisite for future success. For too many hardworking and qualified Americans, a college degree is the key to a successful career.

□ 1415

And for millions more, that education sends them so deep into debt that raising a family is impossible. The College Cost Reduction Act will respond to this injustice with an unparalleled commitment in higher education. 140,000 students and families will save more than $200 million on tuition costs in my home State of Kentucky alone.

We've heard a lot during this debate from our colleagues on the other side throwing the word around of ''entitlement'' as if ''entitlement'' is a dirty word. And I will grant that over the years, some entitlements have not been particularly productive, but entitlements can also be significant investments in not only human capital but in the future of this country.

And in this particular instance, what we are saying is we are going to make a dramatic step not just to improve the lives of millions of young Americans, but also to make an investment in their futures and the future of this economy. And if we don't do it, the great disparity in wealth between the most wealthy people in this country and everyone else will continue to grow, and we will face an economy in which we are not developing the type of talent that will keep this country at the stature that it has always maintained.

So I am firmly against and urge my colleagues to vote against the amendment. I strongly support the College Cost Reduction Act because this is ultimately an investment in our future as a country, as a great nation, and the future of many Americans who without this help will be destined to a mundane future, which will mean that our country will result in the same state.

Mr. MCKEON. Mr. Speaker, I am happy to yield at this time to the gentlelady from Tennessee (Mrs. BLACKBURN) such time as she may consume.

Mrs. BLACKBURN. Mr. Speaker, I want to thank the gentleman from California for the work that he has done on this. I also want to commend him for his appreciation for how we approach education and how we approach access to education in this country. His work in the committee has not gone unnoticed, and we do appreciate that commitment.

I do rise today to support the McKeon substitute that we have before us, and I think that it addresses some of the problems that so many Members on both sides of the aisle have problems with in the underlying legislation. You cannot deny that there are nine new entitlement programs that are contained in the underlying legislation, and quite frankly, we have heard from so many people who have expressed concern over this.

As we are at a time when people talk about the need to reduce the size of the Federal Government, to reduce the bureaucracy, to reduce the number of programs, here comes a piece of legislation, and lo and behold, you're going to have nine new programs.

Now, quite frankly, Mr. Speaker, there are so many that say, why would you do this? Why would you not do an assessment of the needs and then put the money where the needs are?

And Mr. MCKEON has done that, as he has addressed the Pell Grants and spending the funding, increasing the Pell Grants, which address the access component that is so important to our students.

Another component that is in there that I think many of the Members would be interested in is the changes that it makes in providing funds for year-round Pell Grants, there again answering a question and solving a problem that we hear from our constituents and the type Pell Grant program that they want, the access that they want, being certain that we're going to help those students who wish to pursue their education not only in the fall, not only in the spring, but the summer as well. We know that this is very important as people look at new type schedules, as they look at moving on through the educational process and getting into the workforce.

We know that we have different areas where we need employment and being able to finish a little bit earlier. Not everybody wants to go on a 4- or 5-year program. There are some people that want to go through in a 3-year program, 3½-year program, and so this addresses a societal change and a need that is there that allows that flexibility that students want. And that is where we need to place the emphasis, allowing people to take control, individuals to take control and make decisions that are going to suit them and not having the bureaucracy make those for them, which all too often, when we create nine new entitlement programs, with nine new bureaucracies, we don't see fast decision-making on something. We see this go into that black hole or the terminal put on hold that so many of our constituents continue to complain about every day.

I would also like to commend to this body and thank Mr. MCKEON for the work that puts the emphasis on our military by providing for them extended deferment options for our returning soldiers who may need extra time to get settled and to return to careers and be able to begin repaying any outstanding student loans. Certainly in my district, the Seventh District of Tennessee, this is something that has been recognized as a need. We have so many that have served so honorably with the 101st Airborne at Fort Campbell, and this is a provision that is important. It is one that is recognized by us, by the minority, by those of us on this side of the aisle, and it's one that we do express our thanks for being included.

The McKeon amendment, the substitute is the right move. It is the right balance. It puts the funding where it is needed by increasing those Pell Grants, and I do rise in support of it, and I thank the gentleman for his work.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida (Ms. WASSERMAN SCHULTZ).

Ms. WASSERMAN SCHULTZ. Mr. Speaker, I thank Chairman MILLER for his recognition.

I rise in support of the College Cost Reduction Act and want to thank my good friend, the chairman, for his leadership and the members of the committee for their exceptional work.

While I am very supportive of the bill's overall goal, I have a concern that the bill incorporates the Bush administration's proposal to significantly cut the yield on all lenders across the board. Students and parents have saved millions of dollars due to smaller competitive lenders offering consolidation loans at lower interest rates. Greater competition leads to lower prices and more choices for the consumer.

I do want to thank the chairman for his recognition of small lenders. And quite honestly, he's worked very, very hard to get the legislation to this point, and I know he continues to try to do that.

I want to thank the chairman for eliminating the origination fee for small lenders because that's an important part of this bill as well. It will lower interest rates for students in the future. But we must ensure that individuals currently enrolled do not pay more when they're starting to repay their loans.

I look forward to working with Chairman MILLER and the ranking member and hope that this matter will be addressed in conference, and I know the chairman has committed to continue to try to do that. We must ensure that we help all students, parents and lenders equally and fairly.

Mr. MCKEON. Mr. Speaker, I am happy to yield 4 minutes to the gentleman from Louisiana (Mr. BOUSTANY), a member of the committee.

Mr. BOUSTANY. Mr. Speaker, I thank our ranking member for giving me time to speak on this.

I rise in support of the McKeon substitute amendment, and I'm opposed to the underlying bill as it's written. Historically, our Federal Government has limited entitlement spending to programs like Medicare and Social Security, and we're still trying to work out or trying to figure out how to make those programs solvent and sustainable.

The underlying bill creates nine new entitlement programs. And knowing that entitlement programs never die, we need to admit to the taxpayers that if this passes they will be expected to kick in another 15 to $30 billion to cover the cost of these new entitlement programs starting in 2013.

It also starts the precedent of creating entitlement programs for institutions and organizations. This act does little to reduce college costs and shortchanges those students who need help the most to pay for college. The bill spends less than one-third of the total savings on investing in low income students struggling to achieve their dreams of a college education.

Rather than addressing the needs of our Nation's low income students, this bill spends billions of dollars on providing additional subsidies to institutions of higher education.

I urge my colleagues to instead support the McKeon amendment, which would increase Pell Grants for our neediest students.

The amendment, in addition, makes two significant improvements to the Pell Grant program. It provides funds for year-round Pell Grants to help those students who wish to pursue their education, not only in the fall and spring, but in summer as well.

For too long, the student aid programs have only addressed the needs of traditional dependent students who attend fall and spring semester and then go home for summer. It's time that we do more to meet the needs of working adults and nontraditional students who need greater flexibility in pursuing their educational goals.

The amendment reduces interest rates for parents and graduate students in the Pell program who now pay 8.5 percent instead of 7.9 percent, which is paid by their peers in the direct loan program. There's simply no reason at all to charge parents and students different interest rates, and this problem needs to be addressed as soon as possible. I'm disappointed that my colleagues on the other side of the aisle did not see the need to help these parents and students who are being unfairly penalized under current law.

Furthermore, this amendment also helps our military, as was mentioned earlier, by providing extended deferment options for our returning soldiers who may need extra time to get settled before repaying any outstanding student loans. This provision was included in the committee mark, and for that I'm grateful, and I think it's certainly a provision I support.

And finally, the McKeon amendment addresses a concern that Mr. MCKEON has been voicing for the last three or four years, and that concern has to do with rising costs of college. I'm happy to see that this amendment includes the text of Mr. MCKEON's bill, H.R. 472, which brings much needed transparency to the college cost issue.

As we all know, rising college costs are a major concern of parents across the country who find it more and more difficult to pay their tuition bills; yet no one can or will explain why costs continue to increase at rates far exceeding the rate of inflation. It's time to arm parents and students with information that can be used to make these wise choices in selecting an institution of higher learning.

And for these reasons, I wholeheartedly support the McKeon amendment as a substitute to this bill, and urge passage of this very important amendment.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 2½ minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in opposition to the amendment in the nature of a substitute for it undermines and it strikes all of the important initiatives that cause this legislation to be one of the imperative legislative initiatives of this Congress.

It impacts negatively the middle class. It undermines the qualified teacher provision. It takes away the reward for public service and, of course, it does not deal with the issue of philanthropic participation in college retention and financing.

But let me tell you what I am supporting. I am supporting the single largest increase in college funding, college aid since the GI Bill. I am supporting the mother who spoke to me on the way up to Washington saying, ''I'm a middle class, single parent, working to send my daughter to college, and I just can't do it. Does anybody understand that plea? I just can't do it.'' This helps this mother send her daughter to college!

And what does this aid package do? This incentive package reinvests in America's young people! It reinvests by strengthening the middle class, by making college more affordable. It increases the power of the Pell Grant through scholarship. It insures that we have qualified teachers in every classroom. It is an equal opportunity promoter of education for Americans.

And then it does something unique. It does something that is not discriminatory. It reflects on the value of historically black colleges, Hispanic-serving colleges and other colleges that serve underserved populations.

I know the real truth of that, representing Texas Southern University when our Governor could find no other way to solve the problem of that college other than to put it into a conservatorship. Isn't it interesting, Mr. Speaker, that if they had put it into a conservatorship, they would have lost all of their accreditation.

This bill invests in helping to retain students. It gives them scholarships. It promotes the colleges.

I don't know if this can be seen, but it is clear when we show this example of what Republicans have done in investing in our college education and what Democrats have done.

□ 1430

I know that my good friend on the other side of the aisle agrees with me that the education of our children is not a partisan issue. So I would encourage him to, if you will, ignore his motion for a substitute and support the underlying bill because colleges like Texas Southern University, Prairie View A&M and Morgan State and Florida A&M are grateful.

I urge my colleagues to support this legislation.

Mr. Speaker, I rise today in support of H.R. 2669, the Education and Labor College Cost Reduction Act of 2007. This bill does much more than ease the burden of student loans for college graduates—it will make the American dream possible for low- and middle-income students and families who pay for college. Mr. Speaker, in 21st-century America, a college education is critical for individual success and the strength of our Nation. Higher education is associated with better health, greater wealth, and more vibrant civic participation, as well national economic competitiveness in today's global environment. As the need for a college degree has grown, however, so has the cost of obtaining that education. The result is rising student debt.

H.R. 2669 would provide about $18 billion in college financial aid at no new cost to taxpayers. This new investment is critical for African-American students and their families, especially given that African-American students comprise about 12 percent of all undergraduate students. Many institutions have helped black students bridge ethnic-related economic barriers, making a college education possible for underprivileged minorities. Among historically black colleges and universities (HBCUs), which give African American students an opportunity to have an educational experience in a community in which they are a part of the majority, costs are also rising. This resolution would support many of these honorable institutions in their righteous deeds in educating our underprivileged students of color.

Mr. Speaker, I support H.R. 2669 because it will increase the maximum Pell Grant award by $500 and increase eligibility to serve more students in the program. The Federal Pell Grant Program prides itself on providing need-based grants to low-income undergraduate and certain postbaccalaureate students to promote access to postsecondary education. Forty-five percent of African American and Hispanic students at 4-year colleges depend on Pell Grants, compared to 23 percent of all students. Approximately 4.5 million students currently depend on Pell Grants and "over 70 percent of Pell Grant funds go to students from families with incomes of $20,000 a year or less". Increasing the maximum Pell Grant Award will expand racial and ethnic diversity in higher education institutions, benefiting not only the institutions cultural background but it will also be a great learning experience for students to learn diverse cultural background different from their own.

H.R. 2669 would cut the interest rates on need-based Federal student loans in half from 6.8 percent to 3–4 percent over 5 years. Once fully implemented, this cut would save the typical borrower—with about $13,800 in need-based loan debt—$4,400 over the life of the loan. About 38 percent of African-American students take out need-based student loans each year. By cutting interest rates on Federal loans, Congress can save college graduates thousands of dollars over the life of their loans. Mr. Speaker, recent graduates, especially those of minority status with low to moderate incomes, must spend the vast majority of their salaries on necessities such as rent, health care, and food. For borrowers struggling to cover basic costs, student loan repayment can create a significant and measurable impact on their lives.

Crushing student debt also has societal consequences, according to a report by two highly respected economists, Drs. Saul Schwarz and Sandy Baum, the prospect of burdensome debt likely deters skilled and dedicated college graduates from entering and staying in important careers educating our Nation's children and helping the country's most vulnerable populations.

To solve this problem and ensure that higher education remains within reach for all Americans, we need to increase need-based grant aid; make loan repayment fair and affordable; protect borrowers from usurious lending practices; and provide incentives for State governments and colleges to control tuition costs. H.R. 2669 is an important step in a new and right direction for America.

I urge my colleagues to vote in favor of H.R. 2669, the Education and Labor College Cost Reduction Act of 2007.

Mr. MCKEON. Mr. Speaker, I yield 3 minutes to the gentlewoman from Washington, our newest mother in the House of Representatives, CATHY MCMORRIS RODGERS.

Mrs. MCMORRIS RODGERS. Mr. Speaker, unfortunately, I rise in opposition to this bill.

In my opinion, it continues some broken promises to us by the majority party. This bill is not fiscally responsible, and it is not going to increase access to college education in this country. Yes, it proposes to spend more money, nine new entitlement programs, that means nine new categories for mandatory spending, but not in ways that will increase access.

I worked my way through college. I was the first in my family to graduate from college, and I am actually still paying some of those student loans from going back to school recently. And I am grateful for the opportunities I have had to go to college and am committed to ensuring that every student in America has access to higher education. It is really part of the American Dream. Unfortunately, this college relief bill does little to actually increase access.

The Republican alternative would have roughly doubled the Pell Grant aid proposed in this bill. That is direct help to students when they need it, when they have to pay for tuition at the beginning of each quarter. Reducing interest rates will help graduates with debt relief, but it will not help students that are currently struggling to make tuition. The vast majority of spending in this bill provides token interest rate cuts for college graduates. Only one-third of the new spending goes towards Pell Grants.

We must do more to fund new programs like Pell Grants, which actually do increase access and opportunities, and the McKeon substitute would do just that. We also must do more to address rising tuition costs and the impact that is having on students' ability to afford college.

Tuition rates have risen above costs of inflation. Here is an example from my own State, Washington State: Over the past 10 years, Washington State

University and the University of Washington have both increased tuition and fees by over 80 percent. At the same time, Washington's per capita of personal income has increased at only about 40 percent, and inflation is a little over 20 percent. We must address the root cause of this problem, what is really driving tuition costs. This bill does nothing to address the skyrocketing cost of tuition, which is disastrous for students and parents.

The Democrats have talked a lot about providing college relief for students; yet, once again, this bill does more to help graduates and institutions rather than helping our current or future college students. Our focus must be on remaining sure that every person who wants to go to college has that opportunity to do so.

Mr. GEORGE MILLER of California. Mr. Speaker, I am the only remaining speaker.

Mr. MCKEON. Mr. Speaker, could I inquire what our time remaining is.

The SPEAKER pro tempore. The gentleman from California on the Republican side has 8½ minutes remaining. The gentleman from California on the Democratic side has 18 minutes remaining.

Mr. MCKEON. I am happy to yield such time as he may consume to the ranking member of the Higher Education Subcommittee, the gentleman from Florida (Mr. KELLER).

Mr. KELLER of Florida. Mr. Speaker, I thank the gentleman for yielding.

I want to begin by thanking the chairman and also the ranking member for their hard work on this bill. Chairman MILLER has accommodated us when he can and opposed us when he must, and I know we have worked together as much as possible.

I think we owe the public an explanation, before we talk about our differences, of what we have in common. So let me begin with what both sides throughout this debate have in common, essentially three things.

First, we believe that all children, rich or poor, should have the opportunity to go to college. Second, we believe that there should be consequences and sunlight on those colleges who excessively increase tuition. And, third, we believe that Pell Grants are the passport out of poverty for so many worthy young children from low- and moderate-income families, and they deserve to be increased.

Now, there are four major differences in this bill, and these differences result in many of us Republicans not being able, regrettably, to vote for this bill. The first difference is on entitlements. How do you feel about new mandatory entitlements? The Democratic bill has nine new entitlement programs with mandatory spending. The Republican substitute has zero new entitlement programs.

How do you feel about Pell Grants, which is money we give to low- and moderate-income families to help their kids go to college? Today the Appropriations Committee is going to be increasing Pell Grants to $4,700. Under the Democrat bill, next year, they will have an additional $100, for a total of $4,800. Under the Republican substitute, students would have an additional $350 for a total of $5,050. So if you care about Pell Grants, you would do substantially better under the Republican bill if you were a student than you would under the Democrat bill.

How do you feel about paying down the deficit? The Democrats use only $1.5 billion to pay down the deficit. We more than triple that in the Republican bill.

How do you feel about private sector versus government-run programs? We have a basic, honest philosophical difference in this belief. Republicans believe that competition among the private sector is good for lower prices and lower taxes. Democrats believe, at least some do, that big government-run programs are better, and if that means eventually raising taxes, especially on the wealthy, then so be it. And we see that in the context of the student loan debate here. Republicans aren't afraid to take money out of the private student lenders. We did so as part of the Deficit Reduction Act. We took $16 billion away from their subsidies. But the Democrat bill, on top of the $16 billion, takes an additional $18.5 billion. It cuts the lender subsidies down to the bone to the point that the private student loan providers really won't be able to make a living if they are the small folks, and it will run many of them out of business. The big folks will stay in business. And that is okay to some on the other side. They prefer the direct student lending program. Under our system, 80 percent of the loans on the Federal level are provided with private sector money, called the FFEL program; 20 percent are the direct student loans. And this bill stacks it heavily in favor of the direct loan program. For example, if you are a low-income public sector employee, such as a police officer or social worker or a firefighter, and you have worked for at least 10 years, you get absolute forgiveness of your loan only in the direct program. They don't forgive it in the private FFEL program. They want to encourage people in the direct program.

If you are a parent and you want to take out a loan for your child to go to college, under the FFEL program, which is the private program, you have to pay 8.5 percent; under the direct lending program from the government, only 7.9 percent. Again, trying to encourage people to go with the big government program. And that was a drafting error that the Republican Congress made when we were passing the Deficit Reduction Act. And we tried to correct it in this bill. The Democrats knew about it, and they didn't let us correct it. And I suspect, and this is my feeling, it is because they expressly favor the direct loan program.

So we have a philosophical difference. I think the motives on both sides are pure. We have an honest difference of opinion with regard to entitlements, Pell grant funding, paying down the debt and private sector involvement.

And for these reasons, Mr. Speaker, I will urge my colleagues to vote ''yes'' in favor of the McKeon substitute and ''no'' on the underlying bill.

Mr. MCKEON. How much time do I have remaining?

The SPEAKER pro tempore. The gentleman from California has 4 minutes remaining.

Mr. MCKEON. Mr. Speaker, I again think that this has been an interesting debate today. I thank the chairman for giving us the opportunity to offer our substitute. I know he didn't have to do that, and I appreciate the opportunity to discuss some of the differences and to present an alternative.

For years I served as subcommittee chairman on the Higher Education Subcommittee. And during that time, I talked about accessibility, accountability and affordability for higher education. The only opportunity that people have to better their lot in life here in this country is through education. And I have seen studies that show that 40 percent of our young people from lower-income families are not able to go to college. And that is just not acceptable. And I think that with our substitute, where we put an additional almost $10 billion into Pell Grants, I think that is a tremendous opportunity to help the affordability aspect of college.

Again, through this bill, there is nothing done to lower the cost of tuition, to make the higher education experience more affordable. As I said, the cost of a higher education during the last 20 years has gone up four times faster than the rate of inflation. Mrs. MCMORRIS ROGERS mentioned earlier, in her State, the cost of tuition has gone up in the last few years 80 percent while the cost of inflation has gone up 20 percent. Again, that is still four times faster. It has gone up faster than the cost of health care. And I think that that is a crisis that in some way we need to come together on. State governments, the Federal Government, students, parents, we all need to come together, come to grips with this issue because to prepare a workforce that is going to carry us through this 21st Century and be competitive throughout the world, we are going to have to do something to make it possible for our young people to get a higher education.

I don't think adding new entitlements is the way to do it. I think increasing Pell Grants is very important. And for that reason, I encourage our colleagues to support the amendment, the substitute amendment. If that passes, then support the bill. If it doesn't pass, I encourage them to vote against the underlying bill.

Mr. Speaker, I yield back the balance of my time.

Mr. GEORGE MILLER of California. Mr. Speaker, if I can inquire how much time I have.

The SPEAKER pro tempore. The gentleman from California has 18 minutes remaining.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

The SPEAKER pro tempore. The gentleman from California is recognized for up to 18 minutes.

Mr. GEORGE MILLER of California. Mr. Speaker and members of the committee, I think this has been a very good debate because this has been a debate about which direction this country should go in and I believe will go in and the direction that the American people want this country to go in.

Parents all over this Nation hear every day from business leaders, from educational leaders, from the media, they hear that for America to be competitive, we have got to have a smarter workforce, a better skilled workforce, a better equipped workforce so that we can continue America's leadership in the world in the economics of the world and in the national security of this country. The key to that workforce, the key to that competitiveness, again, the very people who are hiring those individuals say that you must have a college education. What used to be good enough, which was graduation from high school, is no longer good enough today. You have to have advanced learning. It may be in a professional school. It may be in a trade school. It may be in a community college. It may be in a 4-year college. You may get some of it now and some of it later. But the fact of the matter is, you need those skills.

But what has happened over this time is that college education has increased as rapidly as anything else in society, in fact, more rapidly than many other indicators in our economy, over 35 to 40 percent over the last 5 years above inflation. What has that meant? That meant that families who thought they could afford that education now find that they have to squeeze harder. That meant that people who thought they weren't going to have to borrow money are now going to have to borrow money. That meant that people who thought they were going to be able to go to college are now deciding that they can no longer go to college. They are going to postpone it or maybe not go at all.

□ 1445

That's not good for America. That's not good for America's economy. That's not good for America's democratic institutions. And it's not good for our society. We need those young people to go to college.

What this legislation does today is it says to those individuals who are fully qualified to go to college, we will not deny you access to the college of your choice, to the education of your choice, to the career of your choice, and to the curriculum of your choice because you can't afford to pay for it. We're going to help you. We're not going to give you everything you need. Your family is still going to have to sacrifice, you're still going to have to pay back loans, but we're going to give you greater access to the ability to do that.

We're going to take this country in a new direction. We're going to take this country in a direction where we place a priority, a focus and a vision for education in America today because we know we must.

We're told again by the leaders of all of the new technologies, the new companies, the people who are investing in the future that we were the beneficiaries of when John Kennedy said that he wanted to send a person to the Moon and bring them back safely. It was more than a Moon shot. John Kennedy captured our imagination; he captured world leadership with that decision. And over the next decade, we did exactly as he directed.

But you know what else they did? They give 28,000 high-performing college students a grant to go to graduate school so they didn't have to borrow money, they didn't have to walk around with a tin cup, they didn't have to put themselves into debt, so they could use their best skills and talents to create the space program. You know what they created after they created the space program? They created Intel, they created Microsoft, they created Hewlett Packard. They created the infrastructure of this Nation. Now, did we whine and moan because they got a grant and the taxpayers used their money? They created millions of jobs in this country over the next four decades. That's what this is about.

Those are the investments that my grandparents made in my education before they ever met me. Those are the investments that my parents made in my education after they met me. They still thought it was worth something. And those are the investments that have made this country the greatest and strongest Nation in the world, have made us an economic leader, and have given us the ability to lead the world. Do we want to turn our back on it now? If you accept this substitute, you're turning our back on that idea.

The Republicans say, well, we're just going to take a little less money, but we're going to put it all in the Pell Grant. The Republicans, after flatlining Pell Grant all of these years when they had the opportunity to do something, did nothing. Now they want to love this bill to death by putting all the money in the Pell Grant.

This is what this legislation will do for Pell recipients; it will take them up to $5,200 in a Pell Grant. That may or may not pay for their education for that year, but it's a big leap forward.

But we also recognize something else, that this isn't the only constituency struggling to pay for education in this country. No, there are millions of students who will take out a subsidized student loan. And for those students, and their parents who will help them pay it back if they're that fortunate, for those students they will be paying for it by themselves, we're saying we will cut the interest rate in half when you graduate and you start to repay your loan. You borrow the money today, you pay your tuition, and when it comes time to pay your loan, your interest rate is half of what it is today.

Because we know that those middle-income families in this country are struggling as hard as anybody. They have the same vision, the same hope and the same aspiration for their children. So that's why we're doing this, because it's the best investment we can make in this country in that talent of our children, in the brilliance and the excitement and the vision of those children. That's what this legislation is about. But that's not what this substitute legislation is about. You cannot walk away from them.

I find it interesting that just 4 months ago, 5 months ago, 124 Republicans voted to cut those interest rates for middle-income families and their children, and now they're going to vote against it today. So they voted for it then, and now they're going to vote against it today. What was going on? Did they believe it then, or they don't believe it now? Which is it? But the fact of the matter is, this is about whether or not those families that struggle, they may be single parents, they may be two in their family, they may be families that find themselves with one, two or three kids in college at the same time. This government should help them because those children will return that gift of this Nation back to this Nation time and time again over the life of their earnings, over their careers. They will give back to this Nation because we made that investment as my parents and grandparents made in us.

If you vote for this substitute, you get rid of the interest rate cuts for those middle-income families. And also, for these very same Pell recipients, over half of these students will have to borrow money because a Pell Grant isn't enough. So they participate also in that interest rate cut.

You fail to participate in the loan forgiveness for the teacher, for the firefighter, for the policeman, for the special education teacher, for first responders. For those people in critical occupations that give so much to this society, but they're not the highest paying jobs, we're telling them if you stay on the job 5 years, we will give you $5,000 in loan forgiveness. For a student that graduates with an average debt of around $13,000, $14,000, that's a significant amount of loan forgiveness. What do we get? We get an educated firefighter, an educated policeman, a school teacher. We get these people.

For high-performing college students who are willing to go into teaching and go into math, science and engineering, and then go to the most difficult schools to teach, we're saying we will give you $4,000 a year in tuition assistance while you're in school, not later,

up to $16,000; again, an investment, because we now know that a highly qualified teacher can dramatically change the educational outcomes and the future for the children in ways that we can only dream about. That's an important investment, because that investment in that teacher will be invested in all of those students that come across his or her line of vision in those classes.

That's why this legislation is about a vision for America. That's why this legislation goes in a different direction. We stop today when we flatline aid to education in this country. We want to invest in young people. We want their families to be able to invest with us. And that's the importance of this legislation.

And, clearly, the commitment that we make to minority-serving institutions so that those students who are fully qualified to go to school go to school, receive the kind of help to keep them in school so they don't end up dropping out with a debt on the loans that they took. We want that success. It's a problem that's recognized across the country; we address it.

We raise the cap on the amount of money that families can borrow. It's not great news to hear we let you borrow more, but it's a lot cheaper than if you have to borrow it in the private loan market. It's 3.8 percent here, and it's 10, 12, 13, 14, 15 percent in the private market. That means a lot to families. That means a lot to students. That's what this legislation is about.

I would ask all of my colleagues on both sides of the aisle to reject this substitute, to vote for the passage of the final bill. Let's take America to a new future. Let's take America to new heights. Let's take America to new greatness on the next generation of discoverers, of innovators, and of economic creators.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Pursuant to House Resolution 531, the previous question is ordered on the bill, as amended, and on the amendment by the gentleman from California (Mr. MCKEON).

The question is on the amendment offered by the gentleman from California (Mr. MCKEON).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. MCKEON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 189, nays 231, not voting 11, as follows:

[Roll No. 611]

YEAS—189

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Bonner
Bono
Boozman
Boustany
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Lincoln
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Gordon
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Peterson (PA)
Pickering
Pitts
Platts
Poe
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (FL)

NAYS—231

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berman
Berry
Bishop (GA)
Bishop (NY)
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Brady (TX)
Braley (IA)
Brown, Corrine
Butterfield
Cantor
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Hensarling
Herseth Sandlin
Higgins
Hill
Hinchey
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jindal
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Pence
Perlmutter
Peterson (MN)
Petri
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NOT VOTING—11

Berkley
Blumenauer
Blunt
Boehner
Cubin
Davis, Jo Ann
Dicks
Hinojosa
Porter
Towns
Young (AK)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised 2 minutes remain in this vote.

□ 1518

Ms. CORRINE BROWN of Florida, Ms. HIRONO and Messrs. CAPUANO, ELLSWORTH and PENCE changed their vote from ''yea'' to ''nay.''

Ms. ROS-LEHTINEN and Messrs. SHUSTER, NEUGEBAUER and BACHUS changed their vote from ''nay'' to ''yea.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. ROSKAM

Mr. ROSKAM. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. ROSKAM. I am, in its current form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Roskam moves to recommit the bill H.R. 2669 to the Committee on Education and

Labor with instructions to report the same back to the House promptly with an amendment providing that a borrower who is a full-time elected public official who receives compensation for such elected position, or who is a registered lobbyist at either the Federal or State level who receives compensation for lobbying activities, shall be ineligible for any of the loan forgiveness programs included in the bill.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois (Mr. ROSKAM) is recognized for 5 minutes in support of his motion.

Mr. ROSKAM. Mr. Speaker, I offer this motion to recommit with instructions, and it surrounds the general topic of student loan forgiveness. As we know, student loan forgiveness programs seek to help students with the cost of college or encourage them to enter a particular occupation or field.

This was first put in place back in 1958 in the National Defense Education Act, and it was reenacted and made part of the Perkins loan program, and it provides forgiveness largely for borrowers who are employed in a specific public service job, including teachers, but over the years has added others as well.

I would like to read a short list of those who are currently eligible under various programs for student loan forgiveness. They include: Public school teachers; Head Start staff, whether teachers or not; special education teachers; military members in combat areas; volunteers in the Peace Corps; law enforcement officers; correction officers; teachers in specific areas who are teaching in math, science, foreign language or bilingual education; nurses; medical technicians; child care providers; family service agency workers; researchers at NIH; health professionals in the National Health Service Corps; AmeriCorp volunteers; National Civilian Corps volunteers; and VISTA volunteers.

These loan forgiveness programs are so popular, in fact, that 43 States currently have them. Congressional Research Service not long ago surveyed a whole host of financial aid officials across the country and came to the conclusion that these are very effective programs in meeting students' financial needs and particular workforce needs.

Earlier this year, the House took on the challenge to expand loan forgiveness for prosecutors and public defenders, and clearly there is a good public purpose behind that.

But now under the bill, Mr. Speaker, basically anyone who works for the government or a nonprofit organization would be eligible for loan forgiveness. I repeat that. Basically anyone who works for the government or a nonprofit organization would be eligible for loan forgiveness. So what does that mean? Does that mean that Members of Congress would be eligible for loan forgiveness? I don't know about you, Mr. Speaker, but nobody sent me here to expand loan forgiveness eligibility for Members of Congress. And, in fact, Members of Congress are eligible under this bill.

Are members of State legislatures eligible for loan forgiveness under this bill? Yes.

Are registered lobbyists who work for nonprofit organizations, are they eligible? Yes.

Mr. Speaker, I would like us to look at some of the CEOs of nonprofit organizations and reflect on their compensation and how that would play into this eligibility question. According to the Charity Navigator, the former head of Planned Parenthood Federation of America made over half a million dollars, $500,000, and would that person be eligible? Yes, as would John Adams, the president of the Natural Resources Defense Counsel who makes almost $300,000 a year. The National Journal reported in 2004 that the median compensation for think tanks was $264,000 a year. Or how about this, $227,000 for education, government and welfare organizations.

Does anybody really believe that these individuals need this kind of support from the taxpayers? My point is that this new blanket program for nonprofit organizations will give a number of well-to-do individuals a government handout that they don't need and our constituents should not have to fund.

So the real question is whether this is the highest and best use of taxpayer dollars. Mr. Speaker, I would submit that it is not, so this motion to recommit is very simple. It would prohibit a borrower who is an elected full-time public official and is paid for that position, as well as a paid registered lobbyist at either the State or Federal level, from receiving any of the loan forgiveness available under this act, period. Very simple, very clear.

I think we should speak clearly to the American taxpayers that we as elected officials are not trying to create some unfair advantage for ourselves, that we are not trying to reward ourselves, or our elected colleagues, nor any registered lobbyist, by giving away their hard-earned taxpayer dollars to pay off student debts.

Mr. Speaker, I urge my colleagues to support this amendment or to at least set some parameters of this big government program under this bill.

Mr. Speaker, I yield back the balance of my time.

Mr. GEORGE MILLER of California. Mr. Speaker, I rise in opposition to the motion.

The SPEAKER pro tempore. The gentleman is recognized for 5 minutes.

Mr. GEORGE MILLER of California. Mr. Speaker, this motion to recommit says this will not allow a public officeholder or a lobbyist to get loan forgiveness. This has never been raised, and if you don't want them to get it, write me a letter and we will take care of it.

But what this does is this says that you must report this back promptly, so this kills this bill. This kills this bill. The greatest contribution to helping families pay for education since the GI bill, they want to kill it. Cutting interest rates in half for middle-income families, they want to kill it. You could have written the motion another way. You deliberately wrote it this way so you could kill this bill.

What is it you don't like about this bill? You don't like the fact that while you were in power, after years of flatlining the Pell Grant, we finally have given the biggest increase in decades for the poorest kids in the country. You don't like that, so you want to kill the bill. You don't like the fact that we are going to take 5 million middle-class kids and extend to them a loan with an interest rate that is cut in half while their families are struggling to get them through college. They are making sacrifices every year. You are going to do this. You are going to kill this bill? Are you proud of this amendment that you are going to try to kill this bill? Say it louder, that you are proud.

What about loan forgiveness? This amendment supposedly is about loan forgiveness, but in the process, they kill loan forgiveness to firefighters and policemen and nurses and teachers of special education and people who hold our society together and make it work, they kill that. What is it they don't like about having a society that can help its children? What is it they don't like about partnering up with families who want to help pay their kids' education, that borrow money, that are told every day they have to save more for this education, and here we are giving them loan forgiveness. We are giving them loan forgiveness because they have chosen to go into a career that doesn't pay very well. We are giving them an interest rate cut that will save them $4,000. That loan forgiveness will save them $5,000.

We are raising the amount of money that they can borrow, no great gift to their parents, money that they can borrow, but they don't have to go to the private market and pay 15 percent. They can pay 3.8 percent.

□ 1530

That's what this legislation is about. What is it you don't understand about the American people's vision? Mr. Speaker, what is it they don't understand about the American people's vision for this country? What is it you don't understand that America wants to go in a new direction? What is it you don't understand about this vision of the future where we have faith in our children, where they have the confidence of their parents; they have the vision that their kids can succeed, that they can be the next generation of discoverers, of innovators, of those who create economic opportunities and hire other people or get hired?

That's the vision America wants, and it needs help to pay for that education, and this is what this legislation does. That's what this legislation does.

Yes, we help those minority-serving institutions. I guess you don't like that either.

And yes, we thought we would partner up with some of the richest people in the world who said that if you partner up, we think we can raise hundreds of millions of dollars for poor children. So we said, you raise $1, we'll match it with 50 cents. They're now telling us they think they can raise hundreds of millions of dollars of private money. Sounds kind of Republican to me, but what the hell, I don't know.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members are reminded to address their remarks to the Chair.

Mr. GEORGE MILLER of California. We've even got a multiplier in this bill. We tell high-achieving college students who are studying math, science and engineering, if you will commit to going in and teaching in the most difficult schools in this Nation, you will bring those talents to those kids, we'll give you $4,000 tuition relief while you're in school, not later. We know that that is a multiplier because we know the kids that are exposed to highly qualified and effective teachers can learn things that we can't believe of, and that's what gives back to this society.

At the end of the day, maybe Speaker PELOSI said it best: The dollars we invest in this legislation, the dollars we invest in these young people, that we invest in their families, in their futures, in their competencies, comes back to us every year from the same group of people as they graduate. They return the gifts. They return this gift of the Nation.

We're trying to do for this next generation, what my grandparents did for me, what my parents did for me. And those investments that they made in the college systems of this country, in the GI bill in this country, what did they do? They took America to the premier position in the world in economic leadership, in national security, in foreign affairs, took us to the first place in the world and has been there for 50 years based upon that investment.

America knows now that they need a new investment, and that's what this legislation is about. It's about a new investment for the next generation, the next generation of talent and competency and fearless and beautiful young people, beautiful young people who want their future to be as rewarding as all of ours have been. I ask you to vote ''no'' on this amendment.

PARLIAMENTARY INQUIRIES

Mr. WESTMORELAND. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore. The gentleman may state his parliamentary inquiry.

Mr. WESTMORELAND. Mr. Speaker, parliamentary inquiry. If this motion to recommit is passed, it does not kill the legislation; does it not simply send it back to committee?

Mr. GEORGE MILLER of California. Kills the legislation today.

The SPEAKER pro tempore. The Chair will not interpret the motion. That is for Members to debate, not the Chair.

Mr. WESTMORELAND. Further parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. WESTMORELAND. Is the question I just asked not a procedure of this House as far as the Speaker is in control of this body, would he not be learned enough to know that if this motion passed, would it—

The SPEAKER pro tempore. The Chair does not interpret a pending proposal.

Mr. WESTMORELAND. Further parliamentary inquiry, if I read the motion to recommit correctly—

The SPEAKER pro tempore. The Chair can affirm that the motion does not contemplate a report forthwith.

Mr. WESTMORELAND. I'm sorry, sir?

The SPEAKER pro tempore. Which part of that did the gentleman not understand?

Mr. WESTMORELAND. Your answer.

The SPEAKER pro tempore. The motion does not contemplate a report forthwith.

Mr. WESTMORELAND. Further parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. State your parliamentary inquiry.

Mr. WESTMORELAND. If it's true that you don't have the facts right, you should just beat the podium?

The SPEAKER pro tempore. The gentleman is out of order.

For what purpose does the gentleman from California rise?

Mr. GEORGE MILLER of California. The Chair responded to the parliamentary inquiry that it is not forthwith, that it precludes action on the bill today. Thank you.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. ROSKAM. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 8 and clause 9 of rule XX, this 15-minute vote on the motion to recommit will be followed by a 5-minute vote on passage of H.R. 2669, if ordered, and suspending the rules and passing H.R. 556.

The vote was taken by electronic device, and there were—ayes 199, noes 223, not voting 9, as follows:

[Roll No. 612]

AYES—199

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Barrow
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Bonner
Bono
Boozman
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Jindal
Johnson (IL)
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
Marshall
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
McNerney
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy, Patrick
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (FL)

NOES—223

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Bean
Becerra
Berman
Berry
Bishop (GA)
Bishop (NY)
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich

Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NOT VOTING—9

Bartlett (MD)
Berkley
Blumenauer
Boehner
Cubin
Davis, Jo Ann
Hinojosa
Porter
Young (AK)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised there are 2 minutes remaining on this vote.

□ 1553

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. GEORGE MILLER of California. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 273, noes 149, not voting 9, as follows:

[Roll No. 613]

AYES—273

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berman
Berry
Bishop (GA)
Bishop (NY)
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Buchanan
Butterfield
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castle
Castor
Chandler
Clay
Cleaver
Clyburn
Cohen
Cole (OK)
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dent
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Farr
Fattah
Ferguson
Filner
Forbes
Fossella
Frank (MA)
Gerlach
Giffords
Gilchrest
Gillibrand
Gohmert
Gonzalez
Gordon
Graves
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hall (TX)
Hare
Harman
Hastings (FL)
Hayes
Heller
Herseth Sandlin
Higgins
Hill
Hinchey
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jindal
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Jones (NC)
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
King (NY)
Kirk
Klein (FL)
Knollenberg
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lucas
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCaul (TX)
McCollum (MN)
McDermott
McGovern
McHugh
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (MI)
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Petri
Pomeroy
Price (NC)
Rahall
Ramstad
Rangel
Regula
Reichert
Renzi
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shays
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tiahrt
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walsh (NY)
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Weller
Wexler
Whitfield
Wilson (NM)
Wilson (OH)
Wolf
Woolsey
Wu
Wynn
Yarmuth

NOES—149

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Bonner
Bono
Boozman
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Carter
Chabot
Coble
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Everett
Fallin
Feeney
Flake
Fortenberry
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gillmor
Gingrey
Goode
Goodlatte
Granger
Hastert
Hastings (WA)
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson, Sam
Jordan
Keller
King (IA)
Kingston
Kline (MN)
Kuhl (NY)
LaHood
Lamborn
Latham
Lewis (CA)
Lewis (KY)
Linder
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCotter
McCrery
McHenry
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller, Gary
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Pickering
Pitts
Platts
Poe
Price (GA)
Pryce (OH)
Putnam
Radanovich
Rehberg
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Schmidt
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Simpson
Smith (NE)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiberi
Walberg
Walden (OR)
Wamp
Weldon (FL)
Westmoreland
Wicker
Wilson (SC)
Young (FL)

NOT VOTING—9

Berkley
Blumenauer
Boehner
Clarke
Cubin
Davis, Jo Ann
Hinojosa
Porter
Young (AK)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 1601

Mr. SULLIVAN changed his vote from ''aye'' to ''no.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Ms. CLARKE. Mr. Speaker, on roll-call 613, the final passage of the College Cost Reduction Act, a bill I am proud to have been helpful in crafting, I was unavoidably detained. If I had been present, I would have proudly voted ''aye.''

FOREIGN INVESTMENT AND NATIONAL SECURITY ACT OF 2007

The SPEAKER pro tempore. The unfinished business is the vote on the motion to suspend the rules and concur in the Senate amendment to the bill, H.R. 556, on which the yeas and nays were ordered.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from New York (Mrs. MALONEY) that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 556.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 370, nays 45, not voting 16, as follows:

[Roll No. 614]

YEAS—370

Abercrombie
Ackerman
Alexander
Allen
Altmire
Andrews
Arcuri
Baca
Bachmann
Bachus
Baird
Baldwin
Barrow
Bartlett (MD)
Barton (TX)
Bean
Becerra
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop (GA)
Bishop (NY)
Blunt
Bonner
Boozman
Boren
Boswell
Boucher