

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 507

To amend and extend the Higher Education Act of 1965.

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 2005

Mr. BOEHNER (for himself and Mr. McKEON) introduced the following bill;  
which was referred to the Committee on Education and the Workforce

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## A BILL

To amend and extend the Higher Education Act of 1965.

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

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4        (a) SHORT TITLE.—This Act may be cited as the  
5 “College Access and Opportunity Act of 2005”.

6        (b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

Sec. 2. References; effective date.

### TITLE I—GENERAL PROVISIONS

Sec. 101. Definition of institution of higher education.

“Sec. 101. Definition of institution of higher education.

“Sec. 102. Institutions outside the United States.

“Sec. 123. Restrictions on funds for for-profit schools.

Sec. 102. New borrower definition.

Sec. 103. Student speech and association rights.

- Sec. 104. Extension of National Advisory Committee on Institutional Quality and Integrity.
- Sec. 105. Alcohol and drug abuse prevention.
- Sec. 106. Prior rights and obligations.
- Sec. 107. Consumer information and public accountability in higher education.  
 “Sec. 131. Consumer information and public accountability in higher education.
- Sec. 108. Performance-based organization.

## TITLE II—TEACHER PREPARATION

- Sec. 201. Teacher quality enhancement grants.

### “PART A—TEACHER QUALITY ENHANCEMENT GRANTS FOR STATES AND PARTNERSHIPS

- “Sec. 201. Purposes; definitions.
- “Sec. 202. State grants.
- “Sec. 203. Partnership grants.
- “Sec. 204. Teacher recruitment grants.
- “Sec. 205. Administrative provisions.
- “Sec. 206. Accountability and evaluation.
- “Sec. 207. Accountability for programs that prepare teachers.
- “Sec. 208. State functions.
- “Sec. 209. General provisions.
- “Sec. 210. Authorization of appropriations.
- Sec. 202. Preparing tomorrow’s teachers to use technology.
- Sec. 203. Centers of excellence.

### “PART C—CENTERS OF EXCELLENCE

- “Sec. 231. Purposes; definitions.
- “Sec. 232. Centers of excellence.
- “Sec. 233. Authorization of appropriations.
- Sec. 204. Transition.

## TITLE III—INSTITUTIONAL AID

- Sec. 301. Title III grants for American Indian Tribally Controlled Colleges and Universities.
- Sec. 302. Alaska Native and Native Hawaiian-serving institutions.
- Sec. 303. Grants to part B institutions.
- Sec. 304. Technical amendments.
- Sec. 305. Title III authorizations.

## TITLE IV—STUDENT ASSISTANCE

### PART A—GRANTS TO STUDENTS

- Sec. 401. Pell Grants.  
 “Sec. 401A. Pell Grants Plus: achievement grants for State scholars.
- Sec. 402. TRIO programs.
- Sec. 403. GEARUP.
- Sec. 404. Federal Supplemental Educational Opportunity Grants.
- Sec. 405. LEAP.
- Sec. 406. HEP/CAMP program.
- Sec. 407. Byrd Scholarship.
- Sec. 408. Child care access.

- Sec. 409. Learning anytime anywhere partnerships.
- Sec. 410. Technical amendments.

PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM

- Sec. 421. Reauthorization of Federal Family Education Loan Program.
- Sec. 422. Loan limits.
- Sec. 423. Interest rates and special allowances.
- Sec. 424. Additional loan terms and conditions.
- Sec. 425. Consolidation loan changes.
- Sec. 426. Unsubsidized Stafford loans.
- Sec. 427. Elimination of termination dates from Taxpayer-Teacher Protection Act of 2004.
- Sec. 428. Additional administrative provisions.

PART C—FEDERAL WORK-STUDY PROGRAMS

- Sec. 441. Authorization of appropriations.
- Sec. 442. Community service.
- Sec. 443. Allocation of funds.
- Sec. 444. Books and supplies.
- Sec. 445. Job location and development.
- Sec. 446. Work colleges.

PART D—FEDERAL DIRECT LOAN PROGRAM

- Sec. 451. Reauthorization of the Direct Loan Program.

PART E—FEDERAL PERKINS LOAN PROGRAM

- Sec. 461. Reauthorization of program.
- Sec. 462. Loan terms and conditions.
- Sec. 463. Loan cancellation.
- Sec. 464. Technical amendments.

PART F—NEED ANALYSIS

- Sec. 471. Simplified needs test improvements.
- Sec. 472. Additional need analysis amendments.

PART G—GENERAL PROVISIONS RELATING TO STUDENT FINANCIAL ASSISTANCE

- Sec. 481. Definition of academic year.
- Sec. 482. Distance education.
- Sec. 483. Expanding information dissemination regarding eligibility for Pell Grants.
- Sec. 484. Student eligibility.
- Sec. 485. Institutional refunds.
- Sec. 486. Institutional and financial assistance information for students.
- Sec. 487. College access initiative.
  - “Sec. 485D. College access initiative.
- Sec. 488. Distance education demonstration program.
- Sec. 489. College affordability demonstration program.
  - “Sec. 486A. College affordability demonstration program.
- Sec. 490. Program participation agreements.
- Sec. 491. Additional technical and conforming amendments.

## PART H—PROGRAM INTEGRITY

Sec. 495. Accreditation.

## TITLE V—DEVELOPING INSTITUTIONS

- Sec. 501. Definitional changes.  
 Sec. 502. Assurance of enrollment of needy students.  
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 Sec. 504. Title V authorization.

## TITLE VI—TITLE VI AMENDMENTS

- Sec. 601. International and foreign language studies.  
 Sec. 602. Business and international education programs.  
 Sec. 603. Institute for International Public Policy.  
     “Sec. 621. Program for foreign service professionals.  
 Sec. 604. Evaluation, outreach, and dissemination.  
     “Sec. 632. Evaluation, outreach, and dissemination.  
 Sec. 605. Advisory Board.  
     “Sec. 633. International Higher Education Advisory Board.  
 Sec. 606. Recruiter access to students and student recruiting information; safety.  
     “Sec. 634. Recruiter access to students and student recruiting information.  
     “Sec. 635. Student safety.  
 Sec. 607. National study of foreign language heritage communities.  
     “Sec. 636. National study of foreign language heritage communities.

## TITLE VII—TITLE VII AMENDMENTS

- Sec. 701. Javits fellowship program.  
 Sec. 702. Graduate assistance in areas of national need.  
 Sec. 703. Thurgood marshall legal educational opportunity program.  
 Sec. 704. Fund for the improvement of postsecondary education.  
 Sec. 705. Urban community service.  
 Sec. 706. Demonstration projects to ensure students with disabilities receive a quality higher education.

## TITLE VIII—CLERICAL AMENDMENTS

Sec. 801. Clerical amendments.

## TITLE IX—AMENDMENTS TO OTHER EDUCATION LAWS

## PART A—EDUCATION OF THE DEAF ACT OF 1986

- Sec. 901. Laurent Clerc National Deaf Education Center.  
 Sec. 902. Authority.  
 Sec. 903. Agreement for the National Technical Institute for the Deaf.  
 Sec. 904. Definitions.  
 Sec. 905. Audit.  
 Sec. 906. Reports.  
 Sec. 907. Liaison for educational programs.  
 Sec. 908. Federal endowment programs for Gallaudet University and the National Technical Institute for the Deaf.  
 Sec. 909. Oversight and effect of agreements.  
 Sec. 910. Authorization of appropriations.

## PART B—ADDITIONAL EDUCATION LAWS

- Sec. 921. Amendment to Higher Education Amendments of 1998.  
 Sec. 922. Tribally Controlled College or University Assistance Act of 1978.  
 Sec. 923. Navajo Community College Act.  
 Sec. 924. Education Amendments of 1992.  
 Sec. 925. Study of student learning outcomes and public accountability.

1 **SEC. 2. REFERENCES; EFFECTIVE DATE.**

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

8 (b) EFFECTIVE DATE.—Except as otherwise provided  
 9 in this Act, the amendments made by this Act shall take  
 10 effect on the date of enactment of this Act.

11 **TITLE I—GENERAL PROVISIONS**12 **SEC. 101. DEFINITION OF INSTITUTION OF HIGHER EDU-**  
13 **CATION.**

14 (a) AMENDMENT.—Title I is amended by striking  
 15 sections 101 and 102 (20 U.S.C. 1001, 1002) and insert-  
 16 ing the following:

17 **“SEC. 101. DEFINITION OF INSTITUTION OF HIGHER EDU-**  
18 **CATION.**

19 “(a) INSTITUTION OF HIGHER EDUCATION.—For  
 20 purposes of this Act, the term ‘institution of higher edu-  
 21 cation’ means an educational institution in any State  
 22 that—

1           “(1) admits as regular students only persons  
2 who—

3           “(A) meet the requirements of section  
4 484(d)(3), or have a certificate of graduation  
5 from a school providing secondary education, or  
6 the recognized equivalent of such a certificate;  
7 or

8           “(B) are beyond the age of compulsory  
9 school attendance in the State in which the in-  
10 stitution is located;

11           “(2) is legally authorized within such State to  
12 provide a program of education beyond secondary  
13 education;

14           “(3)(A) is accredited by a nationally recognized  
15 accrediting agency or association; or

16           “(B) if not so accredited, is a public or non-  
17 profit institution that has been granted  
18 preaccreditation status by such an agency or asso-  
19 ciation that has been recognized by the Secretary for  
20 the granting of preaccreditation status, and the Sec-  
21 retary has determined that there is satisfactory as-  
22 surance that the institution will meet the accredita-  
23 tion standards of such an agency or association  
24 within a reasonable time; and

25           “(4) meets either of the following criteria:

1           “(A) is a nonprofit, for-profit, or public in-  
2           stitution that—

3                   “(i) provides an educational program  
4                   for which the institution awards a bach-  
5                   elor’s degree;

6                   “(ii) provides not less than a 2-year  
7                   educational program which is acceptable  
8                   for full credit towards such a degree; or

9                   “(iii) provides not less than a 1-year  
10                  program of training that prepares students  
11                  for gainful employment in a recognized oc-  
12                  cupation; or

13               “(B) is a nonprofit, for-profit, or public in-  
14               stitution that provides an eligible program (as  
15               defined in section 481)—

16                   “(i) for which the institution awards a  
17                   certificate; and

18                   “(ii) that prepares students for gain-  
19                   ful employment in a recognized occupation.

20           “(b) ADDITIONAL LIMITATIONS.—

21                   “(1) FOR-PROFIT POSTSECONDARY INSTITU-  
22                   TIONS.—

23                   “(A) DURATION OF ACCREDITATION.—A  
24                   for-profit institution shall not be considered to  
25                   be an institution of higher education unless

1 such institution is accredited by a nationally  
2 recognized accrediting agency or association  
3 and such institution has been in existence for at  
4 least 2 years.

5 “(B) INSTITUTIONAL ELIGIBILITY ONLY  
6 FOR COMPETITIVE GRANTS.—For the purposes  
7 of any program providing grants to institutions  
8 for use by the institution (and not for distribu-  
9 tion among students), a for-profit institution  
10 shall not be considered to be an institution of  
11 higher education under this section if such  
12 grants are awarded on any basis other than  
13 competition on the merits of the grant proposal  
14 or application.

15 “(2) POSTSECONDARY VOCATIONAL INSTITU-  
16 TIONS.—A nonprofit or public institution that meets  
17 the criteria of subsection (a)(4)(B) shall not be con-  
18 sidered to be an institution of higher education un-  
19 less such institution has been in existence for at  
20 least 2 years.

21 “(3) LIMITATIONS BASED ON MANAGEMENT.—  
22 An institution shall not be considered to meet the  
23 definition of an institution of higher education in  
24 this section if—



1           “(A) the institution, or an affiliate of the  
2 institution that has the power, by contract or  
3 ownership interest, to direct or cause the direc-  
4 tion of the management or policies of the insti-  
5 tution, has filed for bankruptcy, except that  
6 this paragraph shall not apply to a nonprofit in-  
7 stitution, the primary function of which is to  
8 provide health care educational services (or an  
9 affiliate of such an institution that has the  
10 power, by contract or ownership interest, to di-  
11 rect or cause the direction of the institution’s  
12 management or policies) that filed for bank-  
13 ruptcy under chapter 11 of title 11, United  
14 States Code, between July 1, 1998, and Decem-  
15 ber 1, 1998; or

16           “(B) the institution, the institution’s  
17 owner, or the institution’s chief executive officer  
18 has been convicted of, or has pled nolo  
19 contendere or guilty to, a crime involving the  
20 acquisition, use, or expenditure of Federal  
21 funds, or has been judicially determined to have  
22 committed a crime involving the acquisition,  
23 use, or expenditure involving Federal funds.

24           “(4) LIMITATION ON COURSE OF STUDY OR EN-  
25 ROLLMENT.—An institution shall not be considered

1 to meet the definition of an institution of higher  
2 education in subsection (a) if such institution—

3 “(A) offers more than 50 percent of such  
4 institution’s courses by correspondence (exclud-  
5 ing courses offered by telecommunications as  
6 defined in 484(l)(4)), unless the institution is  
7 an institution that meets the definition in sec-  
8 tion 3(3)(C) of the Carl D. Perkins Vocational  
9 and Technical Education Act of 1998;

10 “(B) enrolls 50 percent or more of the in-  
11 stitution’s students in correspondence courses  
12 (excluding courses offered by telecommuni-  
13 cations as defined in 484(l)(4)), unless the in-  
14 stitution is an institution that meets the defini-  
15 tion in section 3(3)(C) of the Carl D. Perkins  
16 Vocational and Technical Education Act of  
17 1998, except that the Secretary, at the request  
18 of the institution, may waive the applicability of  
19 this subparagraph to the institution for good  
20 cause, as determined by the Secretary in the  
21 case of an institution of higher education that  
22 provides a 2- or 4-year program of instruction  
23 (or both) for which the institution awards an  
24 associate or baccalaureate degree, respectively;

1           “(C) has a student enrollment in which  
2 more than 25 percent of the students are incar-  
3 cerated, except that the Secretary may waive  
4 the limitation contained in this subparagraph  
5 for an institution that provides a 2- or 4-year  
6 program of instruction (or both) for which the  
7 institution awards a bachelor’s degree, or an as-  
8 sociate’s degree or a postsecondary certificate,  
9 respectively; or

10           “(D) has a student enrollment in which  
11 more than 50 percent of the students either do  
12 not meet the requirements of section 484(d)(3)  
13 or do not have a secondary school diploma or  
14 its recognized equivalent, and does not provide  
15 a 2- or 4-year program of instruction (or both)  
16 for which the institution awards an associate’s  
17 degree or a bachelor’s degree, respectively, ex-  
18 cept that the Secretary may waive the limita-  
19 tion contained in this subparagraph if an insti-  
20 tution demonstrates to the satisfaction of the  
21 Secretary that the institution exceeds such limi-  
22 tation because the institution serves, through  
23 contracts with Federal, State, or local govern-  
24 ment agencies, significant numbers of students  
25 who do not meet the requirements of section

1           484(d)(3) or do not have a secondary school di-  
2           ploma or its recognized equivalent.

3           “(c) LIST OF ACCREDITING AGENCIES.—For pur-  
4           poses of this section, the Secretary shall publish a list of  
5           nationally recognized accrediting agencies or associations  
6           that the Secretary determines, pursuant to subpart 2 of  
7           part H of title IV, to be reliable authority as to the quality  
8           of the education or training offered.

9           “(d) CERTIFICATION.—The Secretary shall certify,  
10          for the purposes of participation in title IV, an institu-  
11          tion’s qualification as an institution of higher education  
12          in accordance with the requirements of subpart 3 of part  
13          H of title IV.

14          “(e) LOSS OF ELIGIBILITY.—An institution of higher  
15          education shall not be considered to meet the definition  
16          of an institution of higher education in this section for  
17          the purposes of participation in title IV if such institution  
18          is removed from eligibility for funds under title IV as a  
19          result of an action pursuant to part H of title IV.

20          **“SEC. 102. INSTITUTIONS OUTSIDE THE UNITED STATES.**

21          “(a) INSTITUTIONS OUTSIDE THE UNITED  
22          STATES.—

23                  “(1) IN GENERAL.—An institution outside the  
24          United States shall be considered to be an institu-  
25          tion of higher education only for purposes of part B

1 of title IV if the institution is comparable to an in-  
2 stitution of higher education, as defined in section  
3 101, is legally authorized by the education ministry  
4 (or comparable agency) of the country in which the  
5 school is located, and has been approved by the Sec-  
6 retary for purposes of that part. The Secretary shall  
7 establish criteria by regulation for that approval and  
8 that determination of comparability. An institution  
9 may not be so approved or determined to be com-  
10 parable unless such institution is a public or non-  
11 profit institution, except that, subject to paragraph  
12 (2)(B), a graduate medical school or veterinary  
13 school located outside the United States may be a  
14 for-profit institution.

15 “(2) MEDICAL AND VETERINARY SCHOOL CRI-  
16 TERIA.—In the case of a graduate medical or veteri-  
17 nary school outside the United States, such criteria  
18 shall include a requirement that a student attending  
19 such school outside the United States is ineligible  
20 for loans made, insured, or guaranteed under part B  
21 of title IV unless—

22 “(A) in the case of a graduate medical  
23 school located outside the United States—

24 “(i)(I) at least 60 percent of those en-  
25 rolled in, and at least 60 percent of the

1 graduates of, the graduate medical school  
2 outside the United States were not persons  
3 described in section 484(a)(5) in the year  
4 preceding the year for which a student is  
5 seeking a loan under part B of title IV;  
6 and

7 “(II) at least 60 percent of the indi-  
8 viduals who were students or graduates of  
9 the graduate medical school outside the  
10 United States or Canada (both nationals of  
11 the United States and others) taking the  
12 examinations administered by the Edu-  
13 cational Commission for Foreign Medical  
14 Graduates received a passing score in the  
15 year preceding the year for which a stu-  
16 dent is seeking a loan under part B of title  
17 IV; or

18 “(ii) the institution has a clinical  
19 training program that was approved by a  
20 State as of January 1, 1992; or

21 “(B) in the case of a veterinary school lo-  
22 cated outside the United States that is not a  
23 public or nonprofit institution, the institution’s  
24 students complete their clinical training at an

1 approved veterinary school located in the  
2 United States.

3 “(b) ADVISORY PANEL.—

4 “(1) IN GENERAL.—For the purpose of quali-  
5 fying a foreign medical school as an institution of  
6 higher education only for purposes of part B of title  
7 IV, the Secretary shall publish qualifying criteria by  
8 regulation and establish an advisory panel of medical  
9 experts that shall—

10 “(A) evaluate the standards of accredita-  
11 tion applied to applicant foreign medical  
12 schools; and

13 “(B) determine the comparability of those  
14 standards to standards for accreditation applied  
15 to United States medical schools.

16 “(2) FAILURE TO RELEASE INFORMATION.—  
17 The failure of an institution outside the United  
18 States to provide, release, or authorize release to the  
19 Secretary of such information as may be required by  
20 subsection (a)(2) shall render such institution ineli-  
21 gible for the purpose of part B of title IV.

22 “(c) SPECIAL RULE.—If, pursuant to this section, an  
23 institution located outside the United States loses eligi-  
24 bility to participate in the programs under part B of title  
25 IV, then a student enrolled at such institution may, not-

1 withstanding such loss of eligibility, continue to be eligible  
2 to receive a loan under part B of title IV while attending  
3 such institution for the academic year succeeding the aca-  
4 demic year in which such loss of eligibility occurred.”.

5 (b) RESTRICTIONS ON FUNDS FOR FOR-PROFIT  
6 SCHOOLS.—Part B of title I is amended by inserting after  
7 section 122 (20 U.S.C. 1011k) the following new section:  
8 **“SEC. 123. RESTRICTIONS ON FUNDS FOR FOR-PROFIT**  
9 **SCHOOLS.**

10 “(a) IN GENERAL.—Notwithstanding any other pro-  
11 vision of this Act authorizing the use of funds by an insti-  
12 tution of higher education that receives funds under this  
13 Act, none of the funds made available under this Act to  
14 a for-profit institution of higher education may be used  
15 for—

16 “(1) construction, maintenance, renovation, re-  
17 pair, or improvement of classrooms, libraries, labora-  
18 tories, or other facilities;

19 “(2) establishing, improving, or increasing an  
20 endowment fund; or

21 “(3) establishing or improving an institutional  
22 development office to strengthen or improve con-  
23 tributions from alumni and the private sector.

24 “(b) EXCEPTION.—Subsection (a) shall not apply to  
25 funds received by the institution from the grant, loan, or



1 work assistance that is awarded under title IV to the stu-  
2 dents attending such institution.”.

3 (c) CONFORMING AMENDMENTS.—

4 (1) Section 114(a) (20 U.S.C. 1011c(a)) is  
5 amended by striking “(as defined in section 102)”.

6 (2) Section 428K(b) (20 U.S.C. 1078–11(b)) is  
7 amended by striking paragraph (5).

8 (3) Section 435(a)(1) (20 U.S.C. 1085(a)(1)) is  
9 amended by striking “section 102” and inserting  
10 “section 101”.

11 (4) Subsection (d) of section 484 (20 U.S.C.  
12 1091(d)) is amended by striking the designation and  
13 heading of such subsection and inserting the fol-  
14 lowing:

15 “(d) SATISFACTION OF SECONDARY EDUCATION  
16 STANDARDS.—”.

17 (5) Section 486(b)(2) (20 U.S.C. 1093(b)(2)) is  
18 amended by striking “102(a)(3)(A), 102(a)(3)(B)”  
19 and inserting “101(b)(4)(A), 101(b)(4)(B)”.

20 (6) Section 487(c)(1)(A)(iii) (20 U.S.C.  
21 1094(c)(1)(A)(iii)) is amended by striking “section  
22 102(a)(1)(C)” and inserting “section 102”.

23 (7) Section 487(d) (20 U.S.C. 1094(d)) is  
24 amended by striking “section 102” and inserting  
25 “section 101”.

1           (8) Subsections (j) and (k) of section 496 (20  
2 U.S.C. 1099b(j), (k)) are each amended by striking  
3 “section 102” and inserting “section 101”.

4           (9) Section 498(g)(3) (20 U.S.C. 1099c(g)(3))  
5 is amended by striking “section 102(a)(1)(C)” and  
6 inserting “section 102”.

7           (10) Section 498(i) (20 U.S.C. 1099c(i)) is  
8 amended by striking “section 102” and inserting  
9 “section 101”.

10           (11) Section 498(j)(1) (20 U.S.C. 1099c) is  
11 amended by striking “except that such branch shall  
12 not be required to meet the requirements of sections  
13 102(b)(1)(E) and 102(c)(1)(C) prior to seeking such  
14 certification” and inserting “except that such branch  
15 shall not be required to be in existence for at least  
16 2 years prior to seeking such certification”.

17           (12) Section 498B(b) (20 U.S.C. 1099c-2(b))  
18 is amended by striking “section 102(a)(1)(C)” and  
19 inserting “section 102”.

20 **SEC. 102. NEW BORROWER DEFINITION.**

21           Paragraph (7) of section 103 (20 U.S.C. 1003) is  
22 amended to read as follows:

23           “(7) NEW BORROWER.—The term ‘new bor-  
24 rower’ when used with respect to any date for any  
25 loan under any provision of—

1           “(A) part B or part D of title IV means  
2           an individual who on that date has no out-  
3           standing balance of principal or interest owing  
4           on any loan made, insured, or guaranteed under  
5           either of those parts; and

6           “(B) part E of title IV means an indi-  
7           vidual who on that date has no outstanding bal-  
8           ance of principal or interest owing on any loan  
9           made under that part.”.

10 **SEC. 103. STUDENT SPEECH AND ASSOCIATION RIGHTS.**

11           Section 112 (20 U.S.C. 1011a) is amended—

12           (1) by amending subsection (a) to read as fol-  
13           lows:

14           “(a) PROTECTION OF RIGHTS.—It is the sense of  
15           Congress that—

16           “(1) no student attending an institution of  
17           higher education on a full- or part-time basis should,  
18           on the basis of participation in protected speech or  
19           protected association, be excluded from participation  
20           in, be denied the benefits of, or be subjected to dis-  
21           crimination or official sanction under any education  
22           program, activity, or division of the institution di-  
23           rectly or indirectly receiving financial assistance  
24           under this Act, whether or not such program, activ-

1       ity, or division is sponsored or officially sanctioned  
2       by the institution; and

3               “(2) an institution of higher education should  
4       ensure that a student attending such institution on  
5       a full- or part-time basis is—

6                       “(A) evaluated solely on the basis of their  
7       reasoned answers and knowledge of the subjects  
8       and disciplines they study and without regard  
9       to their political, ideological, or religious beliefs;

10                      “(B) assured that the selection of speakers  
11       and allocation of funds for speakers, programs,  
12       and other student activities will utilize methods  
13       that promote intellectual pluralism and include  
14       diverse viewpoints;

15                      “(C) presented diverse approaches and dis-  
16       senting sources and viewpoints within the in-  
17       structional setting; and

18                      “(D) not excluded from participation in,  
19       denied the benefits of, or subjected to discrimi-  
20       nation or official sanction on the basis of their  
21       political or ideological beliefs under any edu-  
22       cation program, activity, or division of the insti-  
23       tution directly or indirectly receiving financial  
24       assistance under this Act, whether or not such

1 program, activity, or division is sponsored or of-  
2 ficially sanctioned by the institution.”; and

3 (2) in subsection (b)(1), by inserting after  
4 “higher education” the following: “, provided that  
5 the imposition of such sanction is done objectively,  
6 fairly, and without regard to the student’s political,  
7 ideological, or religious beliefs”.

8 **SEC. 104. EXTENSION OF NATIONAL ADVISORY COMMITTEE**  
9 **ON INSTITUTIONAL QUALITY AND INTEGRITY.**

10 Section 114(g) (20 U.S.C. 1011e(g)) is amended by  
11 striking “2004” and inserting “2012”.

12 **SEC. 105. ALCOHOL AND DRUG ABUSE PREVENTION.**

13 Section 120(e)(5) (20 U.S.C. 1011i(e)(5)) is amend-  
14 ed—

15 (1) by striking “1999” and inserting “2006”;

16 and

17 (2) by striking “4 succeeding fiscal years” and  
18 inserting “5 succeeding fiscal years”.

19 **SEC. 106. PRIOR RIGHTS AND OBLIGATIONS.**

20 Section 121(a) (20 U.S.C. 1011j(a)) is amended by  
21 striking “1999 and for each of the 4” each place it ap-  
22 pears and inserting “2006 and for each of the 5”.

1 **SEC. 107. CONSUMER INFORMATION AND PUBLIC AC-**  
2 **COUNTABILITY IN HIGHER EDUCATION.**

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

5 **“SEC. 131. CONSUMER INFORMATION AND PUBLIC AC-**  
6 **COUNTABILITY IN HIGHER EDUCATION.**

7 “(a) DATA COLLECTION.—

8 “(1) DATA SYSTEMS.—The Secretary shall con-  
9 tinue to redesign the relevant parts of the postsec-  
10 ondary education data systems to include additional  
11 data as required by this section and to continue to  
12 improve the usefulness and timeliness of data col-  
13 lected by such systems.

14 “(2) INFORMATION FROM INSTITUTIONS.—The  
15 Commissioner of Education Statistics shall collect,  
16 for each academic year and in accordance with  
17 standard definitions developed by the Commissioner  
18 of Education Statistics (including definitions devel-  
19 oped under section 131(a)(3)(A) as in effect on the  
20 day before the date of enactment of the College Ac-  
21 cess and Opportunity Act of 2005) from at least all  
22 institutions of higher education participating in pro-  
23 grams under title IV, and such institutions shall  
24 provide, the following data:

25 “(A) The tuition and fees charged for a  
26 full-time undergraduate student.

1           “(B) The room and board charges for such  
2 a student.

3           “(C) The cost of attendance for a full-time  
4 undergraduate student, consistent with the pro-  
5 visions of section 472.

6           “(D) The average amount of financial as-  
7 sistance received by a full-time undergraduate  
8 student, including—

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

11                   “(ii) fellowships;

12                   “(iii) institutional and other assist-  
13 ance; and

14                   “(iv) loans under parts B and D.

15           “(E) The number of students receiving fi-  
16 nancial assistance described in each clause of  
17 subparagraph (D).

18           “(F) The average net price for students re-  
19 ceiving Federal, State, or institutional financial  
20 assistance.

21           “(G) The institutional instructional ex-  
22 penditure per full-time equivalent student.

23           “(b) DATA DISSEMINATION.—The Secretary shall  
24 make available the data collected pursuant to this section,  
25 including an institution’s college affordability index as cal-

1 culated in accordance with subsection (c). Such data shall  
2 be made available in a manner that permits the review  
3 and comparison of data submissions of individual institu-  
4 tions of higher education. Such data shall be presented  
5 in a form that is easily accessible and understandable and  
6 allows parents and students to make informed decisions  
7 based on the prices for typical full-time undergraduate  
8 students and the institution's rate of cost increase.

9 “(c) COLLEGE AFFORDABILITY INDEX.—

10 “(1) IN GENERAL.—The Secretary shall, on the  
11 basis of the data submitted under subsection (a),  
12 calculate a college affordability index for each insti-  
13 tution of higher education submitting such data and  
14 shall make the index available in accordance with  
15 subsection (b) as soon as operationally possible on  
16 the Department's college opportunity online Web  
17 site.

18 “(2) CALCULATION OF INDEX.—The college af-  
19 fordability index shall be equal to—

20 “(A) the percentage increase in the tuition  
21 and fees charged for a first-time, full-time, full-  
22 year undergraduate student between the first of  
23 the 3 most recent preceding academic years and  
24 the last of those 3 academic years; divided by



1           “(B) the percentage increase in the Con-  
2           sumer Price Index—All Urban Consumers  
3           (Current Series) from July of the first of those  
4           3 academic years to July of the last of those 3  
5           academic years.

6           “(d) OUTCOMES AND ACTIONS.—

7           “(1) RESPONSE FROM INSTITUTION.—Effective  
8           on June 30, 2009, an institution that has a college  
9           affordability index that exceeds 2.0 for any 3-year  
10          interval ending on or after that date shall provide a  
11          report to the Secretary, in such a form, at such  
12          time, and containing such information as the Sec-  
13          retary may require. Such report shall include—

14                  “(A) an explanation of the factors contrib-  
15                  uting to the increase in the institution’s costs  
16                  and in the tuition and fees charged to students;

17                  “(B) a management plan stating the spe-  
18                  cific steps the institution is and will be taking  
19                  to reduce its college affordability index;

20                  “(C) an action plan, including a schedule,  
21                  by which the institution will reduce increases in  
22                  or stabilize, such costs and tuition and fees; and

23                  “(D) if determinations of tuition and fee  
24                  increases are not within the exclusive control of  
25                  the institution, a description of the agency or

1           instrumentality of State government or other  
2           entity that participates in such determinations  
3           and the authority exercised by such agency, in-  
4           strumentality, or entity.

5           “(2) INFORMATION TO THE PUBLIC.—Upon re-  
6           ceipt of the institution’s report and management  
7           plan under paragraph (1), the Secretary shall make  
8           the institution’s report required under paragraph (1)  
9           available to the public in accordance with subsection  
10          (b).

11          “(3) CONSEQUENCES FOR 2-YEAR CONTINU-  
12          ATION OF FAILURE.—If the Secretary determines  
13          that the institution has failed to comply with the  
14          management plan and action plan submitted by the  
15          institution under this subsection following the next  
16          2 academic years that begin after the submission of  
17          such plans, and has failed to reduce the college af-  
18          fordability index below 2.0 for such 2 academic  
19          years, the Secretary—

20                 “(A) shall make available to the public a  
21                 detailed report provided by the institution on all  
22                 costs and expenditures, and on all tuition and  
23                 fees charged to students, for such 2 academic  
24                 years;

1           “(B) shall place the institution on an af-  
2           fordability alert status and shall make the in-  
3           formation regarding the institution’s failure  
4           available in accordance with subsection (b);

5           “(C) shall notify the institution’s accred-  
6           iting agency of the institution’s failure; and

7           “(D) may require the institution to submit  
8           to a review and audit by the Inspector General  
9           of the Department of Education to determine  
10          the cause of the institution’s failure.

11          “(4) INFORMATION TO STATE AGENCIES.—Any  
12          institution that reports under paragraph (1)(D) that  
13          an agency or instrumentality of State government or  
14          other entity participates in the determinations of tui-  
15          tion and fee increases shall, prior to submitting any  
16          information to the Secretary under this subsection,  
17          submit such information to, and request the com-  
18          ments and input of, such agency, instrumentality, or  
19          entity. With respect to any such institution, the Sec-  
20          retary shall provide a copy of any communication by  
21          the Secretary with that institution to such agency,  
22          instrumentality, or entity.

23          “(5) EXEMPTIONS.—

24                 “(A) RELATIVE PRICE EXEMPTION.—The  
25          Secretary shall, for any 3-year interval for

1 which college affordability indexes are computed  
2 under paragraph (1), determine and publish the  
3 dollar amount that, for each class of institution  
4 described in subparagraph (C) represents the  
5 maximum tuition and fees charged for a full-  
6 time undergraduate student in the least costly  
7 quartile of institutions within each such class  
8 during the last year of such 3-year interval. An  
9 institution that has a college affordability index  
10 computed under paragraph (1) that exceeds 2.0  
11 for any such 3-year interval, but that, on aver-  
12 age during such 3-year interval, charges less  
13 than such maximum tuition and fees shall not  
14 be subject to the actions required by subpara-  
15 graph (B) or (C) of paragraph (1), or any ac-  
16 tion under paragraph (3), unless such institu-  
17 tion, for a subsequent 3-year interval, charges  
18 more than such maximum tuition and fees.

19 “(B) DOLLAR INCREASE EXEMPTION.—An  
20 institution that has a college affordability index  
21 computed under paragraph (1) that exceeds 2.0  
22 for any 3-year interval, but that exceeds such  
23 2.0 by a dollar amount that is less than \$500,  
24 shall not be subject to the actions required by  
25 subparagraph (B) or (C) of paragraph (1), or

1 any action under paragraph (3), unless such in-  
2 stitution has a college affordability index for a  
3 subsequent 3-year interval that exceeds 2.0 by  
4 more than such dollar amount.

5 “(C) CLASSES OF INSTITUTIONS.—For  
6 purposes of subparagraph (B), the classes of in-  
7 stitutions shall be those sectors used by the In-  
8 tegrated Postsecondary Education Data Sys-  
9 tem, based on whether the institution is public,  
10 nonprofit private, or for-profit private, and  
11 whether the institution has a 4-year, 2-year, or  
12 less than 2-year program of instruction.

13 “(e) FINES.—In addition to actions authorized in  
14 section 487(c), the Secretary may impose a fine in an  
15 amount not to exceed \$25,000 on an institution of higher  
16 education for failing to provide the information described  
17 in this section in a timely and accurate manner, or for  
18 failing to otherwise cooperate with the National Center for  
19 Education Statistics regarding efforts to obtain data on  
20 the cost and price of higher education under this section  
21 and pursuant to the program participation agreement en-  
22 tered into under section 487.

23 “(f) GAO STUDY AND REPORT.—

24 “(1) GAO STUDY.—The Comptroller General  
25 shall conduct a study of the policies and procedures

1 implemented by institutions in increasing the afford-  
2 ability of postsecondary education. Such study shall  
3 include information with respect to—

4 “(A) a list of those institutions that—

5 “(i) have reduced their college afford-  
6 ability indexes; or

7 “(ii) are, as determined under sub-  
8 section (d)(5)(A), within the least costly  
9 quartile of institutions within each class  
10 described in subsection (d)(5)(C);

11 “(B) policies implemented to stem the in-  
12 crease in tuition and fees and institutional  
13 costs;

14 “(C) the extent to which room and board  
15 costs and prices changed;

16 “(D) the extent to which other services  
17 were altered to affect tuition and fees;

18 “(E) the extent to which the institution’s  
19 policies affected student body demographics and  
20 time to completion;

21 “(F) what, if any, operational factors  
22 played a role in reducing tuition and fees;

23 “(G) the extent to which academic quality  
24 was affected, and how;

1           “(H) the extent to which policies and prac-  
2           tices reducing costs and prices may be rep-  
3           licated from one institution to another; and

4           “(I) other information as necessary to de-  
5           termine best practices in increasing the afford-  
6           ability of postsecondary education.

7           “(2) INTERIM AND FINAL REPORTS.—The  
8           Comptroller General shall submit an interim and a  
9           final report regarding the findings of the study re-  
10          quired by paragraph (1) to the appropriate author-  
11          izing committees of Congress. The interim report  
12          shall be submitted not later than July 31, 2011, and  
13          the final report shall be submitted not later than  
14          July 31, 2013.

15          “(g) STUDENT AID RECIPIENT SURVEY.—

16                 “(1) SURVEY REQUIRED.—The Secretary shall  
17                 conduct a survey of student aid recipients under title  
18                 IV on a regular cycle and State-by-State basis, but  
19                 not less than once every 4 years—

20                         “(A) to identify the population of students  
21                         receiving Federal student aid;

22                         “(B) to describe the income distribution  
23                         and other socioeconomic characteristics of fed-  
24                         erally aided students;

1           “(C) to describe the combinations of aid  
2           from State, Federal, and private sources re-  
3           ceived by students from all income groups;

4           “(D) to describe the debt burden of edu-  
5           cational loan recipients and their capacity to  
6           repay their education debts, and the impact of  
7           such debt burden on career choices;

8           “(E) to describe the role played by the  
9           price of postsecondary education in the deter-  
10          mination by students of what institution to at-  
11          tend; and

12          “(F) to describe how the increased costs of  
13          textbooks and other instructional materials af-  
14          fects the costs of postsecondary education to  
15          students.

16          “(2) SURVEY DESIGN.—The survey shall be  
17          representative of full-time and part-time, under-  
18          graduate, graduate, and professional and current  
19          and former students in all types of institutions, and  
20          designed and administered in consultation with the  
21          Congress and the postsecondary education commu-  
22          nity.

23          “(3) DISSEMINATION.—The Secretary shall dis-  
24          seminate the information resulting from the survey  
25          in both printed and electronic form.



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

4 **SEC. 108. PERFORMANCE-BASED ORGANIZATION.**

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

6           (1) in subsection (a)(2)(B)—

7               (A) by inserting “unit” after “to reduce  
8 the”; and

9               (B) by inserting “and, to the extent prac-  
10 ticable, the total costs of administering those  
11 programs” after “those programs”;

12          (2) in subsection (c)—

13               (A) in paragraph (1)(A), by striking “Each  
14 year” and inserting “Each fiscal year”;

15               (B) in paragraph (1)(B), by inserting “sec-  
16 ondary markets, guaranty agencies,” after  
17 “lenders,”; and

18               (C) in paragraph (2)(B), by striking  
19 “Chief Financial Officer Act of 1990 and” and  
20 inserting “Chief Financial Officers Act of  
21 1990,” and by inserting before the period at the  
22 end the following: “, and other relevant stat-  
23 utes”; and

24          (3) in subsection (f)(3)(A), by striking “para-  
25 graph (1)(A)” and inserting “paragraph (1)”.

1                   **TITLE II—TEACHER**  
2                   **PREPARATION**

3 **SEC. 201. TEACHER QUALITY ENHANCEMENT GRANTS.**

4           Part A of title II (20 U.S.C. 1021 et seq.) is amended  
5 to read as follows:

6           **“PART A—TEACHER QUALITY ENHANCEMENT**  
7           **GRANTS FOR STATES AND PARTNERSHIPS**

8 **“SEC. 201. PURPOSES; DEFINITIONS.**

9           “(a) PURPOSES.—The purposes of this part are to—

10                   “(1) improve student academic achievement;

11                   “(2) improve the quality of the current and fu-  
12 ture teaching force by improving the preparation of  
13 prospective teachers and enhancing professional de-  
14 velopment activities;

15                   “(3) hold institutions of higher education ac-  
16 countable for preparing highly qualified teachers;  
17 and

18                   “(4) recruit qualified individuals, including mi-  
19 norities and individuals from other occupations, into  
20 the teaching force.

21           “(b) DEFINITIONS.—In this part:

22                   “(1) ARTS AND SCIENCES.—The term ‘arts and  
23 sciences’ means—

24                           “(A) when referring to an organizational  
25 unit of an institution of higher education, any

1 academic unit that offers 1 or more academic  
2 majors in disciplines or content areas cor-  
3 responding to the academic subject matter  
4 areas in which teachers provide instruction; and

5 “(B) when referring to a specific academic  
6 subject matter area, the disciplines or content  
7 areas in which academic majors are offered by  
8 the arts and science organizational unit.

9 “(2) EXEMPLARY TEACHER.—The term ‘exem-  
10 plary teacher’ has the meaning given such term in  
11 section 9101 of the Elementary and Secondary Edu-  
12 cation Act of 1965 (20 U.S.C. 7801).

13 “(3) HIGHLY QUALIFIED.—The term ‘highly  
14 qualified’ has the meaning given such term in sec-  
15 tion 9101 of the Elementary and Secondary Edu-  
16 cation Act of 1965 (20 U.S.C. 7801).

17 “(4) HIGH-NEED LOCAL EDUCATIONAL AGEN-  
18 CY.—The term ‘high-need local educational agency’  
19 means a local educational agency—

20 “(A)(i)(I) that serves not fewer than  
21 10,000 children from families with incomes  
22 below the poverty line; or

23 “(II) for which not less than 25 percent of  
24 the children served by the agency are from fam-  
25 ilies with incomes below the poverty line;

1           “(ii) that is among those serving the high-  
2           est number or percentage of children from fam-  
3           ilies with incomes below the poverty line in the  
4           State, but this clause applies only in a State  
5           that has no local educational agency meeting  
6           the requirements of clause (i); or

7           “(iii) with a total of less than 600 students  
8           in average daily attendance at the schools that  
9           are served by the agency and all of whose  
10          schools are designated with a school locale code  
11          of 7, as determined by the Secretary; and

12          “(B)(i) for which there is a high percent-  
13          age of teachers not teaching in the academic  
14          subjects or grade levels that the teachers were  
15          trained to teach; or

16          “(ii) for which there is a high percentage  
17          of teachers with emergency, provisional, or tem-  
18          porary certification or licensing.

19          “(5) POVERTY LINE.—The term ‘poverty line’  
20          means the poverty line (as defined by the Office of  
21          Management and Budget, and revised annually in  
22          accordance with section 673(2) of the Community  
23          Services Block Grant Act (42 U.S.C. 9902(2))) ap-  
24          plicable to a family of the size involved.

1           “(6) PROFESSIONAL DEVELOPMENT.—The  
2 term ‘professional development’ has the meaning  
3 given such term in section 9101 of the Elementary  
4 and Secondary Education Act of 1965 (20 U.S.C.  
5 7801).

6           “(7) SCIENTIFICALLY BASED READING RE-  
7 SEARCH.—The term ‘scientifically based reading re-  
8 search’ has the meaning given such term in section  
9 1208 of the Elementary and Secondary Education  
10 Act of 1965 (20 U.S.C. 6368).

11           “(8) SCIENTIFICALLY BASED RESEARCH.—The  
12 term ‘scientifically based research’ has the meaning  
13 given such term in section 9101 of the Elementary  
14 and Secondary Education Act of 1965 (20 U.S.C.  
15 7801).

16           “(9) TEACHING SKILLS.—The term ‘teaching  
17 skills’ means skills that—

18                   “(A) are based on scientifically based re-  
19 search;

20                   “(B) enable teachers to effectively convey  
21 and explain subject matter content;

22                   “(C) lead to increased student academic  
23 achievement; and

24                   “(D) use strategies that—

25                           “(i) are specific to subject matter;

1 “(ii) include ongoing assessment of  
2 student learning;

3 “(iii) focus on identification and tai-  
4 loring of academic instruction to students’s  
5 specific learning needs; and

6 “(iv) focus on classroom management.

7 **“SEC. 202. STATE GRANTS.**

8 “(a) IN GENERAL.—From amounts made available  
9 under section 210(1) for a fiscal year, the Secretary is  
10 authorized to award grants under this section, on a com-  
11 petitive basis, to eligible States to enable the eligible  
12 States to carry out the activities described in subsection  
13 (d).

14 “(b) ELIGIBLE STATE.—

15 “(1) DEFINITION.—In this part, the term ‘eligi-  
16 ble State’ means—

17 “(A) the Governor of a State; or

18 “(B) in the case of a State for which the  
19 constitution or law of such State designates an-  
20 other individual, entity, or agency in the State  
21 to be responsible for teacher certification and  
22 preparation activity, such individual, entity, or  
23 agency.

24 “(2) CONSULTATION.—The Governor or the in-  
25 dividual, entity, or agency designated under para-

1 graph (1)(B) shall consult with the Governor, State  
2 board of education, State educational agency, or  
3 State agency for higher education, as appropriate,  
4 with respect to the activities assisted under this sec-  
5 tion.

6 “(3) CONSTRUCTION.—Nothing in this sub-  
7 section shall be construed to negate or supersede the  
8 legal authority under State law of any State agency,  
9 State entity, or State public official over programs  
10 that are under the jurisdiction of the agency, entity,  
11 or official.

12 “(c) APPLICATION.—To be eligible to receive a grant  
13 under this section, an eligible State shall submit an appli-  
14 cation to the Secretary that—

15 “(1) meets the requirement of this section;

16 “(2) demonstrates that the State is in full com-  
17 pliance with sections 207 and 208;

18 “(3) includes a description of how the eligible  
19 State intends to use funds provided under this sec-  
20 tion;

21 “(4) includes measurable objectives for the use  
22 of the funds provided under the grant;

23 “(5) demonstrates the State has submitted and  
24 is actively implementing a plan that meets the re-  
25 quirements of sections 1111(h)(1)(C)(viii) and 1119

1 of the Elementary and Secondary Education Act of  
2 1965 (20 U.S.C. 6311(h)(1)(C)(viii) and 6319); and

3 “(6) contains such other information and assur-  
4 ances as the Secretary may require.

5 “(d) USES OF FUNDS.—An eligible State that re-  
6 ceives a grant under this section shall use the grant funds  
7 to reform teacher preparation requirements, to coordinate  
8 with State activities under section 2113(c) of the Elemen-  
9 tary and Secondary Education Act of 1965 (20 U.S.C.  
10 6613(c)), and to ensure that current and future teachers  
11 are highly qualified, by carrying out one or more of the  
12 following activities:

13 “(1) REFORMS.—Ensuring that all teacher  
14 preparation programs in the State are preparing  
15 teachers who are highly qualified, are able to under-  
16 stand scientifically based research and its applica-  
17 bility, and are able to use advanced technology effec-  
18 tively in the classroom, including use for instruc-  
19 tional techniques to improve student academic  
20 achievement, by assisting such programs—

21 “(A) to retrain faculty; and

22 “(B) to design (or redesign) teacher prepa-  
23 ration programs so they—

24 “(i) are based on rigorous academic  
25 content, scientifically based research (in-



1 including scientifically based reading re-  
2 search), and challenging State student aca-  
3 demic content standards; and

4 “(ii) promote strong teaching skills.

5 “(2) CERTIFICATION OR LICENSURE REQUIRE-  
6 MENTS.—Reforming teacher certification (including  
7 recertification) or licensing requirements to ensure  
8 that—

9 “(A) teachers have the subject matter  
10 knowledge and teaching skills in the academic  
11 subjects that the teachers teach that are nec-  
12 essary to help students meet challenging State  
13 student academic achievement standards; and

14 “(B) such requirements are aligned with  
15 challenging State academic content standards.

16 “(3) ALTERNATIVES TO TRADITIONAL TEACHER  
17 PREPARATION AND STATE CERTIFICATION.—Pro-  
18 viding prospective teachers with alternative routes to  
19 State certification and traditional preparation to be-  
20 come highly qualified teachers through—

21 “(A) innovative approaches that reduce un-  
22 necessary barriers to State certification while  
23 producing highly qualified teachers;

1           “(B) programs that provide support to  
2 teachers during their initial years in the profes-  
3 sion; and

4           “(C) alternative routes to State certifi-  
5 cation of teachers for qualified individuals, in-  
6 cluding mid-career professionals from other oc-  
7 cupations, former military personnel, and recent  
8 college graduates with records of academic dis-  
9 tinction.

10          “(4) INNOVATIVE PROGRAMS.—Planning and  
11 implementing innovative programs to enhance the  
12 ability of institutions of higher education to prepare  
13 highly qualified teachers, such as charter colleges of  
14 education or university and local educational agency  
15 partnership schools, that—

16           “(A) permit flexibility in meeting State re-  
17 quirements as long as graduates, during their  
18 initial years in the profession, increase student  
19 academic achievement;

20           “(B) provide long-term data gathered from  
21 teachers’ performance over multiple years in the  
22 classroom on the ability to increase student aca-  
23 demic achievement;

24           “(C) ensure high-quality preparation of  
25 teachers from underrepresented groups; and

1           “(D) create performance measures that  
2           can be used to document the effectiveness of in-  
3           novative methods for preparing highly qualified  
4           teachers.

5           “(5) MERIT PAY.—Developing, or assisting  
6           local educational agencies in developing—

7                   “(A) merit-based performance systems that  
8                   reward teachers who increase student academic  
9                   achievement; and

10                   “(B) strategies that provide differential  
11                   and bonus pay in high-need local educational  
12                   agencies to retain—

13                           “(i) principals;

14                           “(ii) highly qualified teachers who  
15                           teach in high-need academic subjects, such  
16                           as reading, mathematics, and science;

17                           “(iii) highly qualified teachers who  
18                           teach in schools identified for school im-  
19                           provement under section 1116(b) of the  
20                           Elementary and Secondary Education Act  
21                           of 1965 (20 U.S.C. 6316(b));

22                           “(iv) special education teachers;

23                           “(v) teachers specializing in teaching  
24                           limited English proficient children; and

1                   “(vi) highly qualified teachers in  
2                   urban and rural schools or districts.

3                   “(6) TEACHER ADVANCEMENT.—Developing, or  
4                   assisting local educational agencies in developing,  
5                   teacher advancement and retention initiatives that  
6                   promote professional growth and emphasize multiple  
7                   career paths (such as paths to becoming a highly  
8                   qualified mentor teacher or exemplary teacher) and  
9                   pay differentiation.

10                  “(7) TEACHER REMOVAL.—Developing and im-  
11                  plementing effective mechanisms to ensure that local  
12                  educational agencies and schools are able to remove  
13                  expeditiously incompetent or unqualified teachers  
14                  consistent with procedures to ensure due process for  
15                  the teachers.

16                  “(8) TECHNICAL ASSISTANCE.—Providing tech-  
17                  nical assistance to low-performing teacher prepara-  
18                  tion programs within institutions of higher education  
19                  identified under section 208(a).

20                  “(9) TEACHER EFFECTIVENESS.—Developing—  
21                          “(A) systems to measure the effectiveness  
22                          of teacher preparation programs and profes-  
23                          sional development programs; and

24                          “(B) strategies to document gains in stu-  
25                          dent academic achievement or increases in

1 teacher mastery of the academic subjects the  
2 teachers teach as a result of such programs.

3 “(10) TEACHER RECRUITMENT AND RETEN-  
4 TION.—Undertaking activities that—

5 “(A) develop and implement effective  
6 mechanisms to ensure that local educational  
7 agencies and schools are able effectively to re-  
8 cruit and retain highly qualified teachers; or

9 “(B) are described in section 204(d).

10 “(11) PRESCHOOL TEACHERS.—Developing  
11 strategies—

12 “(A) to improve the qualifications of pre-  
13 school teachers, which may include State certifi-  
14 cation for such teachers; and

15 “(B) to improve and expand preschool  
16 teacher preparation programs.

17 “(e) EVALUATION.—

18 “(1) EVALUATION SYSTEM.—An eligible State  
19 that receives a grant under this section shall develop  
20 and utilize a system to evaluate annually the effec-  
21 tiveness of teacher preparation programs and profes-  
22 sional development activities within the State in pro-  
23 ducing gains in—

24 “(A) the teacher’s annual contribution to  
25 improving student academic achievement, as

1 measured by State academic assessments re-  
2 quired under section 1111(b)(3) of the Elemen-  
3 tary and Secondary Education Act of 1965 (20  
4 U.S.C. 6311(b)(3)); and

5 “(B) teacher mastery of the academic sub-  
6 jects they teach, as measured by pre- and post-  
7 participation tests of teacher knowledge, as ap-  
8 propriate.

9 “(2) USE OF EVALUATION SYSTEM.—Such eval-  
10 uation system shall be used by the State to evalu-  
11 ate—

12 “(A) activities carried out using funds pro-  
13 vided under this section; and

14 “(B) the quality of its teacher education  
15 programs.

16 “(3) PUBLIC REPORTING.—The State shall  
17 make the information described in paragraph (1)  
18 widely available through public means, such as post-  
19 ing on the Internet, distribution to the media, and  
20 distribution through public agencies.

21 **“SEC. 203. PARTNERSHIP GRANTS.**

22 “(a) GRANTS.—From amounts made available under  
23 section 210(2) for a fiscal year, the Secretary is author-  
24 ized to award grants under this section, on a competitive  
25 basis, to eligible partnerships to enable the eligible part-

1 nerships to carry out the activities described in subsections  
2 (d) and (e).

3 “(b) DEFINITIONS.—

4 “(1) ELIGIBLE PARTNERSHIPS.—In this part,  
5 the term ‘eligible partnership’ means an entity  
6 that—

7 “(A) shall include—

8 “(i) a partner institution;

9 “(ii) a school of arts and sciences;

10 “(iii) a high-need local educational  
11 agency; and

12 “(iv) a public or private educational  
13 organization; and

14 “(B) may include a Governor, State edu-  
15 cational agency, the State board of education,  
16 the State agency for higher education, an insti-  
17 tution of higher education not described in sub-  
18 paragraph (A), a public charter school, a public  
19 or private elementary school or secondary  
20 school, a public or private educational organiza-  
21 tion, a business, a science-, mathematics-, or  
22 technology-oriented entity, a faith-based or  
23 community organization, a prekindergarten pro-  
24 gram, a teacher organization, an education  
25 service agency, a consortia of local educational

1 agencies, or a nonprofit telecommunications en-  
2 tity.

3 “(2) PARTNER INSTITUTION.—In this section,  
4 the term ‘partner institution’ means an institution of  
5 higher education, the teacher training program of  
6 which demonstrates that—

7 “(A) graduates from the teacher training  
8 program exhibit strong performance on State-  
9 determined qualifying assessments for new  
10 teachers through—

11 “(i) demonstrating that the graduates  
12 of the program who intend to enter the  
13 field of teaching have passed all of the ap-  
14 plicable State qualification assessments for  
15 new teachers, which shall include an as-  
16 sessment of each prospective teacher’s sub-  
17 ject matter knowledge in the content area  
18 or areas in which the teacher intends to  
19 teach; or

20 “(ii) being ranked among the highest-  
21 performing teacher preparation programs  
22 in the State as determined by the State—

23 “(I) using criteria consistent with  
24 the requirements for the State report  
25 card under section 207(a); and



1                   “(II) using the State report card  
2                   on teacher preparation required under  
3                   section 207(a); or

4                   “(B) the teacher training program requires  
5                   all the students of the program to participate in  
6                   intensive clinical experience, to meet high aca-  
7                   demic standards, and—

8                   “(i) in the case of secondary school  
9                   candidates, to successfully complete an  
10                  academic major in the subject area in  
11                  which the candidate intends to teach or to  
12                  demonstrate competence through a high  
13                  level of performance in relevant content  
14                  areas; and

15                  “(ii) in the case of elementary school  
16                  candidates, to successfully complete an  
17                  academic major in the arts and sciences or  
18                  to demonstrate competence through a high  
19                  level of performance in core academic sub-  
20                  ject areas.

21                  “(c) APPLICATION.—Each eligible partnership desir-  
22                  ing a grant under this section shall submit an application  
23                  to the Secretary at such time, in such manner, and accom-  
24                  panied by such information as the Secretary may require.  
25                  Each such application shall—

1           “(1) contain a needs assessment of all the part-  
2           ners with respect to teaching and learning and a de-  
3           scription of how the partnership will coordinate with  
4           other teacher training or professional development  
5           programs, and how the activities of the partnership  
6           will be consistent with State, local, and other edu-  
7           cation reform activities that promote student aca-  
8           demic achievement;

9           “(2) contain a resource assessment that de-  
10          scribes the resources available to the partnership,  
11          the intended use of the grant funds, including a de-  
12          scription of how the grant funds will be used in ac-  
13          cordance with subsection (f), and the commitment of  
14          the resources of the partnership to the activities as-  
15          sisted under this part, including financial support,  
16          faculty participation, time commitments, and con-  
17          tinuation of the activities when the grant ends;

18          “(3) contain a description of—

19                 “(A) how the partnership will meet the  
20                 purposes of this part;

21                 “(B) how the partnership will carry out  
22                 the activities required under subsection (d) and  
23                 any permissible activities under subsection (e);

24                 “(C) the partnership’s evaluation plan pur-  
25                 suant to section 206(b);

1           “(D) how faculty of the teacher prepara-  
2           tion program at the partner institution will  
3           serve, over the term of the grant, with highly  
4           qualified teachers in the classrooms of the high-  
5           need local educational agency included in the  
6           partnership;

7           “(E) how the partnership will ensure that  
8           teachers, principals, and superintendents in pri-  
9           vate elementary and secondary schools located  
10          in the geographic areas served by an eligible  
11          partnership under this section will participate  
12          equitably in accordance with section 9501 of  
13          the Elementary and Secondary Education Act  
14          of 1965 (20 U.S.C. 7881);

15          “(F) how the partnership will design and  
16          implement a clinical program component that  
17          includes close supervision of student teachers by  
18          faculty of the teacher preparation program at  
19          the partner institution and mentor teachers;

20          “(G) how the partnership will design and  
21          implement an induction program to support all  
22          new teachers through the first 3 years of teach-  
23          ing that includes mentors who are trained and  
24          compensated by the partnership for their work  
25          with new teachers; and

1           “(H) how the partnership will collect, ana-  
2           lyze, and use data on the retention of all teach-  
3           ers in schools located in the geographic areas  
4           served by the partnership to evaluate the effec-  
5           tiveness of its teacher support system; and

6           “(4) contain a certification from the high-need  
7           local educational agency included in the partnership  
8           that it has reviewed the application and determined  
9           that the grant proposed will comply with subsection  
10          (f).

11          “(d) REQUIRED USES OF FUNDS.—An eligible part-  
12          nership that receives a grant under this section shall use  
13          the grant funds to reform teacher preparation require-  
14          ments, to coordinate with State activities under section  
15          2113(c) of the Elementary and Secondary Education Act  
16          of 1965 (20 U.S.C. 6613(c)), and to ensure that current  
17          and future teachers are highly qualified, by carrying out  
18          one or more of the following activities:

19                 “(1) REFORMS.—Implementing reforms within  
20                 teacher preparation programs to ensure that such  
21                 programs are preparing teachers who are highly  
22                 qualified, are able to understand scientifically based  
23                 research and its applicability, and are able to use  
24                 advanced technology effectively in the classroom, in-

1 including use for instructional techniques to improve  
2 student academic achievement, by—

3 “(A) retraining faculty; and

4 “(B) designing (or redesigning) teacher  
5 preparation programs so they—

6 “(i) are based on rigorous academic  
7 content, scientifically based research (in-  
8 cluding scientifically based reading re-  
9 search), and challenging State student aca-  
10 demic content standards; and

11 “(ii) promote strong teaching skills.

12 “(2) CLINICAL EXPERIENCE AND INTER-  
13 ACTION.—Providing sustained and high-quality  
14 preservice and in-service clinical experience, includ-  
15 ing the mentoring of prospective teachers by exem-  
16 plary teachers, substantially increasing interaction  
17 between faculty at institutions of higher education  
18 and new and experienced teachers, principals, and  
19 other administrators at elementary schools or sec-  
20 ondary schools, and providing support for teachers,  
21 including preparation time and release time, for such  
22 interaction.

23 “(3) PROFESSIONAL DEVELOPMENT.—Creating  
24 opportunities for enhanced and ongoing professional  
25 development that improves the academic content

1 knowledge of teachers in the subject areas in which  
2 the teachers are certified to teach or in which the  
3 teachers are working toward certification to teach,  
4 and that promotes strong teaching skills.

5 “(4) TEACHER PREPARATION.—Developing, or  
6 assisting local educational agencies in developing,  
7 professional development activities that—

8 “(A) provide training in how to teach and  
9 address the needs of students with different  
10 learning styles, particularly students with dis-  
11 abilities, limited English proficient students,  
12 and students with special learning needs; and

13 “(B) provide training in methods of—

14 “(i) improving student behavior in the  
15 classroom; and

16 “(ii) identifying early and appropriate  
17 interventions to help students described in  
18 subparagraph (A) learn.

19 “(e) ALLOWABLE USES OF FUNDS.—An eligible  
20 partnership that receives a grant under this section may  
21 use such funds to carry out the following activities:

22 “(1) ALTERNATIVES TO TRADITIONAL TEACHER  
23 PREPARATION AND STATE CERTIFICATION.—Pro-  
24 viding prospective teachers with alternative routes to

1 State certification and traditional preparation to be-  
2 come highly qualified teachers through—

3 “(A) innovative approaches that reduce un-  
4 necessary barriers to teacher preparation while  
5 producing highly qualified teachers;

6 “(B) programs that provide support during  
7 a teacher’s initial years in the profession; and

8 “(C) alternative routes to State certifi-  
9 cation of teachers for qualified individuals, in-  
10 cluding mid-career professionals from other oc-  
11 cupations, former military personnel, and recent  
12 college graduates with records of academic dis-  
13 tinction.

14 “(2) DISSEMINATION AND COORDINATION.—  
15 Broadly disseminating information on effective prac-  
16 tices used by the partnership, and coordinating with  
17 the activities of the Governor, State board of edu-  
18 cation, State higher education agency, and State  
19 educational agency, as appropriate.

20 “(3) MANAGERIAL AND LEADERSHIP SKILLS.—  
21 Developing and implementing professional develop-  
22 ment programs for principals and superintendents  
23 that enable them to be effective school leaders and  
24 prepare all students to meet challenging State aca-

1       demic content and student academic achievement  
2       standards.

3               “(4) TEACHER RECRUITMENT.—Activities—

4                       “(A) to encourage students to become  
5                       highly qualified teachers, such as extra-  
6                       curricular enrichment activities; and

7                       “(B) activities described in section 204(d).

8               “(5) CLINICAL EXPERIENCE IN SCIENCE, MATH-  
9       EMATICS, AND TECHNOLOGY.—Creating opportuni-  
10      ties for clinical experience and training, by participa-  
11      tion in the business, research, and work environ-  
12      ments with professionals, in areas relating to  
13      science, mathematics, and technology for teachers  
14      and prospective teachers, including opportunities for  
15      use of laboratory equipment, in order for the teacher  
16      to return to the classroom for at least 2 years and  
17      provide instruction that will raise student academic  
18      achievement.

19               “(6) COORDINATION WITH COMMUNITY COL-  
20      LEGES.—Coordinating with community colleges to  
21      implement teacher preparation programs, including  
22      through distance learning, for the purposes of allow-  
23      ing prospective teachers—

24                       “(A) to attain a bachelor’s degree and  
25                       State certification or licensure; and



1           “(B) to become highly qualified teachers.

2           “(7) TEACHER MENTORING.—Establishing or  
3 implementing a teacher mentoring program that—

4           “(A) includes minimum qualifications for  
5 mentors;

6           “(B) provides training and stipends for  
7 mentors;

8           “(C) provides mentoring programs for  
9 teachers in their first 3 years of teaching;

10           “(D) provides regular and ongoing oppor-  
11 tunities for mentors and mentees to observe  
12 each other’s teaching methods in classroom set-  
13 tings during the school day;

14           “(E) establishes an evaluation and ac-  
15 countability plan for activities conducted under  
16 this paragraph that includes rigorous objectives  
17 to measure the impact of such activities; and

18           “(F) provides for a report to the Secretary  
19 on an annual basis regarding the partnership’s  
20 progress in meeting the objectives described in  
21 subparagraph (E).

22           “(8) COMPUTER SOFTWARE FOR MULTI-  
23 LINGUAL EDUCATION.—Training teachers to use  
24 computer software for multilingual education to ad-

1 dress the needs of limited English proficient stu-  
2 dents.

3 “(f) SPECIAL RULE.—At least 50 percent of the  
4 funds made available to an eligible partnership under this  
5 section shall be used directly to benefit the high-need local  
6 educational agency included in the partnership. Any entity  
7 described in subsection (b)(1)(A) may be the fiscal agent  
8 under this section.

9 “(g) CONSTRUCTION.—Nothing in this section shall  
10 be construed to prohibit an eligible partnership from using  
11 grant funds to coordinate with the activities of more than  
12 one Governor, State board of education, State educational  
13 agency, local educational agency, or State agency for high-  
14 er education.

15 “(h) SUPPLEMENT, NOT SUPPLANT.—Funds made  
16 available under this section shall be used to supplement,  
17 and not supplant, other Federal, State, and local funds  
18 that would otherwise be expended to carry out the pur-  
19 poses of this section.

20 **“SEC. 204. TEACHER RECRUITMENT GRANTS.**

21 “(a) PROGRAM AUTHORIZED.—From amounts made  
22 available under section 210(3) for a fiscal year, the Sec-  
23 retary is authorized to award grants, on a competitive  
24 basis, to eligible applicants to enable the eligible applicants  
25 to carry out activities described in subsection (d).

1       “(b) ELIGIBLE APPLICANT DEFINED.—In this part,  
2 the term ‘eligible applicant’ means—

3           “(1) an eligible State described in section  
4 202(b); or

5           “(2) an eligible partnership described in section  
6 203(b).

7       “(c) APPLICATION.—Any eligible applicant desiring  
8 to receive a grant under this section shall submit an appli-  
9 cation to the Secretary at such time, in such form, and  
10 containing such information as the Secretary may require,  
11 including—

12           “(1) a description of the assessment that the el-  
13 igible applicant, and the other entities with whom  
14 the eligible applicant will carry out the grant activi-  
15 ties, have undertaken to determine the most critical  
16 needs of the participating high-need local edu-  
17 cational agencies;

18           “(2) a description of the activities the eligible  
19 applicant will carry out with the grant, including the  
20 extent to which the applicant will use funds to re-  
21 cruit minority students to become highly qualified  
22 teachers; and

23           “(3) a description of the eligible applicant’s  
24 plan for continuing the activities carried out with  
25 the grant, once Federal funding ceases.

1       “(d) USES OF FUNDS.—Each eligible applicant re-  
2 ceiving a grant under this section shall use the grant  
3 funds—

4           “(1)(A) to award scholarships to help students,  
5 such as individuals who have been accepted for their  
6 first year, or who are enrolled in their first or second  
7 year, of a program of undergraduate education at an  
8 institution of higher education, pay the costs of tui-  
9 tion, room, board, and other expenses of completing  
10 a teacher preparation program;

11           “(B) to provide support services, if needed to  
12 enable scholarship recipients—

13               “(i) to complete postsecondary education  
14 programs; or

15               “(ii) to transition from a career outside of  
16 the field of education into a teaching career;  
17 and

18           “(C) for followup services provided to former  
19 scholarship recipients during the recipients first 3  
20 years of teaching; or

21           “(2) to develop and implement effective mecha-  
22 nisms to ensure that high-need local educational  
23 agencies and schools are able effectively to recruit  
24 highly qualified teachers.

1       “(e) ADDITIONAL DISCRETIONARY USES OF  
2 FUNDS.—In addition to the uses described in subsection  
3 (d), each eligible applicant receiving a grant under this  
4 section may use the grant funds—

5               “(1) to develop and implement effective mecha-  
6 nisms to recruit into the teaching profession employ-  
7 ees from—

8                       “(A) high-demand industries, including  
9 technology industries; and

10                      “(B) the fields of science, mathematics,  
11 and engineering; and

12               “(2) to conduct outreach and coordinate with  
13 inner city and rural secondary schools to encourage  
14 students to pursue teaching as a career.

15       “(f) SERVICE REQUIREMENTS.—

16               “(1) IN GENERAL.—The Secretary shall estab-  
17 lish such requirements as the Secretary determines  
18 necessary to ensure that recipients of scholarships  
19 under this section who complete teacher education  
20 programs—

21                      “(A) subsequently teach in a high-need  
22 local educational agency for a period of time  
23 equivalent to—

24                               “(i) one year; increased by

1                   “(ii) the period for which the recipient  
2                   received scholarship assistance; or

3                   “(B) repay the amount of the scholarship.

4                   “(2) USE OF REPAYMENTS.—The Secretary  
5                   shall use any such repayments to carry out addi-  
6                   tional activities under this section.

7                   “(g) PRIORITY.—The Secretary shall give priority  
8                   under this section to eligible applicants who provide an  
9                   assurance that they will recruit a high percentage of mi-  
10                  nority students to become highly qualified teachers.

11   **“SEC. 205. ADMINISTRATIVE PROVISIONS.**

12                  “(a) DURATION; ONE-TIME AWARDS; PAYMENTS.—

13                   “(1) DURATION.—

14                   “(A) ELIGIBLE STATES AND ELIGIBLE AP-  
15                   PLICANTS.—Grants awarded to eligible States  
16                   and eligible applicants under this part shall be  
17                   awarded for a period not to exceed 3 years.

18                   “(B) ELIGIBLE PARTNERSHIPS.—Grants  
19                   awarded to eligible partnerships under this part  
20                   shall be awarded for a period of 5 years.

21                  “(2) ONE-TIME AWARD.—An eligible partner-  
22                  ship may receive a grant under each of sections 203  
23                  and 204, as amended by the College Access and Op-  
24                  portunity Act of 2005, only once.

1           “(3) PAYMENTS.—The Secretary shall make  
2           annual payments of grant funds awarded under this  
3           part.

4           “(b) PEER REVIEW.—

5           “(1) PANEL.—The Secretary shall provide the  
6           applications submitted under this part to a peer re-  
7           view panel for evaluation. With respect to each ap-  
8           plication, the peer review panel shall initially rec-  
9           ommend the application for funding or for dis-  
10          approval.

11          “(2) PRIORITY.—In recommending applications  
12          to the Secretary for funding under this part, the  
13          panel shall—

14                 “(A) with respect to grants under section  
15                 202, give priority to eligible States that—

16                         “(i) have initiatives to reform State  
17                         teacher certification requirements that are  
18                         based on rigorous academic content, sci-  
19                         entifically based research, including sci-  
20                         entifically based reading research, and  
21                         challenging State student academic content  
22                         standards;

23                         “(ii) have innovative reforms to hold  
24                         institutions of higher education with teach-  
25                         er preparation programs accountable for

1 preparing teachers who are highly qualified  
2 and have strong teaching skills; or

3 “(iii) have innovative efforts aimed at  
4 reducing the shortage of highly qualified  
5 teachers in high poverty urban and rural  
6 areas; and

7 “(B) with respect to grants under section  
8 203—

9 “(i) give priority to applications from  
10 broad-based eligible partnerships that in-  
11 volve businesses and community organiza-  
12 tions; and

13 “(ii) take into consideration—

14 “(I) providing an equitable geo-  
15 graphic distribution of the grants  
16 throughout the United States; and

17 “(II) the potential of the pro-  
18 posed activities for creating improve-  
19 ment and positive change.

20 “(3) SECRETARIAL SELECTION.—The Secretary  
21 shall determine, based on the peer review process,  
22 which application shall receive funding and the  
23 amounts of the grants. In determining grant  
24 amounts, the Secretary shall take into account the  
25 total amount of funds available for all grants under



1 this part and the types of activities proposed to be  
2 carried out.

3 “(c) MATCHING REQUIREMENTS.—

4 “(1) STATE GRANTS.—Each eligible State re-  
5 ceiving a grant under section 202 or 204 shall pro-  
6 vide, from non-Federal sources, an amount equal to  
7 50 percent of the amount of the grant (in cash or  
8 in kind) to carry out the activities supported by the  
9 grant.

10 “(2) PARTNERSHIP GRANTS.—Each eligible  
11 partnership receiving a grant under section 203 or  
12 204 shall provide, from non-Federal sources (in cash  
13 or in kind), an amount equal to 25 percent of the  
14 grant for the first year of the grant, 35 percent of  
15 the grant for the second year of the grant, and 50  
16 percent of the grant for each succeeding year of the  
17 grant.

18 “(d) LIMITATION ON ADMINISTRATIVE EXPENSES.—  
19 An eligible State or eligible partnership that receives a  
20 grant under this part may not use more than 2 percent  
21 of the grant funds for purposes of administering the grant.

22 **“SEC. 206. ACCOUNTABILITY AND EVALUATION.**

23 “(a) STATE GRANT ACCOUNTABILITY REPORT.—An  
24 eligible State that receives a grant under section 202 shall  
25 submit an annual accountability report to the Secretary,

1 the Committee on Health, Education, Labor, and Pen-  
2 sions of the Senate, and the Committee on Education and  
3 the Workforce of the House of Representatives. Such re-  
4 port shall include a description of the degree to which the  
5 eligible State, in using funds provided under such section,  
6 has made substantial progress in meeting the following  
7 goals:

8           “(1) PERCENTAGE OF HIGHLY QUALIFIED  
9           TEACHERS.—Increasing the percentage of highly  
10           qualified teachers in the State as required by section  
11           1119 of the Elementary and Secondary Education  
12           Act of 1965 (20 U.S.C. 6319).

13           “(2) STUDENT ACADEMIC ACHIEVEMENT.—In-  
14           creasing student academic achievement for all stu-  
15           dents as defined by the eligible State.

16           “(3) RAISING STANDARDS.—Raising the State  
17           academic standards required to enter the teaching  
18           profession as a highly qualified teacher.

19           “(4) INITIAL CERTIFICATION OR LICENSURE.—  
20           Increasing success in the pass rate for initial State  
21           teacher certification or licensure, or increasing the  
22           numbers of qualified individuals being certified or li-  
23           censed as teachers through alternative programs.

1           “(5) DECREASING TEACHER SHORTAGES.—De-  
2           creasing shortages of highly qualified teachers in  
3           poor urban and rural areas.

4           “(6) INCREASING OPPORTUNITIES FOR PROFES-  
5           SIONAL DEVELOPMENT.—Increasing opportunities  
6           for enhanced and ongoing professional development  
7           that—

8                   “(A) improves the academic content knowl-  
9                   edge of teachers in the subject areas in which  
10                  the teachers are certified or licensed to teach or  
11                  in which the teachers are working toward cer-  
12                  tification or licensure to teach; and

13                   “(B) promotes strong teaching skills.

14           “(7) TECHNOLOGY INTEGRATION.—Increasing  
15           the number of teachers prepared effectively to inte-  
16           grate technology into curricula and instruction and  
17           who use technology to collect, manage, and analyze  
18           data to improve teaching, learning, and decision-  
19           making for the purpose of increasing student aca-  
20           demic achievement.

21           “(b) ELIGIBLE PARTNERSHIP EVALUATION.—Each  
22           eligible partnership applying for a grant under section 203  
23           shall establish, and include in the application submitted  
24           under section 203(c), an evaluation plan that includes

1 strong performance objectives. The plan shall include ob-  
2 jectives and measures for—

3           “(1) increased student achievement for all stu-  
4 dents, as measured by the partnership;

5           “(2) increased teacher retention in the first 3  
6 years of a teacher’s career;

7           “(3) increased success in the pass rate for ini-  
8 tial State certification or licensure of teachers;

9           “(4) increased percentage of highly qualified  
10 teachers; and

11           “(5) increasing the number of teachers trained  
12 effectively to integrate technology into curricula and  
13 instruction and who use technology to collect, man-  
14 age, and analyze data to improve teaching, learning,  
15 and decisionmaking for the purpose of improving  
16 student academic achievement.

17           “(c) REVOCATION OF GRANT.—

18           “(1) REPORT.—Each eligible State or eligible  
19 partnership receiving a grant under section 202 or  
20 203 shall report annually on the progress of the eli-  
21 gible State or eligible partnership toward meeting  
22 the purposes of this part and the goals, objectives,  
23 and measures described in subsections (a) and (b).

24           “(2) REVOCATION.—

1           “(A) ELIGIBLE STATES AND ELIGIBLE AP-  
2           PLICANTS.—If the Secretary determines that an  
3           eligible State or eligible applicant is not making  
4           substantial progress in meeting the purposes,  
5           goals, objectives, and measures, as appropriate,  
6           by the end of the second year of a grant under  
7           this part, then the grant payment shall not be  
8           made for the third year of the grant.

9           “(B) ELIGIBLE PARTNERSHIPS.—If the  
10          Secretary determines that an eligible partner-  
11          ship is not making substantial progress in  
12          meeting the purposes, goals, objectives, and  
13          measures, as appropriate, by the end of the  
14          third year of a grant under this part, then the  
15          grant payments shall not be made for any suc-  
16          ceeding year of the grant.

17          “(d) EVALUATION AND DISSEMINATION.—The Sec-  
18          retary shall evaluate the activities funded under this part  
19          and report annually the Secretary’s findings regarding the  
20          activities to the Committee on Health, Education, Labor,  
21          and Pensions of the Senate and the Committee on Edu-  
22          cation and the Workforce of the House of Representatives.  
23          The Secretary shall broadly disseminate successful prac-  
24          tices developed by eligible States and eligible partnerships

1 under this part, and shall broadly disseminate information  
2 regarding such practices that were found to be ineffective.

3 **“SEC. 207. ACCOUNTABILITY FOR PROGRAMS THAT PRE-**  
4 **PARE TEACHERS.**

5 “(a) STATE REPORT CARD ON THE QUALITY OF  
6 TEACHER PREPARATION.—Each State that receives funds  
7 under this Act shall provide to the Secretary annually, in  
8 a uniform and comprehensible manner that conforms with  
9 the definitions and methods established by the Secretary,  
10 a State report card on the quality of teacher preparation  
11 in the State, both for traditional certification or licensure  
12 programs and for alternative certification or licensure pro-  
13 grams, which shall include at least the following:

14 “(1) A description of the teacher certification  
15 and licensure assessments, and any other certifi-  
16 cation and licensure requirements, used by the  
17 State.

18 “(2) The standards and criteria that prospec-  
19 tive teachers must meet in order to attain initial  
20 teacher certification or licensure and to be certified  
21 or licensed to teach particular subjects or in par-  
22 ticular grades within the State.

23 “(3) A description of the extent to which the  
24 assessments and requirements described in para-

1 graph (1) are aligned with the State’s standards and  
2 assessments for students.

3 “(4) The percentage of students who have com-  
4 pleted at least 50 percent of the requirements for a  
5 teacher preparation program at an institution of  
6 higher education or alternative certification program  
7 and who have taken and passed each of the assess-  
8 ments used by the State for teacher certification and  
9 licensure, and the passing score on each assessment  
10 that determines whether a candidate has passed that  
11 assessment.

12 “(5) For students who have completed at least  
13 50 percent of the requirements for a teacher prepa-  
14 ration program at an institution of higher education  
15 or alternative certification program, and who have  
16 taken and passed each of the assessments used by  
17 the State for teacher certification and licensure,  
18 each such institution’s and each such program’s av-  
19 erage raw score, ranked by teacher preparation pro-  
20 gram, which shall be made available widely and pub-  
21 licly.

22 “(6) A description of each State’s alternative  
23 routes to teacher certification, if any, and the num-  
24 ber and percentage of teachers certified through

1 each alternative certification route who pass State  
2 teacher certification or licensure assessments.

3 “(7) For each State, a description of proposed  
4 criteria for assessing the performance of teacher  
5 preparation programs in the State, including indica-  
6 tors of teacher candidate skills and academic content  
7 knowledge and evidence of gains in student academic  
8 achievement.

9 “(8) For each teacher preparation program in  
10 the State, the number of students in the program,  
11 the average number of hours of supervised practice  
12 teaching required for those in the program, and the  
13 number of full-time equivalent faculty and students  
14 in supervised practice teaching.

15 “(b) REPORT OF THE SECRETARY ON THE QUALITY  
16 OF TEACHER PREPARATION.—

17 “(1) REPORT CARD.—The Secretary shall pro-  
18 vide to Congress, and publish and make widely avail-  
19 able, a report card on teacher qualifications and  
20 preparation in the United States, including all the  
21 information reported in paragraphs (1) through (8)  
22 of subsection (a). Such report shall identify States  
23 for which eligible States and eligible partnerships re-  
24 ceived a grant under this part. Such report shall be  
25 so provided, published and made available annually.



1           “(2) REPORT TO CONGRESS.—The Secretary  
2 shall report to Congress—

3           “(A) a comparison of States’ efforts to im-  
4 prove teaching quality; and

5           “(B) regarding the national mean and me-  
6 dian scores on any standardized test that is  
7 used in more than 1 State for teacher certifi-  
8 cation or licensure.

9           “(3) SPECIAL RULE.—In the case of programs  
10 with fewer than 10 students who have completed at  
11 least 50 percent of the requirements for a teacher  
12 preparation program taking any single initial teacher  
13 certification or licensure assessment during an aca-  
14 demic year, the Secretary shall collect and publish  
15 information with respect to an average pass rate on  
16 State certification or licensure assessments taken  
17 over a 3-year period.

18           “(c) COORDINATION.—The Secretary, to the extent  
19 practicable, shall coordinate the information collected and  
20 published under this part among States for individuals  
21 who took State teacher certification or licensure assess-  
22 ments in a State other than the State in which the indi-  
23 vidual received the individual’s most recent degree.

24           “(d) INSTITUTION AND PROGRAM REPORT CARDS ON  
25 QUALITY OF TEACHER PREPARATION.—

1           “(1) REPORT CARD.—Each institution of higher  
2 education or alternative certification program that  
3 conducts a teacher preparation program that enrolls  
4 students receiving Federal assistance under this Act  
5 shall report annually to the State and the general  
6 public, in a uniform and comprehensible manner  
7 that conforms with the definitions and methods es-  
8 tablished by the Secretary, both for traditional cer-  
9 tification or licensure programs and for alternative  
10 certification or licensure programs, the following in-  
11 formation:

12                   “(A) PASS RATE.—(i) For the most recent  
13 year for which the information is available, the  
14 pass rate of each student who has completed at  
15 least 50 percent of the requirements for the  
16 teacher preparation program on the teacher cer-  
17 tification or licensure assessments of the State  
18 in which the institution is located, but only for  
19 those students who took those assessments  
20 within 3 years of receiving a degree from the  
21 institution or completing the program.

22                   “(ii) A comparison of the institution or  
23 program’s pass rate for students who have com-  
24 pleted at least 50 percent of the requirements  
25 for the teacher preparation program with the

1 average pass rate for institutions and programs  
2 in the State.

3 “(iii) A comparison of the institution or  
4 program’s average raw score for students who  
5 have completed at least 50 percent of the re-  
6 quirements for the teacher preparation program  
7 with the average raw scores for institutions and  
8 programs in the State.

9 “(iv) In the case of programs with fewer  
10 than 10 students who have completed at least  
11 50 percent of the requirements for a teacher  
12 preparation program taking any single initial  
13 teacher certification or licensure assessment  
14 during an academic year, the institution shall  
15 collect and publish information with respect to  
16 an average pass rate on State certification or li-  
17 censure assessments taken over a 3-year period.

18 “(B) PROGRAM INFORMATION.—The num-  
19 ber of students in the program, the average  
20 number of hours of supervised practice teaching  
21 required for those in the program, and the  
22 number of full-time equivalent faculty and stu-  
23 dents in supervised practice teaching.

24 “(C) STATEMENT.—In States that require  
25 approval or accreditation of teacher education

1 programs, a statement of whether the institu-  
2 tion's program is so approved or accredited,  
3 and by whom.

4 “(D) DESIGNATION AS LOW-PER-  
5 FORMING.—Whether the program has been des-  
6 igned as low-performing by the State under  
7 section 208(a).

8 “(2) REQUIREMENT.—The information de-  
9 scribed in paragraph (1) shall be reported through  
10 publications such as school catalogs and promotional  
11 materials sent to potential applicants, secondary  
12 school guidance counselors, and prospective employ-  
13 ers of the institution's program graduates, including  
14 materials sent by electronic means.

15 “(3) FINES.—In addition to the actions author-  
16 ized in section 487(c), the Secretary may impose a  
17 fine not to exceed \$25,000 on an institution of high-  
18 er education for failure to provide the information  
19 described in this subsection in a timely or accurate  
20 manner.

21 “(e) DATA QUALITY.—Either—

22 “(1) the Governor of the State; or

23 “(2) in the case of a State for which the con-  
24 stitution or law of such State designates another in-  
25 dividual, entity, or agency in the State to be respon-

1           sible for teacher certification and preparation activ-  
2           ity, such individual, entity, or agency;

3   **“SEC. 208. STATE FUNCTIONS.**

4           “(a) STATE ASSESSMENT.—In order to receive funds  
5 under this Act, a State shall have in place a procedure  
6 to identify and assist, through the provision of technical  
7 assistance, low-performing programs of teacher prepara-  
8 tion within institutions of higher education. Such State  
9 shall provide the Secretary an annual list of such low-per-  
10 forming institutions that includes an identification of  
11 those institutions at risk of being placed on such list. Such  
12 levels of performance shall be determined solely by the  
13 State and may include criteria based upon information col-  
14 lected pursuant to this part. Such assessment shall be de-  
15 scribed in the report under section 207(a).

16           “(b) TERMINATION OF ELIGIBILITY.—Any institu-  
17 tion of higher education that offers a program of teacher  
18 preparation in which the State has withdrawn the State’s  
19 approval or terminated the State’s financial support due  
20 to the low performance of the institution’s teacher prepa-  
21 ration program based upon the State assessment described  
22 in subsection (a)—

23                   “(1) shall be ineligible for any funding for pro-  
24           fessional development activities awarded by the De-  
25           partment of Education; and

1           “(2) shall not be permitted to accept or enroll  
2           any student who receives aid under title IV of this  
3           Act in the institution’s teacher preparation program.

4   **“SEC. 209. GENERAL PROVISIONS.**

5           “(a) METHODS.—In complying with sections 207 and  
6   208, the Secretary shall ensure that States and institu-  
7   tions of higher education use fair and equitable methods  
8   in reporting and that the reporting methods do not allow  
9   identification of individuals.

10          “(b) SPECIAL RULE.—For each State in which there  
11   are no State certification or licensure assessments, or for  
12   States that do not set minimum performance levels on  
13   those assessments—

14               “(1) the Secretary shall, to the extent prac-  
15               ticable, collect data comparable to the data required  
16               under this part from States, local educational agen-  
17               cies, institutions of higher education, or other enti-  
18               ties that administer such assessments to teachers or  
19               prospective teachers; and

20               “(2) notwithstanding any other provision of this  
21               part, the Secretary shall use such data to carry out  
22               requirements of this part related to assessments or  
23               pass rates.

24          “(c) LIMITATIONS.—

1           “(1) FEDERAL CONTROL PROHIBITED.—Noth-  
2           ing in this part shall be construed to permit, allow,  
3           encourage, or authorize any Federal control over any  
4           aspect of any private, religious, or home school,  
5           whether or not a home school is treated as a private  
6           school or home school under State law. This section  
7           shall not be construed to prohibit private, religious,  
8           or home schools from participation in programs or  
9           services under this part.

10           “(2) NO CHANGE IN STATE CONTROL ENCOUR-  
11           AGED OR REQUIRED.—Nothing in this part shall be  
12           construed to encourage or require any change in a  
13           State’s treatment of any private, religious, or home  
14           school, whether or not a home school is treated as  
15           a private school or home school under State law.

16           “(3) NATIONAL SYSTEM OF TEACHER CERTIFI-  
17           CATION PROHIBITED.—Nothing in this part shall be  
18           construed to permit, allow, encourage, or authorize  
19           the Secretary to establish or support any national  
20           system of teacher certification.

21   **“SEC. 210. AUTHORIZATION OF APPROPRIATIONS.**

22           “‘There are authorized to be appropriated to carry out  
23           this part \$300,000,000 for fiscal year 2006 and such sums  
24           as may be necessary for each of the 5 succeeding fiscal  
25           years, of which—

1           “(1) 45 percent shall be available for each fiscal  
2           year to award grants under section 202;

3           “(2) 45 percent shall be available for each fiscal  
4           year to award grants under section 203; and

5           “(3) 10 percent shall be available for each fiscal  
6           year to award grants under section 204.”.

7 **SEC. 202. PREPARING TOMORROW’S TEACHERS TO USE**  
8 **TECHNOLOGY.**

9           (a) **ELIGIBILITY.**—Section 222(a)(3)(D) of the High-  
10 er Education Act of 1965 (20 U.S.C. 1042(a)(3)(D)) is  
11 amended by inserting “nonprofit telecommunications enti-  
12 ty,” after “community-based organization,”.

13           (b) **PERMISSIBLE USES OF FUNDS.**—Section  
14 223(b)(1)(E) of the Higher Education Act of 1965 (20  
15 U.S.C. 1043(b)(1)(E)) is amended to read as follows:

16                   “(E) To use technology to collect, manage,  
17                   and analyze data to improve teaching, learning,  
18                   and decisionmaking for the purpose of increas-  
19                   ing student academic achievement.”.

20           (c) **AUTHORIZATION OF APPROPRIATIONS.**—Section  
21 224 of the Higher Education Act of 1965 (20 U.S.C.  
22 1044) is amended by striking “each of fiscal years 2002  
23 and 2003.” and inserting “fiscal year 2006 and each of  
24 the 5 succeeding fiscal years.”.



1 **SEC. 203. CENTERS OF EXCELLENCE.**

2 Title II of the Higher Education Act of 1965 (20  
3 U.S.C. 1021 et seq.) is amended by adding at the end  
4 the following:

5 **“PART C—CENTERS OF EXCELLENCE**

6 **“SEC. 231. PURPOSES; DEFINITIONS.**

7 “(a) PURPOSES.—The purposes of this part are—

8 “(1) to help recruit and prepare teachers, in-  
9 cluding minority teachers, to meet the national de-  
10 mand for a highly qualified teacher in every class-  
11 room; and

12 “(2) to increase opportunities for Americans of  
13 all educational, ethnic, class, and geographic back-  
14 grounds to become highly qualified teachers.

15 “(b) DEFINITIONS.—As used in this part:

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

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

22 “(i) a part B institution (as defined in  
23 section 322);

24 “(ii) a Hispanic-serving institution (as  
25 defined in section 502);

1                   “(iii) a Tribal College or University  
2                   (as defined in section 316);

3                   “(iv) an Alaska Native-serving institu-  
4                   tion (as defined in section 317(b)); or

5                   “(v) a Native Hawaiian-serving insti-  
6                   tution (as defined in section 317(b));

7                   “(B) a consortium of institutions described  
8                   in subparagraph (A); or

9                   “(C) an institution described in subpara-  
10                  graph (A), or a consortium described in sub-  
11                  paragraph (B), in partnership with any other  
12                  institution of higher education, but only if the  
13                  center of excellence established under section  
14                  232 is located at an institution described in  
15                  subparagraph (A).

16                  “(2) HIGHLY QUALIFIED.—The term ‘highly  
17                  qualified’ has the meaning given such term in sec-  
18                  tion 9101 of the Elementary and Secondary Edu-  
19                  cation Act of 1965 (20 U.S.C. 7801).

20                  “(3) SCIENTIFICALLY BASED READING RE-  
21                  SEARCH.—The term ‘scientifically based reading re-  
22                  search’ has the meaning given such term in section  
23                  1208 of the Elementary and Secondary Education  
24                  Act of 1965 (20 U.S.C. 6368).

1           “(4) SCIENTIFICALLY BASED RESEARCH.—The  
2           term ‘scientifically based research’ has the meaning  
3           given such term in section 9101 of the Elementary  
4           and Secondary Education Act of 1965 (20 U.S.C.  
5           7801).

6   **“SEC. 232. CENTERS OF EXCELLENCE.**

7           “(a) PROGRAM AUTHORIZED.—From the amounts  
8           appropriated to carry out this part, the Secretary is au-  
9           thorized to award competitive grants to eligible institu-  
10          tions to establish centers of excellence.

11          “(b) USE OF FUNDS.—Grants provided by the Sec-  
12          retary under this part shall be used to ensure that current  
13          and future teachers are highly qualified, by carrying out  
14          one or more of the following activities:

15                 “(1) Implementing reforms within teacher prep-  
16                 aration programs to ensure that such programs are  
17                 preparing teachers who are highly qualified, are able  
18                 to understand scientifically based research, and are  
19                 able to use advanced technology effectively in the  
20                 classroom, including use for instructional techniques  
21                 to improve student academic achievement, by—

22                         “(A) retraining faculty; and

23                         “(B) designing (or redesigning) teacher  
24                         preparation programs that—

1                   “(i) prepare teachers to close student  
2                   achievement gaps, are based on rigorous  
3                   academic content, scientifically based re-  
4                   search (including scientifically based read-  
5                   ing research), and challenging State stu-  
6                   dent academic content standards; and

7                   “(ii) promote strong teaching skills.

8                   “(2) Providing sustained and high-quality  
9                   preservice clinical experience, including the men-  
10                  toring of prospective teachers by exemplary teachers,  
11                  substantially increasing interaction between faculty  
12                  at institutions of higher education and new and ex-  
13                  perienced teachers, principals, and other administra-  
14                  tors at elementary schools or secondary schools, and  
15                  providing support, including preparation time, for  
16                  such interaction.

17                  “(3) Developing and implementing initiatives to  
18                  promote retention of highly qualified teachers and  
19                  principals, including minority teachers and prin-  
20                  cipals, including programs that provide—

21                         “(A) teacher or principal mentoring from  
22                         exemplary teachers or principals; or

23                         “(B) induction and support for teachers  
24                         and principals during their first 3 years of em-  
25                         ployment as teachers or principals, respectively.

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

5           “(5) Disseminating information on effective  
6           practices for teacher preparation and successful  
7           teacher certification and licensure assessment prepa-  
8           ration strategies.

9           “(6) Activities authorized under sections 202,  
10          203, and 204.

11          “(c) APPLICATION.—Any eligible institution desiring  
12 a grant under this section shall submit an application to  
13 the Secretary at such a time, in such a manner, and ac-  
14 companied by such information the Secretary may require.

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

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

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

1 **“SEC. 233. AUTHORIZATION OF APPROPRIATIONS.**

2 “There are authorized to be appropriated to carry out  
3 this part \$10,000,000 for fiscal year 2006 and such sums  
4 as may be necessary for each of the 5 succeeding fiscal  
5 years.”.

6 **SEC. 204. TRANSITION.**

7 The Secretary of Education shall take such actions  
8 as the Secretary determines to be appropriate to provide  
9 for the orderly implementation of this title.

10 **TITLE III—INSTITUTIONAL AID**

11 **SEC. 301. TITLE III GRANTS FOR AMERICAN INDIAN TRIB-**

12 **ALLY CONTROLLED COLLEGES AND UNIVER-**

13 **SITIES.**

14 (a) ELIGIBLE INSTITUTIONS.—Subsection (b) of sec-  
15 tion 316 (20 U.S.C. 1059c(b)) is amended to read as fol-  
16 lows:

17 “(b) DEFINITIONS.—

18 “(1) ELIGIBLE INSTITUTIONS.—For purposes  
19 of this section, Tribal Colleges and Universities are  
20 the following:

21 “(A) any of the following institutions that  
22 qualify for funding under the Tribally Con-  
23 trolled College or University Assistance Act of  
24 1978 or is listed in Equity in Educational Land  
25 Grant Status Act of 1994 (7 U.S.C. 301 note):  
26 Bay Mills Community College; Blackfeet Com-

1 community College; Cankdeska Cikana Community  
2 College; Chief Dull Knife College; College of  
3 Menominee Nation; Crownpoint Institute of  
4 Technology; Diné College; D–Q University;  
5 Fond du Lac Tribal and Community College;  
6 Fort Belknap College; Fort Berthold Commu-  
7 nity College; Fort Peck Community College;  
8 Haskell Indian Nations University; Institute of  
9 American Indian and Alaska Native Culture  
10 and Arts Development; Lac Courte Oreilles  
11 Ojibwa Community College; Leech Lake Tribal  
12 College; Little Big Horn College; Little Priest  
13 Tribal College; Nebraska Indian Community  
14 College; Northwest Indian College; Oglala  
15 Lakota College; Saginaw Chippewa Tribal Col-  
16 lege; Salish Kootenai College; Si Tanka Univer-  
17 sity—Eagle Butte Campus; Sinte Gleska Uni-  
18 versity; Sisseton Wahpeton Community College;  
19 Sitting Bull College; Southwestern Indian Poly-  
20 technic Institute; Stone Child College; Tohono  
21 O’Odham Community College; Turtle Mountain  
22 Community College; United Tribes Technical  
23 College; and White Earth Tribal and Commu-  
24 nity College; and

1           “(B) any other institution that meets the  
2           definition of tribally controlled college or uni-  
3           versity in section 2 of the Tribally Controlled  
4           College or University Assistance Act of 1978,  
5           and meets all other requirements of this sec-  
6           tion.

7           “(2) INDIAN.—The term ‘Indian’ has the mean-  
8           ing given the term in section 2 of the Tribally Con-  
9           trolled College or University Assistance Act of  
10          1978.”.

11          (b) DISTANCE LEARNING.—Subsection (c)(2) of such  
12 section is amended—

13           (1) by amending subparagraph (B) to read as  
14 follows:

15           “(B) construction, maintenance, renova-  
16           tion, and improvement in classrooms, libraries,  
17           laboratories, and other instructional facilities,  
18           including purchase or rental of telecommuni-  
19           cations technology equipment or services, and  
20           the acquisition of real property adjacent to the  
21           campus of the institution on which to construct  
22           such facilities;”;

23           (2) by striking “and” at the end of subpara-  
24           graph (K);



1           (3) by redesignating subparagraph (L) as sub-  
2           paragraph (M); and

3           (4) by inserting after subparagraph (K) the fol-  
4           lowing new subparagraph:

5                     “(L) developing or improving facilities for  
6           Internet use or other distance learning aca-  
7           demic instruction capabilities; and”.

8           (c) APPLICATION AND ALLOTMENT.—Subsection (d)  
9 of such section is amended to read as follows:

10           “(d) APPLICATION AND ALLOTMENT.—

11                     “(1) INSTITUTIONAL ELIGIBILITY.—To be eligi-  
12           ble to receive assistance under this section, a Tribal  
13           College or University shall be an eligible institution  
14           under section 312(b).

15                     “(2) APPLICATION.—Any Tribal College or Uni-  
16           versity desiring to receive assistance under this sec-  
17           tion shall submit an application to the Secretary at  
18           such time, and in such manner, as the Secretary  
19           may reasonably require.

20                     “(3) ALLOTMENTS TO INSTITUTIONS.—

21                     “(A) ALLOTMENT: PELL GRANT BASIS.—  
22           From the amount appropriated to carry out  
23           this section for any fiscal year, the Secretary  
24           shall allot to each eligible institution a sum  
25           which bears the same ratio to one-half that

1 amount as the number of Pell Grant recipients  
2 in attendance at such institution at the end of  
3 the award year preceding the beginning of that  
4 fiscal year bears to the total number of Pell  
5 Grant recipients at all eligible institutions.

6 “(B) ALLOTMENT: DEGREE AND CERTIFI-  
7 CATE BASIS.—From the amount appropriated  
8 to carry out this section for any fiscal year, the  
9 Secretary shall allot to each eligible institution  
10 a sum which bears the same ratio to one-half  
11 that amount as the number of degrees or cer-  
12 tificates awarded by such institution during the  
13 preceding academic year bears to the total num-  
14 ber of degrees or certificates at all eligible insti-  
15 tutions.

16 “(C) MINIMUM GRANT.—Notwithstanding  
17 subparagraphs (A) and (B), the amount allot-  
18 ted to each institution under this section shall  
19 not be less than \$400,000.

20 “(4) SPECIAL RULES.—

21 “(A) CONCURRENT FUNDING.—For the  
22 purposes of this part, no Tribal College or Uni-  
23 versity that is eligible for and receives funds  
24 under this section shall concurrently receive

1 funds under other provisions of this part or  
2 part B.

3 “(B) EXEMPTION.—Section 313(d) shall  
4 not apply to institutions that are eligible to re-  
5 ceive funds under this section.”.

6 **SEC. 302. ALASKA NATIVE AND NATIVE HAWAIIAN-SERVING**  
7 **INSTITUTIONS.**

8 (a) DISTANCE LEARNING.—Section 317(c)(2) (20  
9 U.S.C. 1059d(c)(2)) is amended—

10 (1) by amending subparagraph (B) to read as  
11 follows:

12 “(A) construction, maintenance, renova-  
13 tion, and improvement in classrooms, libraries,  
14 laboratories, and other instructional facilities,  
15 including purchase or rental of telecommuni-  
16 cations technology equipment or services, and  
17 the acquisition of real property adjacent to the  
18 campus of the institution on which to construct  
19 such facilities;”;

20 (2) by striking “and” at the end of subpara-  
21 graph (G);

22 (3) by striking the period at the end of sub-  
23 paragraph (H) and inserting “; and”; and

24 (4) by inserting after subparagraph (H) the fol-  
25 lowing new subparagraph:

1           “(I) development or improvement of facili-  
2           ties for Internet use or other distance learning  
3           academic instruction capabilities.”.

4           (b) ENDOWMENT FUNDS.—Section 317(c) is further  
5 amended by adding at the end the following new para-  
6 graph:

7           “(3) ENDOWMENT FUNDS.—

8           “(A) IN GENERAL.—An Alaska Native or  
9           Native Hawaiian-serving institution may use  
10           not more than 20 percent of the grant funds  
11           provided under this section to establish or in-  
12           crease an endowment fund at the institution.

13           “(B) MATCHING REQUIREMENT.—In order  
14           to be eligible to use grant funds in accordance  
15           with subparagraph (A), the institution shall  
16           provide to the endowment fund from non-Fed-  
17           eral funds an amount equal to the Federal  
18           funds used in accordance with subparagraph  
19           (A), for the establishment or increase of the en-  
20           dowment fund.

21           “(C) APPLICABILITY OF OTHER PROVI-  
22           SIONS.—The provisions of part C regarding the  
23           establishment or increase of an endowment  
24           fund, that the Secretary determines are not in-

1 consistent with this paragraph, shall apply to  
2 funds used under subparagraph (A).”.

3 (c) APPLICATION PROCESS.—Section 317(d) is  
4 amended—

5 (1) by adding at the end of paragraph (1) the  
6 following new sentences: “Each Alaska Native-serv-  
7 ing institution and Native Hawaiian-serving institu-  
8 tion shall develop a 5-year plan for improving the as-  
9 sistance provided to Alaska Native or Native Hawai-  
10 ian students. Such plan shall not be subject to ap-  
11 proval by the Secretary.”; and

12 (2) in paragraph (2)—

13 (A) by redesignating subparagraph (B) as  
14 subparagraph (C); and

15 (B) by striking subparagraph (A) and in-  
16 sserting the following:

17 “(A) an assurance that the institution has  
18 developed a 5-year plan for serving Alaska Na-  
19 tive or Native Hawaiian students;

20 “(B) a list of activities and other informa-  
21 tion that are consistent with the institution’s 5-  
22 year plan; and”.

23 **SEC. 303. GRANTS TO PART B INSTITUTIONS.**

24 (a) USE OF FUNDS.—

25 (1) FACILITIES AND EQUIPMENT.—

1 (A) UNDERGRADUATE INSTITUTIONS.—

2 Paragraph (2) of section 323(a) (20 U.S.C.  
3 1062(a)) is amended to read as follows:

4 “(2) Construction, maintenance, renovation,  
5 and improvement in classrooms, libraries, labora-  
6 tories, and other instructional facilities, including  
7 purchase or rental of telecommunications technology  
8 equipment or services, and the acquisition of real  
9 property adjacent to the campus of the institution  
10 on which to construct such facilities.”.

11 (B) GRADUATE AND PROFESSIONAL

12 SCHOOLS.—Paragraph (2) of section 326(e) is  
13 amended to read as follows:

14 “(2) construction, maintenance, renovation, and  
15 improvement in classrooms, libraries, laboratories,  
16 and other instructional facilities, including purchase  
17 or rental of telecommunications technology equip-  
18 ment or services, and the acquisition of real property  
19 adjacent to the campus of the institution on which  
20 to construct such facilities;”.

21 (2) OUTREACH AND COLLABORATION.—Para-

22 graph (11) of section 323(a) is amended to read as  
23 follows:

24 “(11) Establishing community outreach pro-  
25 grams and collaborative partnerships between part B

1 institutions and local elementary or secondary  
2 schools. Such partnerships may include mentoring,  
3 tutoring, or other instructional opportunities that  
4 will boost student academic achievement and assist  
5 elementary and secondary school students in devel-  
6 oping the academic skills and the interest to pursue  
7 postsecondary education.”.

8 (b) TECHNICAL ASSISTANCE.—Section 323 (20  
9 U.S.C. 1062) is amended—

10 (1) by redesignating subsection (c) as sub-  
11 section (d); and

12 (2) by inserting after subsection (b) the fol-  
13 lowing new subsection:

14 “(c) TECHNICAL ASSISTANCE.—

15 “(1) IN GENERAL.—An institution may not use  
16 more than 2 percent of the grant funds provided  
17 under this part to secure technical assistance serv-  
18 ices.

19 “(2) TECHNICAL ASSISTANCE SERVICES.—

20 Technical assistance services may include assistance  
21 with enrollment management, financial management,  
22 and strategic planning.

23 “(3) REPORT.—The institution shall report to  
24 the Secretary on an annual basis, in such form as

1 the Secretary requires, on the use of funds under  
2 this subsection.”.

3 (c) DISTANCE LEARNING.—Section 323(a)(2) (20  
4 U.S.C. 1062(a)(2)) is amended by inserting “development  
5 or improvement of facilities for Internet use or other dis-  
6 tance learning academic instruction capabilities and” after  
7 “including”.

8 (d) MINIMUM GRANTS.—Section 324(d)(1) (20  
9 U.S.C. 1063(d)(1)) is amended by inserting before the pe-  
10 riod at the end the following: “, except that, if the amount  
11 appropriated to carry out this part for any fiscal year ex-  
12 ceeds the amount required to provide to each institution  
13 an amount equal to the total amount received by such in-  
14 stitution under subsections (a), (b), and (c) for the pre-  
15 ceding fiscal year, then the amount of such excess appro-  
16 priation shall first be applied to increase the minimum al-  
17 lotment under this subsection to \$750,000”.

18 (e) ELIGIBLE GRADUATE OR PROFESSIONAL  
19 SCHOOLS.—

20 (1) GENERAL AUTHORITY.—Section 326(a)(1)  
21 (20 U.S.C. 1063b(a)(1)) is amended—

22 (A) by inserting “(A)” after “subsection  
23 (e) that”;

24 (B) by inserting before the period at the  
25 end the following: “, (B) is accredited by a na-



1           tionally recognized accrediting agency or asso-  
2           ciation determined by the Secretary to be a reli-  
3           able authority as to the quality of training of-  
4           fered, and (C) according to such an agency or  
5           association, is in good standing”.

6           (2)       ELIGIBLE       INSTITUTIONS.—Section  
7           326(e)(1) (20 U.S.C. 1063b(e)(1)) is amended—

8                   (A) by striking “and” at the end of sub-  
9           paragraph (Q);

10                   (B) by striking the period at the end of  
11           subparagraph (R) and inserting a semicolon;  
12           and

13                   (C) by adding at the end the following new  
14           subparagraphs:

15                   “(S) Alabama State University qualified  
16           graduate program;

17                   “(T) Prairie View AM University qualified  
18           graduate program; and

19                   “(U) Coppin State University qualified  
20           graduate program.”.

21           (3)       CONFORMING       AMENDMENT.—Section  
22           326(e)(3) (20 U.S.C. 1063b(e)(3)) is amended—

23                   (A) by striking “1998” and inserting  
24           “2005”; and

1 (B) by striking “(Q) and (R)” and insert-  
2 ing “(S), (T), and (U)”.

3 (f) PROFESSIONAL OR GRADUATE INSTITUTIONS.—

4 Section 326(f) (20 U.S.C. 1063b(f)) is amended—

5 (1) in paragraph (1)—

6 (A) by striking “\$26,600,000” and insert-  
7 ing “\$55,500,000”; and

8 (B) by striking “(P)” and inserting “(R)”;

9 (2) in paragraph (2)—

10 (A) by striking “\$26,600,000 but not in  
11 excess of \$28,600,000” and inserting  
12 “\$55,500,000, but not in excess of  
13 \$58,500,000”; and

14 (B) by striking “subparagraphs (Q) and  
15 (R)” and inserting “subparagraphs (S), (T),  
16 and (U)”;

17 (3) in paragraph (3)—

18 (A) by striking “\$28,600,000” and insert-  
19 ing “\$58,500,000”; and

20 (B) by striking “(R)” and inserting “(U)”.

21 (g) HOLD HARMLESS.—Section 326(g) (20 U.S.C.  
22 1063b(g)) is amended by striking “1998” and inserting  
23 “2005”.

24 **SEC. 304. TECHNICAL AMENDMENTS.**

25 (a) AMENDMENTS.—Title III is further amended—

1 (1) in section 311(c) (20 U.S.C. 1057(c))—

2 (A) by redesignating paragraphs (7)  
3 through (12) as paragraphs (8) through (13),  
4 respectively; and

5 (B) by inserting after paragraph (6) the  
6 following:

7 “(7) Education or counseling services designed  
8 to improve the financial literacy and economic lit-  
9 eracy of students and, as appropriate, their par-  
10 ents.”;

11 (2) in section 312(b)(1)(A) (20 U.S.C.  
12 1058(b)(1)(A)), by striking “subsection (c)” and in-  
13 serting “subsection (d)”;

14 (3) in section 312(b)(1)(F) (20 U.S.C.  
15 1058(b)(1)(F)), by inserting “which is” before “lo-  
16 cated”;

17 (4) in section 312(b)(1) (20 U.S.C.  
18 1058(b)(1)), by redesignating subparagraphs (E)  
19 and (F) as subparagraphs (F) and (G), respectively,  
20 and by inserting after subparagraph (D) the fol-  
21 lowing new subparagraph:

22 “(E) which provides a program that is not  
23 less than a 2-year educational program that is  
24 acceptable for full credit toward a bachelor’s de-  
25 gree;”;

1           (5) in section 316(c)(2) (20 U.S.C.  
2 1059c(e)(2))—

3           (A) by redesignating subparagraphs (G)  
4 through (M) (as redesignated by section  
5 301(b)(2) of this Act) as subparagraphs (H)  
6 through (N), respectively;

7           (B) by inserting after subparagraph (F)  
8 the following:

9           “(G) education or counseling services de-  
10 signed to improve the financial literacy and eco-  
11 nomic literacy of students and, as appropriate,  
12 their parents;” and

13           (C) in subparagraph (N), as redesignated  
14 by subparagraph (A), by striking “subpara-  
15 graphs (A) through (K)” and inserting “sub-  
16 paragraphs (A) through (M)”;

17           (6) in section 317(c)(2) (20 U.S.C.  
18 1059d(e)(2))—

19           (A) in subparagraph (G), by striking  
20 “and” after the semicolon;

21           (B) in subparagraph (H), by striking the  
22 period at the end and inserting “; and”; and

23           (C) by adding at the end the following:

24           “(I) education or counseling services de-  
25 signed to improve the financial literacy and eco-

1            nomic literacy of students and, as appropriate,  
2            their parents.”;

3            (7) in section 323(a) (20 U.S.C. 1062(a))—

4            (A) by striking “section 360(a)(2)” and in-  
5            serting “399(a)(2)”;

6            (B) by redesignating paragraphs (7)  
7            through (12) as paragraphs (8) through (13),  
8            respectively; and

9            (C) by inserting after paragraph (6) the  
10           following:

11           “(7) Education or counseling services designed  
12           to improve the financial literacy and economic lit-  
13           eracy of students and, as appropriate, their par-  
14           ents.”;

15           (8) in section 324(d)(2) (20 U.S.C.  
16           1063(d)(2)), by striking “section 360(a)(2)(A)” and  
17           inserting “section 399(a)(2)(A)”;

18           (9) in section 326(e)(1) (20 U.S.C.  
19           1063b(e)(1)), in the matter preceding subparagraph  
20           (A), by inserting a colon after “the following”;

21           (10) in section 327(b) (20 U.S.C. 1063c(b)), by  
22           striking “initial”;

23           (11) in section 342(5)(C) (20 U.S.C.  
24           1066a(5)(C))—

1 (A) by inserting a comma after “equip-  
2 ment” the first place it appears; and

3 (B) by striking “technology,,” and insert-  
4 ing “technology,”;

5 (12) in section 343(e) (20 U.S.C. 1066b(e)), by  
6 inserting after the subsection designation the fol-  
7 lowing: “SALE OF QUALIFIED BONDS.—”;

8 (13) in section 351(a) (20 U.S.C. 1067a(a)), by  
9 striking “of 1979”;

10 (14) in section 391(b)(7)(E) (20 U.S.C.  
11 1068(b)(7)(E)), by striking “subparagraph (E)” and  
12 inserting “subparagraph (D)”;

13 (15) in section 396 (20 U.S.C. 1068e), by strik-  
14 ing “section 360” and inserting “section 399”.

15 (b) REPEAL.—Section 1024 (20 U.S.C. 1135b–3), as  
16 transferred by section 301(a)(5) of the Higher Education  
17 Amendments of 1998 (Public Law 105–244; 112 Stat.  
18 1636), is repealed.

19 **SEC. 305. TITLE III AUTHORIZATIONS.**

20 Section 399(a) (20 U.S.C. 1068h(a)) is amended—

21 (1) by striking “1999” each place it appears  
22 and inserting “2006”;

23 (2) by striking “4 succeeding fiscal years” each  
24 place it appears and inserting “5 succeeding fiscal  
25 years”;

1 (3) in paragraph (1)—

2 (A) by striking “\$10,000,000” in subpara-  
3 graph (B) and inserting “\$23,800,000”; and

4 (B) by striking “\$5,000,000” in subpara-  
5 graph (C) and inserting “\$11,900,000”;

6 (4) in paragraph (2)—

7 (A) by striking “\$135,000,000” in sub-  
8 paragraph (A) and inserting “\$241,000,000”;  
9 and

10 (B) by striking “\$35,000,000” in subpara-  
11 graph (B) and inserting “\$59,000,000”; and

12 (5) in paragraph (4), by striking “\$110,000”  
13 and inserting “\$212,000”.

## 14 **TITLE IV—STUDENT ASSISTANCE**

### 15 **PART A—GRANTS TO STUDENTS**

#### 16 **SEC. 401. PELL GRANTS.**

17 (a) EXTENSION OF AUTHORITY.—Section 401(a) (20  
18 U.S.C. 1070a(a)) is amended by striking “2004” and in-  
19 serting “2012”.

20 (b) DIRECT PAYMENT.—Section 401(a) (20 U.S.C.  
21 1070a(a)) is further amended—

22 (1) by striking paragraph (2); and

23 (2) by redesignating paragraph (3) as para-  
24 graph (2).

1 (c) MAXIMUM GRANT EXTENSION.—Paragraph  
2 (2)(A) of section 401(b) (20 U.S.C. 1070a(b)(2)(A)) is  
3 amended to read as follows:

4 “(2)(A) The amount of the Federal Pell Grant for  
5 a student eligible under this part shall be \$5,800 for aca-  
6 demic years 2006–2007 through 2012–2013, less an  
7 amount equal to the amount determined to be the expected  
8 family contribution with respect to that student for that  
9 year.”.

10 (d) TUITION SENSITIVITY.—Section 401(b) is further  
11 amended—

12 (1) by striking paragraph (3); and

13 (2) by redesignating paragraphs (4) through  
14 (8) as paragraphs (3) through (7), respectively.

15 (e) MULTIPLE GRANTS.—Paragraph (5) of section  
16 401(b) (as redesignated by subsection (d)(2)) is amended  
17 to read as follows:

18 “(5) YEAR-ROUND PELL GRANTS.—

19 “(A) IN GENERAL.—The Secretary shall,  
20 for students enrolled full time in a bacca-  
21 laurate degree program of study at an eligible  
22 institution, award such students two Pell grants  
23 during a single award year to permit such stu-  
24 dents to accelerate progress toward their degree



1 objectives by enrolling in academic programs for  
2 12 months rather than 9 months.

3 “(B) LIMITATION.—The Secretary shall  
4 limit the awarding of additional Pell grants  
5 under this paragraph in a single award year to  
6 students attending baccalaureate degree grant-  
7 ing institutions that have a graduation rate as  
8 reported by the Integrated Postsecondary Edu-  
9 cation Data System for the 4 preceding aca-  
10 demic years of at least 30 percent.

11 “(C) EVALUATION.—The Secretary shall  
12 conduct an evaluation of the program under  
13 this paragraph and submit to the Congress an  
14 evaluation report no later than October 1,  
15 2011.

16 “(D) REGULATIONS REQUIRED.—The Sec-  
17 retary shall promulgate regulations imple-  
18 menting this paragraph.”

19 (f) ELIGIBILITY PERIOD.—Section 401(e)(2) (20  
20 U.S.C. 1070a(e)(2)) is amended by inserting “, for not  
21 more than one academic year,” after “which are deter-  
22 mined by the institution” in the first sentence.

23 (g) PELL GRANTS PLUS: ACHIEVEMENT GRANTS  
24 FOR STATE SCHOLARS PROGRAM.—

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

4   **“SEC. 401A. PELL GRANTS PLUS: ACHIEVEMENT GRANTS**  
5                           **FOR STATE SCHOLARS.**

6           “(a) GRANTS AUTHORIZED.—From sums appro-  
7           priated to carry out section 401, the Secretary shall estab-  
8           lish a program to award Pell Grants Plus to students  
9           who—

10                   “(1) have successfully completed—

11                           “(A) a rigorous high school program of  
12                           study established by a State or local educational  
13                           agency in consultation with a State coalition as-  
14                           sisted by the Center for State Scholars; or

15                           “(B) a high school program of study estab-  
16                           lished by a State or local educational agency  
17                           that is as or more rigorous than a program  
18                           described in subparagraph (A);

19                   “(2) are enrolled full-time in the first academic  
20           year of undergraduate education, and have not been  
21           previously enrolled in a program of undergraduate  
22           education; and

23                   “(3) are eligible to receive Federal Pell Grants  
24           for the year in which the grant is awarded.

25           “(b) AMOUNT OF GRANTS.—

1           “(1) IN GENERAL.—Except as provided in para-  
2           graph (2), the amount of the grant awarded under  
3           this section to any student for any award year shall  
4           be an amount equal to one-half the amount of the  
5           Pell grant awarded to such student for such award  
6           year.

7           “(2) ASSISTANCE NOT TO EXCEED COST OF AT-  
8           TENDANCE.—A grant awarded under this section to  
9           any student, in combination with the Federal Pell  
10          Grant assistance and other student financial assist-  
11          ance available to such student, may not exceed the  
12          student’s cost of attendance.

13          “(c) SELECTION OF RECIPIENTS.—

14                 “(1) PROCEDURES ESTABLISHED BY REGULA-  
15                 TION.—The Secretary shall establish by regulation  
16                 procedures for the determination of eligibility of stu-  
17                 dents for the grants awarded under this section.  
18                 Such procedures shall include measures to ensure  
19                 that eligibility is determined in a timely and accu-  
20                 rate manner consistent with the requirements of sec-  
21                 tion 482 and the submission of the financial aid  
22                 form required by section 483.

23                 “(2) REQUIRED INFORMATION.—Each eligible  
24                 student desiring an award under this section shall

1 submit at such time and in such manner such infor-  
2 mation as the Secretary may reasonably require.

3 “(3) CONTINUATION OF GRANT REQUIRE-  
4 MENTS.—In order for a student to continue to be el-  
5 igible to receive an award under this section for the  
6 second year of undergraduate education, the eligible  
7 student must—

8 “(A) maintain eligibility to receive a Fed-  
9 eral Pell Grant for that year;

10 “(B) obtain a grade point average of at  
11 least 3.0 (or the equivalent as determined under  
12 regulations prescribed by the Secretary) for the  
13 first year of undergraduate education; and

14 “(C) be enrolled full-time and fulfill the re-  
15 quirements for satisfactory progress described  
16 in section 484(c).

17 “(d) EVALUATION AND REPORTS.—The Secretary  
18 shall monitor the progress, retention, and completion rates  
19 of the students to whom awards are provided under this  
20 section. In doing so, the Secretary shall evaluate the im-  
21 pact of the Pell Grants Plus Program and report, not less  
22 than biennially, to the authorizing committees of the  
23 House of Representatives and the Senate.”.

1           (2) CONFORMING AMENDMENT.—Chapter 3 of  
2           subpart 2 of part A of title IV (20 U.S.C. 1070a–  
3           31 through 1070a–35) is repealed.

4 **SEC. 402. TRIO PROGRAMS.**

5           (a) DURATION OF GRANTS.—

6           (1) AMENDMENT.—Section 402A(b)(2) (20  
7           U.S.C. 1070a–11(b)(2)) is amended to read as fol-  
8           lows:

9           “(2) DURATION.—Grants or contracts awarded  
10           under this chapter shall be awarded for a period of  
11           5 years, except that—

12                   “(A) grants under section 402G shall be  
13                   awarded for a period of 2 years; and

14                   “(B) grants under section 402H shall be  
15                   awarded for a period determined by the Sec-  
16                   retary.”.

17           (2) TRANSITION TO SYNCHRONOUS GRANT PE-  
18           RIODS.—Notwithstanding section 402A(b)(2) of the  
19           Higher Education Act of 1965 (as in effect both  
20           prior to and after the amendment made by para-  
21           graph (1) of this subsection), the Secretary of Edu-  
22           cation may continue an award made before the date  
23           of enactment of this Act under section 402B, 402C,  
24           402D, 402E, or 402F of such Act as necessary to  
25           permit all the awards made under such a section to

1 expire at the end of the same fiscal year, and there-  
2 after to expire at the end of 5 years as provided in  
3 the amendment made by paragraph (1) of this sub-  
4 section.

5 (b) MINIMUM GRANTS.—Section 402A(b)(3) (20  
6 U.S.C. 1070a–11(b)(3)) is amended to read as follows:

7 “(3) MINIMUM GRANTS.—Unless the institution  
8 or agency requests a smaller amount, individual  
9 grants for programs authorized under this chapter  
10 shall be no less than \$200,000, except that indi-  
11 vidual grants for programs authorized under section  
12 402G shall be no less than \$170,000.”.

13 (c) PRIOR EXPERIENCE; NOVICE APPLICANTS.—Sec-  
14 tion 402A(c)(2) (20 U.S.C. 1070a–11(c)(2)) is amend-  
15 ed—

16 (1) by striking “In making grants” and insert-  
17 ing “(A) Subject to subparagraph (B), in making  
18 grants”; and

19 (2) by adding at the end the following new sub-  
20 paragraph:

21 “(B) From the amount available under sub-  
22 section (f) for a program under this chapter (other  
23 than a program under section 402G or 402H) for  
24 any fiscal year in which the Secretary conducts a  
25 competition for the award of grants or contracts

1 under such program, the Secretary shall reserve 10  
2 percent of such available amount for purposes of  
3 funding applications from novice applicants. If the  
4 Secretary determines that there are an insufficient  
5 number of qualified novice applicants to utilize the  
6 amount so reserved, the Secretary shall restore the  
7 unutilized remainder of the amount reserved for use  
8 by applicants qualifying under subparagraph (A).”.

9 (d) APPLICATION STATUS.—Section 402A(c) (20  
10 U.S.C. 1070a–11(c)) is amended by striking paragraph  
11 (7).

12 (e) DOCUMENTATION OF STATUS.—Section 402A(e)  
13 (20 U.S.C. 1070a–11(e)) is amended by striking “(g)(2)”  
14 each place it appears in paragraphs (1) and (2) and insert-  
15 ing “(g)(4)”.

16 (f) AUTHORIZATION OF APPROPRIATIONS.—Section  
17 402A(f) (20 U.S.C. 1070a–11(f)) is amended by striking  
18 “\$700,000,000 for fiscal year 1999, and such sums as  
19 may be necessary for each of the 4 succeeding fiscal years”  
20 and inserting “\$836,500,000 for fiscal year 2006 and  
21 such sums as may be necessary for each of the 5 suc-  
22 ceeding fiscal years”.

23 (g) DEFINITION.—Section 402A(g) (20 U.S.C.  
24 1070a–11(g)) is amended—

1 (1) in paragraph (3), by striking “by reason of  
2 such individual’s age”;

3 (2) by redesignating paragraphs (1) through  
4 (4) as paragraphs (3) through (6), respectively; and

5 (3) by inserting before paragraph (3), as rededesignated, the following:

7 “(1) DIFFERENT CAMPUS.—The term ‘different  
8 campus’ means an institutional site that—

9 “(A) is geographically apart from the main  
10 campus of the institution;

11 “(B) is permanent in nature; and

12 “(C) offers courses in educational programs leading to a degree, certificate, or other  
13 recognized educational credential.  
14

15 “(2) DIFFERENT POPULATION.—The term ‘different population’ means a group of individuals, with  
16 respect to whom an entity seeks to serve through an  
17 application for funding under this chapter, that—

19 “(A) is separate and distinct from any  
20 other population that the entity seeks to serve  
21 through an application for funding under this  
22 chapter; or

23 “(B) while sharing some of the same needs  
24 as another population that the entity seeks to  
25 serve through an application for funding under



1           this chapter, has distinct needs for specialized  
2           services.”.

3           (h) EDUCATION AND COUNSELING SERVICES.—  
4 Chapter 1 of subpart 2 of part A of title IV is further  
5 amended—

6           (1) in section 402B(b) (20 U.S.C. 1070a–  
7           12(b))—

8                   (A) by redesignating paragraphs (3)  
9                   through (10) as paragraphs (4) through (11),  
10                   respectively;

11                   (B) by inserting after paragraph (2) the  
12                   following:

13                   “(3) education or counseling services designed  
14                   to improve the financial literacy and economic lit-  
15                   eracy of students and, as appropriate, their par-  
16                   ents;” and

17                   (C) in paragraph (11), as redesignated by  
18                   subparagraph (A), by striking “paragraphs (1)  
19                   through (9)” and inserting “paragraphs (1)  
20                   through (10)”.

21           (2) in section 402C (20 U.S.C. 1070a–13)—

22                   (A) in subsection (b)—

23                           (i) by redesignating paragraphs (2)  
24                           through (12) as paragraphs (3) through  
25                           (13), respectively;

1 (ii) by inserting after paragraph (1)  
2 the following:

3 “(2) education or counseling services designed  
4 to improve the financial literacy and economic lit-  
5 eracy of students and, as appropriate, their par-  
6 ents;”; and

7 (iii) in paragraph (13), as redesign-  
8 nated by clause (i), by striking “para-  
9 graphs (1) through (11)” and inserting  
10 “paragraphs (1) through (12)”; and

11 (B) in subsection (e), by striking “sub-  
12 section (b)(10)” and inserting “subsection  
13 (b)(11)”; and

14 (3) in section 402D(b) (20 U.S.C. 1070a-  
15 14(b))—

16 (A) by redesignating paragraphs (2)  
17 through (10) as paragraphs (3) through (11),  
18 respectively;

19 (B) by inserting after paragraph (1) the  
20 following:

21 “(2) education or counseling services designed  
22 to improve the financial literacy and economic lit-  
23 eracy of students and, as appropriate, their par-  
24 ents;”; and

1 (C) in paragraph (11), as redesignated by  
2 subparagraph (A), by striking “paragraphs (1)  
3 through (9)” and inserting “paragraphs (1)  
4 through (10)”;

5 (4) in section 402E(b) (20 U.S.C. 1070a–  
6 15(b))—

7 (A) by redesignating paragraphs (7) and  
8 (8) as paragraphs (8) and (9), respectively; and

9 (B) by inserting after paragraph (6) the  
10 following:

11 “(7) education or counseling services designed  
12 to improve the financial literacy and economic lit-  
13 eracy of students and, as appropriate, their par-  
14 ents;”;

15 (5) in section 402F(b) (20 U.S.C. 1070a–  
16 16(b))—

17 (A) by redesignating paragraphs (4)  
18 through (10) as paragraphs (5) through (11),  
19 respectively;

20 (B) by inserting after paragraph (3) the  
21 following:

22 “(4) education or counseling services designed  
23 to improve the financial literacy and economic lit-  
24 eracy of students and, as appropriate, their par-  
25 ents;” and

1           (C) in paragraph (11), as redesignated by  
2           subparagraph (A), by striking “paragraphs (1)  
3           through (9)” and inserting “paragraphs (1)  
4           through (10)”.

5           (i) MAXIMUM STIPENDS.—Section 402C(e) (20  
6 U.S.C. 1070a–13(e)) is amended—

7           (1) by striking “\$60” and inserting “\$100”;

8           and

9           (2) by striking “\$40” and inserting “\$60”.

10          (j) STUDENT SUPPORT SERVICES.—Section  
11 402D(d)(6) (20 U.S.C. 1070a–14(d)(6)) is amended—

12          (1) by striking “and” at the end of subpara-  
13 graph (A);

14          (2) by striking the period at the end of sub-  
15 paragraph (B) and inserting “; and”; and

16          (3) by inserting after subparagraph (B) the fol-  
17 lowing new subparagraph:

18                 “(C) working with other entities that serve  
19                 low-income working adults to increase access to  
20                 and successful progress in postsecondary edu-  
21                 cation by low-income working adults seeking  
22                 their first postsecondary degree or certificate.”.

23          (k) POSTBACCALAUREATE ACHIEVEMENT MAXIMUM  
24 STIPENDS.—Section 402E(e)(1) (20 U.S.C. 1070a–

1 15(e)(1)) is amended by striking “\$2,800” and inserting  
2 “\$5,000”.

3 (l) EDUCATIONAL OPPORTUNITY CENTERS: APPLICA-  
4 TION APPROVAL.—Section 402F(c) (20 U.S.C. 1070a-  
5 16(c)) is amended—

6 (1) by striking “and” at the end of paragraph  
7 (2);

8 (2) by striking the period at the end of para-  
9 graph (3) and inserting “; and”; and

10 (3) by inserting after paragraph (3) the fol-  
11 lowing new paragraph:

12 “(4) consider the extent to which the proposed  
13 project would provide services to low-income working  
14 adults in the region to be served, in order to in-  
15 crease access to postsecondary education by low-in-  
16 come working adults.”.

17 **SEC. 403. GEARUP.**

18 (a) DURATION OF AWARDS.—Section 404A(b) (20  
19 U.S.C. 1070a-21(b)) is amended—

20 (1) in paragraph (2)(B), by striking “Higher  
21 Education Amendments of 1998” and inserting  
22 “College Access and Opportunity Act of 2005”; and

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

1           “(3) DURATION.—An award made by the Sec-  
2           retary under this chapter to an eligible entity de-  
3           scribed in paragraph (1) or (2) of subsection (c)  
4           shall be for the period of 6 years.”.

5           (b) CONTINUING ELIGIBILITY.—Section 404A (20  
6 U.S.C. 1070a–21) is amended by adding at the end the  
7 following new subsection:

8           “(d) CONTINUING ELIGIBILITY.—An eligible entity  
9 shall not cease to be an eligible entity upon the expiration  
10 of any grant under this chapter (including a continuation  
11 award).”.

12          (c) CONTINUITY OF SERVICE.—

13           (1) COHORT APPROACH.—Section  
14 404B(g)(1)(B) (20 U.S.C. 1070a–22(g)(1)(B)) is  
15 amended by inserting “and provide the option of  
16 continued services through the student’s first year of  
17 attendance at an eligible institution of higher edu-  
18 cation” after “grade level”.

19           (2) EARLY INTERVENTION.—Section 404D (20  
20 U.S.C. 1070a–24) is amended—

21           (A) in subsection (b)(2)(A), by inserting  
22 “and students in the first year of attendance at  
23 an eligible institution of higher education” after  
24 “grade 12”; and

1 (B) in subsection (c), by inserting “and  
2 may consider students in their first year of at-  
3 tendance at an eligible institution who is eligi-  
4 ble” after “grade 12”.

5 (d) COORDINATION.—Section 404C(a)(2) (20 U.S.C.  
6 1070a–23(a)(2)) is amended—

7 (1) by striking “and” at the end of subpara-  
8 graph (A);

9 (2) by redesignating subparagraph (B) as sub-  
10 paragraph (C); and

11 (3) by inserting after subparagraph (A) the fol-  
12 lowing new subparagraph:

13 “(B) describe activities for coordinating,  
14 complementing, and enhancing services under  
15 this chapter provided by other eligible entities  
16 in the State; and”.

17 (e) EDUCATION AND COUNSELING SERVICES.—Sec-  
18 tion 404D(b)(2)(A)(ii) (20 U.S.C. 1070a–24(b)(2)(A)(ii))  
19 is amended by striking “and academic counseling” and in-  
20 serting “academic counseling, and financial literacy and  
21 economic literacy education or counseling”.

22 (f) REAUTHORIZATION.—Section 404H (20 U.S.C.  
23 1070a–28) is amended by striking “\$200,000,000 for fis-  
24 cal year 1999 and such sums as may be necessary for each  
25 of the 4 succeeding fiscal years” and inserting

1 “\$306,500,000 for fiscal year 2006 and such sums as may  
2 be necessary for each of the 5 succeeding fiscal years”.

3 **SEC. 404. FEDERAL SUPPLEMENTAL EDUCATIONAL OPPOR-**  
4 **TUNITY GRANTS.**

5 (a) AUTHORIZATION OF APPROPRIATIONS.—Section  
6 413A(b)(1) (20 U.S.C. 1070b(b)(1)) is amended by strik-  
7 ing “\$675,000,000 for fiscal year 1999 and such sums  
8 as may be necessary for the 4 succeeding fiscal years” and  
9 inserting “\$779,000,000 for fiscal year 2006 and such  
10 sums as may be necessary for the 5 succeeding fiscal  
11 years”.

12 (b) PHASEOUT OF ALLOCATION BASED ON PREVIOUS  
13 ALLOCATIONS.—

14 (1) AMENDMENT.—Subsection (a) of section  
15 413D (20 U.S.C. 1070b–3(a)) is amended to read as  
16 follows:

17 “(a) ALLOCATION BASED ON PREVIOUS ALLOCA-  
18 TION.—

19 “(1) BASE GUARANTEE.—From the amount ap-  
20 propriated pursuant to section 413A(b) for each fis-  
21 cal year after fiscal year 2007, the Secretary shall,  
22 subject to paragraph (2), first allocate to each eligi-  
23 ble institution an amount equal to the following per-  
24 centage of the amount such institution received  
25 under subsection (a) of this section for fiscal year



1 2007 (as such subsection was in effect with respect  
2 to allocations for such fiscal year):

3 “(A) 80 percent for fiscal years 2008 and  
4 2009;

5 “(B) 60 percent for fiscal years 2010 and  
6 2011;

7 “(C) 40 percent for fiscal years 2012 and  
8 2013;

9 “(D) 20 percent for fiscal years 2014 and  
10 2015; and

11 “(E) 0 percent for fiscal year 2016 and  
12 any succeeding fiscal year.

13 “(2) RATABLE REDUCTIONS FOR INSUFFICIENT  
14 APPROPRIATIONS.—

15 “(A) REDUCTION OF BASE GUARANTEE.—

16 If the amount appropriated for any fiscal year  
17 is less than the amount required to be allocated  
18 to all institutions under this subsection, then  
19 the amount of the allocation to each such insti-  
20 tution shall be ratably reduced.

21 “(B) ADDITIONAL APPROPRIATIONS ALLO-  
22 CATION.—If additional amounts are appro-  
23 priated for any such fiscal year, such reduced  
24 amounts shall be increased on the same basis as  
25 they were reduced (until the amount allocated

1 equals the amount required to be allocated  
2 under this subsection).

3 “(3) ADDITIONAL ALLOCATIONS FOR CERTAIN  
4 INSTITUTIONS.—

5 “(A) ALLOCATIONS PERMITTED.—Notwith-  
6 standing any other provision of this section, the  
7 Secretary may allocate an amount equal to not  
8 more than 10 percent of the amount by which  
9 the amount appropriated in any fiscal year to  
10 carry out this subpart exceeds \$700,000,000  
11 among eligible institutions described in sub-  
12 paragraph (B).

13 “(B) ELIGIBLE INSTITUTIONS.—For pur-  
14 poses of subparagraph (A)—

15 “(i) an eligible institution that is a 4-  
16 year institution may receive an allocation  
17 under subparagraph (A) if more than 50  
18 percent of the students who are degree-  
19 seeking Pell Grant recipients attending  
20 such institution graduate within 4 calendar  
21 years of the first day of enrollment; and

22 “(ii) an eligible institution that is a 2-  
23 year institution may receive an allocation  
24 under subparagraph (A) if more than 50  
25 percent of the students who are degree-

1 seeking Pell Grant recipients attending  
2 such institution graduate within 2 calendar  
3 years of the first day of enrollment.”.

4 (2) EFFECTIVE DATE.—The amendment made  
5 by paragraph (1) shall apply with respect to any  
6 amounts appropriated under section 413A(b) of the  
7 Higher Education Act of 1965 (20 U.S.C. 1070b(b))  
8 for fiscal year 2008 or any succeeding fiscal year.

9 (c) BOOKS AND SUPPLIES.—Section 413D(c)(3)(D)  
10 (20 U.S.C. 1070–3(c)(3)(D)) is amended by striking  
11 “\$450” and inserting “\$600”.

12 **SEC. 405. LEAP.**

13 Section 415A(b)(1) (20 U.S.C. 1070c(b)(1)) is  
14 amended—

15 (1) by striking “1999” and inserting “2006”;

16 and

17 (2) by striking “4 succeeding” and inserting “5  
18 succeeding”.

19 **SEC. 406. HEP/CAMP PROGRAM.**

20 Section 418A (20 U.S.C. 1070d–2) is amended—

21 (1) in subsection (b)(1)(B)(i), by inserting “, or  
22 whose spouse” after “themselves”;

23 (2) in subsection (b)(3)(B), by inserting “, in-  
24 cluding preparation for college entrance exams,”  
25 after “program”;

1           (3) in subsection (b)(8), by inserting “, includ-  
2           ing child care and transportation” after “supportive  
3           services”;

4           (4) by striking “and” at the end of subsection  
5           (b)(7), by striking the period at the end of sub-  
6           section (b)(8) and inserting “; and”, and by adding  
7           at the end of subsection (b) the following new para-  
8           graph:

9           “(9) follow-up activity and reporting require-  
10          ments, except that not more than 2 percent of the  
11          funds provided under this section may be used for  
12          such purposes.”;

13          (5) in subsection (c)(1)(A), by inserting “, or  
14          whose spouse” after “themselves”;

15          (6) in subsection (c)(1)(B), by striking clause  
16          (i) and inserting the following:

17                 “(i) personal, academic, career, and eco-  
18                 nomic education or personal finance counseling  
19                 as an ongoing part of the program;”;

20          (7) in subsection (c)(2)(B), by inserting “(in-  
21          cluding mentoring and guidance of such students)”  
22          after “services”;

23          (8) in subsection (c)(2), by striking “and” at  
24          the end of subparagraph (A), by striking the period  
25          at the end of subparagraph (B) and inserting “;

1 and”, and by adding at the end of subsection (e)(2)  
2 the following new subparagraph:

3 “(C) for students in any program that  
4 does not award a bachelor’s degree, encour-  
5 aging the transfer to, and persistence in, such  
6 a program, and monitoring the rate of such  
7 transfer, persistence, and completion.”;

8 (9) in subsection (e), by striking “section  
9 402A(c)(1)” and inserting “section 402A(c)(2)”;  
10 and

11 (10) in subsection (h)—

12 (A) in paragraph (1), by striking  
13 “\$15,000,000 for fiscal year 1999 and such  
14 sums as may be necessary for each of the 4  
15 succeeding fiscal years” and inserting  
16 “\$24,000,000 for fiscal year 2006 and such  
17 sums as may be necessary for each of the 5  
18 succeeding fiscal years”; and

19 (B) in paragraph (2), by striking  
20 “\$5,000,000 for fiscal year 1999 and such  
21 sums as may be necessary for each of the 4  
22 succeeding fiscal years” and inserting  
23 “\$16,000,000 for fiscal year 2006 and such  
24 sums as may be necessary for each of the 5  
25 succeeding fiscal years”.

1 **SEC. 407. BYRD SCHOLARSHIP.**

2 Section 419K (20 U.S.C. 1070d–41) is amended—

3 (1) by striking “1999” and inserting “2006”;

4 and

5 (2) by striking “4 succeeding” and inserting “5

6 succeeding”.

7 **SEC. 408. CHILD CARE ACCESS.**

8 Section 419N(g) (20 U.S.C. 1070e(g)) is amended—

9 (1) by striking “1999” and inserting “2006”;

10 and

11 (2) by striking “4 succeeding” and inserting “5

12 succeeding”.

13 **SEC. 409. LEARNING ANYTIME ANYWHERE PARTNERSHIPS.**

14 (a) REPEAL.—Subpart 8 of part A of title IV (20  
15 U.S.C. 1070f—1070f–6) is repealed.

16 (b) CONFORMING AMENDMENT.—Section 400(b) (20  
17 U.S.C. 1070(b)) is amended by striking “through 8” and  
18 inserting “through 7”.

19 **SEC. 410. TECHNICAL AMENDMENTS.**

20 Part A of title IV is further amended as follows:

21 (1) Section 419C(b)(1) (20 U.S.C. 1070d–  
22 33(b)(1)) is amended by inserting “and” after the  
23 semicolon at the end thereof.

24 (2) Section 419D(d) (20 U.S.C. 1070d–34(d))  
25 is amended by striking “Public Law 95–1134” and  
26 inserting “Public Law 95–134”.

1     **PART B—FEDERAL FAMILY EDUCATION LOAN**  
2                                     **PROGRAM**

3     **SEC. 421. REAUTHORIZATION OF FEDERAL FAMILY EDU-**  
4                                     **CATION LOAN PROGRAM.**

5             (a) AUTHORIZATION OF APPROPRIATIONS.—Section  
6 421(b)(5) (20 U.S.C. 1071(b)(5)) is amended by striking  
7 “administrative cost allowance” and inserting “loan proc-  
8 essing and issuance fee”.

9             (b) EXTENSION OF AUTHORITY.—

10                 (1) FEDERAL INSURANCE LIMITATIONS.—Sec-  
11 tion 424(a) (20 U.S.C. 1074(a)) is amended—

12                         (A) by striking “2004” and inserting  
13 “2012”; and

14                         (B) by striking “2008” and inserting  
15 “2016”.

16                 (2) GUARANTEED LOANS.—Section 428(a)(5)  
17 (20 U.S.C. 1078(a)(5)) is amended—

18                         (A) by striking “2004” and inserting  
19 “2012”; and

20                         (B) by striking “2008” and inserting  
21 “2016”.

22                 (3) CONSOLIDATION LOANS.—Section 428C(e)  
23 (20 U.S.C. 1078–3(e)) is amended by striking  
24 “2004” and inserting “2012”.

1 **SEC. 422. LOAN LIMITS.**

2 (a) FEDERAL INSURANCE LIMITS.—Section  
3 425(a)(1)(A) (20 U.S.C. 1075(a)(1)(A)) is amended—

4 (1) in clause (i)(I), by striking “\$2,625” and  
5 inserting “\$3,500”; and

6 (2) in clause (ii)(I), by striking “\$3,500” and  
7 inserting “\$4,500”.

8 (b) GUARANTEE LIMITS.—Section 428(b)(1)(A) (20  
9 U.S.C. 1078(b)(1)(A)) is amended—

10 (1) in clause (i)(I), by striking “\$2,625” and  
11 inserting “\$3,500”; and

12 (2) in clause (ii)(I), by striking “\$3,500” and  
13 inserting “\$4,500”.

14 (c) COUNTING OF CONSOLIDATION LOANS AGAINST  
15 LIMITS.—Section 428C(a)(3)(B) (20 U.S.C. 1078–  
16 3(a)(3)(B)) is amended by adding at the end the following  
17 new clause:

18 “(ii) Loans made under this section shall, to  
19 the extent used to discharge loans made under this  
20 title, be counted against the applicable limitations on  
21 aggregate indebtedness contained in sections  
22 425(a)(2), 428(b)(1)(B), 428H(d), 455, and  
23 464(a)(2)(B).”.

24 (d) EFFECTIVE DATE.—The amendments made by  
25 this section shall apply with respect to any loan made, in-  
26 sured, or guaranteed under part B or part D of title IV



1 of the Higher Education Act of 1965 for which the first  
2 disbursement of principal is made on or after July 1,  
3 2007.

4 **SEC. 423. INTEREST RATES AND SPECIAL ALLOWANCES.**

5 (a) FFEL INTEREST RATE.—Section 427A (20  
6 U.S.C. 1077a(k)) is amended—

7 (1) in subsection (k)—

8 (A) by striking “, AND BEFORE JULY 1,  
9 2006” in the heading of such subsection; and

10 (B) by striking “, and before July 1,  
11 2006,” each place it appears other than para-  
12 graph (4);

13 (2) by striking subsection (l); and

14 (3) by redesignating subsections (m) and (n) as  
15 subsections (l) and (m), respectively.

16 (b) DIRECT LOAN INTEREST RATES.—Section  
17 455(b) (20 U.S.C. 1087e(b)) is amended—

18 (1) in paragraph (6)—

19 (A) by striking “, AND BEFORE JULY 1,  
20 2006” in the heading of such paragraph; and

21 (B) by striking “, and before July 1,  
22 2006,” each place it appears other than sub-  
23 paragraph (D);

24 (2) by striking paragraph (7); and

1           (3) by redesignating paragraphs (8) and (9) as  
2 paragraphs (7) and (8), respectively.

3           (c) CONSOLIDATION LOANS.—

4           (1) FFEL CONSOLIDATION LOANS.—Section  
5 427A(k) (20 U.S.C. 1077a(k)) is further amended—

6           (A) by redesignating paragraph (5) as  
7 paragraph (6); and

8           (B) by inserting after paragraph (4) the  
9 following new paragraph:

10           “(5) VARIABLE RATE FOR CONSOLIDATION  
11 LOANS.—With respect to any consolidation loan  
12 under section 428C for which the application is re-  
13 ceived by an eligible lender on or after July 1, 2006,  
14 the applicable rate of interest shall, during any 12-  
15 month period beginning on July 1 and ending on  
16 June 30, be determined on the preceding June 1  
17 and be equal to—

18           “(A) the bond equivalent rate of 91-day  
19 Treasury bills auctioned at the final auction  
20 held prior to such June 1; plus

21           “(B) 2.3 percent,  
22 except that such rate shall not exceed 8.25 percent,  
23 and the rate determined under paragraph (3) shall  
24 apply in lieu of the rate determined under this para-  
25 graph in the case of any such consolidation loan that

1 is used to repay loans each of which was made under  
2 section 428B or was a Federal Direct PLUS Loan  
3 (or both).”.

4 (2) DIRECT CONSOLIDATION LOANS.—Section  
5 455(b)(6) (20 U.S.C. 1087e(b)(6)) is further  
6 amended—

7 (A) by redesignating subparagraph (E) as  
8 subparagraph (F); and

9 (B) by inserting after subparagraph (D)  
10 the following new subparagraph:

11 “(E) VARIABLE RATE FOR CONSOLIDATION  
12 LOANS.—With respect to any Federal Direct  
13 Consolidation loan for which the application is  
14 received on or after July 1, 2006, the applicable  
15 rate of interest shall, during any 12-month pe-  
16 riod beginning on July 1 and ending on June  
17 30, be determined on the preceding June 1 and  
18 be equal to—

19 “(i) the bond equivalent rate of 91-  
20 day Treasury bills auctioned at the final  
21 auction held prior to such June 1; plus

22 “(ii) 2.3 percent,  
23 except that such rate shall not exceed 8.25 per-  
24 cent, and the rate determined under subpara-  
25 graph (C) shall apply in lieu of the rate deter-

1           mined under this subparagraph in the case of  
2           any such consolidation loan that is used to  
3           repay loans each of which was made under sec-  
4           tion 428B or was a Federal Direct PLUS Loan  
5           (or both).”.

6           (d) CONSOLIDATION LOAN CONFORMING AMEND-  
7           MENT.—Section 428C(c)(1)(A)(ii) (20 U.S.C. 1078-  
8           3(c)(1)(A)(ii)) is amended by striking “section  
9           427A(l)(3)” and inserting “section 427A(k)(5)”.

10          (e) CONFORMING AMENDMENTS FOR SPECIAL AL-  
11          LOWANCES.—

12           (1) AMENDMENT.—Subparagraph (I) of section  
13           438(b)(2) (20 U.S.C. 1087-1(b)(2)) is amended—

14           (A) by striking clause (ii) and inserting the  
15           following:

16                   “(ii) IN SCHOOL AND GRACE PE-  
17                   RIOD.—In the case of any loan for which  
18                   the first disbursement is made on or after  
19                   January 1, 2000, and for which the appli-  
20                   cable interest rate is described in section  
21                   427A(k)(2), clause (i)(III) of this subpara-  
22                   graph shall be applied by substituting  
23                   ‘1.74 percent’ for ‘2.34 percent’.”;

24           (B) in clause (iii)—

25                   (i) by striking “or (l)(2)”; and

1 (ii) by striking “, subject to clause (v)  
2 of this subparagraph”;

3 (C) in clause (iv)—

4 (i) by striking “or (l)(3)” and insert-  
5 ing “or (k)(5)”; and

6 (ii) by striking “, subject to clause  
7 (vi) of this subparagraph”; and

8 (D) by striking clauses (v), (vi), and (vii)  
9 and inserting the following:

10 “(v) RECAPTURE OF EXCESS INTER-  
11 EST.—

12 “(I) EXCESS CREDITED.—With  
13 respect to a loan on which the applica-  
14 ble interest rate is determined under  
15 section 427A(k) and for which the  
16 first disbursement of principal is  
17 made on or after July 1, 2006, if the  
18 applicable interest rate for any 3-  
19 month period exceeds the special al-  
20 lowance rate applicable to such loan  
21 under this subparagraph for such pe-  
22 riod, then an adjustment shall be  
23 made by calculating the excess inter-  
24 est in the amount computed under  
25 subclause (II) of this clause, and by

1           crediting the excess interest to the  
2           Government not less often than annu-  
3           ally.

4                   “(II) CALCULATION OF EX-  
5           CESS.—The amount of any adjust-  
6           ment of interest on a loan to be made  
7           under this subsection for any quarter  
8           shall be equal to—

9                           “(aa) the applicable interest  
10                          rate minus the special allowance  
11                          rate determined under this sub-  
12                          paragraph; multiplied by

13                                   “(bb) the average daily prin-  
14                                  cipal balance of the loan (not in-  
15                                  cluding unearned interest added  
16                                  to principal) during such cal-  
17                                  endar quarter; divided by

18   “(cc) four.”.

19                   (2) EFFECTIVE DATE.—The amendments made  
20           by this subsection shall not apply with respect to  
21           any special allowance payment made under section  
22           438 of the Higher Education Act of 1965 (20 U.S.C  
23           1087–1) before July 1, 2006.

1 **SEC. 424. ADDITIONAL LOAN TERMS AND CONDITIONS.**

2 (a) **DISBURSEMENT.**—Section 428(b)(1)(N) (20  
3 U.S.C. 1078(b)(1)(N)(ii)) is amended—

4 (1) by striking “or” at the end of clause (i);

5 and

6 (2) by striking clause (ii) and inserting the fol-  
7 lowing:

8 “(ii) in the case of a student who is  
9 studying outside the United States in a  
10 program of study abroad that is approved  
11 for credit by the home institution at which  
12 such student is enrolled, are, at the re-  
13 quest of the student, disbursed directly to  
14 the student by the means described in  
15 clause (i), unless such student requests  
16 that the check be endorsed, or the funds  
17 transfer authorized, pursuant to an au-  
18 thorized power-of-attorney; or

19 “(iii) in the case of a student who is  
20 studying outside the United States in a  
21 program of study at an eligible foreign in-  
22 stitution, are, at the request of the foreign  
23 institution, disbursed directly to the stu-  
24 dent by the means described in clause  
25 (i).”.

26 (b) **REPAYMENT PLANS.**—

1 (1) FFEL LOANS.—Section 428(b)(9)(A) (20  
2 U.S.C. 1078(b)(9)(A)) is amended—

3 (A) by inserting before the semicolon at  
4 the end of clause (ii) the following: “, and the  
5 Secretary may not restrict the proportions or  
6 ratios by which such payments may be grad-  
7 uated with the informed agreement of the bor-  
8 rower”;

9 (B) by striking “and” at the end of clause  
10 (iii);

11 (C) by redesignating clause (iv) as clause  
12 (v); and

13 (D) by inserting after clause (iii) the fol-  
14 lowing new clause:

15 “(iv) a delayed repayment plan under  
16 which the borrower makes scheduled pay-  
17 ments for not more than 2 years that are  
18 annually not less than the amount of inter-  
19 est due or \$600, whichever is greater, and  
20 then makes payments in accordance with  
21 clause (i), (ii), or (iii); and”.

22 (2) DIRECT LOANS.—Section 455(d)(1) (20  
23 U.S.C. 1087e(d)(1)) is amended—

24 (A) by redesignating subparagraph (D) as  
25 subparagraph (E); and



1 (B) by striking subparagraphs (A), (B),  
2 and (C) and inserting the following:

3 “(A) a standard repayment plan, con-  
4 sistent with subsection (a)(1) of this section  
5 and with section 428(b)(9)(A)(i);

6 “(B) a graduated repayment plan, con-  
7 sistent with section 428(b)(9)(A)(ii);

8 “(C) an extended repayment plan, con-  
9 sistent with section 428(b)(9)(A)(iv), except  
10 that the borrower shall annually repay a min-  
11 imum amount determined by the Secretary in  
12 accordance with section 428(b)(1)(L);

13 “(D) a delayed repayment plan under  
14 which the borrower makes scheduled payments  
15 for not more than 2 years that are annually not  
16 less than the amount of interest due or \$600,  
17 whichever is greater, and then makes payments  
18 in accordance with subparagraph (A), (B), or  
19 (C); and”.

20 (c) ORIGINATION FEES.—

21 (1) AMENDMENTS.—Paragraph (2) of section  
22 438(c) (20 U.S.C. 1087–1(c)) is amended—

23 (A) by striking the designating and head-  
24 ing of such paragraph and inserting the fol-  
25 lowing:

1 “(2) AMOUNT OF ORIGINATION FEES.—

2 “(A) IN GENERAL.—”; and

3 (B) by adding at the end the following new  
4 subparagraphs:

5 “(B) SUBSEQUENT REDUCTIONS.—Sub-  
6 paragraph (A) shall be applied to loans made  
7 under this part other than loans made under  
8 sections 428C and 439(o)—

9 “(i) by substituting ‘2.0 percent’ for  
10 ‘3.0 percent’ with respect to loans for  
11 which the first disbursement of principal is  
12 made on or after July 1, 2006, and before  
13 July 1, 2008;

14 “(ii) by substituting ‘1.5 percent’ for  
15 ‘3.0 percent’ with respect to loans for  
16 which the first disbursement of principal is  
17 made on or after July 1, 2008, and before  
18 July 1, 2010; and

19 “(iii) by substituting ‘1.0 percent’ for  
20 ‘3.0 percent’ with respect to loans for  
21 which the first disbursement of principal is  
22 made on or after July 1, 2010.”.

23 (2) CONFORMING AMENDMENT TO DIRECT  
24 LOAN PROGRAM.—Subsection (c) of section 455 (20  
25 U.S.C. 1087e(c)) is amended to read as follows:

1 “(c) LOAN FEE.—

2 “(1) IN GENERAL.—The Secretary shall charge  
3 the borrower of a loan made under this part an  
4 origination fee of 4.0 percent of the principal  
5 amount of loan.

6 “(2) SUBSEQUENT REDUCTIONS.—Paragraph  
7 (1) shall be applied to loans made under this part  
8 other than consolidation loans and PLUS loans—

9 “(A) by substituting ‘2.0 percent’ for ‘4.0  
10 percent’ with respect to loans for which the first  
11 disbursement of principal is made on or after  
12 July 1, 2006, and before July 1, 2008;

13 “(B) by substituting ‘1.5 percent’ for ‘4.0  
14 percent’ with respect to loans for which the first  
15 disbursement of principal is made on or after  
16 July 1, 2008, and before July 1, 2010; and

17 “(C) by substituting ‘1.0 percent’ for ‘4.0  
18 percent’ with respect to loans for which the first  
19 disbursement of principal is made on or after  
20 July 1, 2010.”.

21 **SEC. 425. CONSOLIDATION LOAN CHANGES.**

22 (a) AMENDMENTS.—Section 428C (20 U.S.C. 1078–  
23 3) is amended—

24 (1) in subsection (a)(3), by striking subpara-  
25 graph (C); and

1 (2) in subsection (b)(1)—

2 (A) by striking everything after “under  
3 this section” the first place it appears in sub-  
4 paragraph (A) and inserting the following: “and  
5 that, if all the borrower’s loans under this part  
6 are held by a single holder, the borrower has  
7 notified such holder that the borrower is seek-  
8 ing to obtain a consolidation loan under this  
9 section;”;

10 (B) by striking “(i) which” and all that  
11 follows through “and (ii)” in subparagraph (C);

12 (C) by striking “and” at the end of sub-  
13 paragraph (E);

14 (D) by redesignating subparagraph (F) as  
15 subparagraph (G); and

16 (E) by inserting after subparagraph (E)  
17 the following new subparagraph:

18 “(F) that the lender of the consolidation  
19 loan shall, upon application for such loan, pro-  
20 vide the borrower with a clear and conspicuous  
21 notice of at least the following information:

22 “(i) the effects of consolidation on  
23 total interest to be paid, fees to be paid,  
24 and length of repayment;

1           “(ii) the effects of consolidation on a  
2           borrower’s underlying loan benefits, includ-  
3           ing loan forgiveness, cancellation, and  
4           deferment;

5           “(iii) the ability for the borrower to  
6           prepay the loan, pay on a shorter schedule,  
7           and to change repayment plans, and that  
8           borrower benefit programs may vary  
9           among different loan holders;

10           “(iv) the tax benefits for which bor-  
11           rowers may be eligible;

12           “(v) the consequences of default; and

13           “(vi) that by making the application  
14           the applicant is not obligated to agree to  
15           take the consolidation loan; and”.

16           (b) EFFECTIVE DATE FOR SINGLE HOLDER AMEND-  
17           MENT.—The amendment made by subsection (a)(2)(A)  
18           shall apply with respect to any loan made under section  
19           428C of the Higher Education Act of 1965 (20 U.S.C.  
20           1078–3) for which the application is received by an eligible  
21           lender on or after July 1, 2006.

22           (c) CONFORMING AMENDMENTS TO DIRECT LOAN  
23           PROGRAM.—

24           (1) PARALLEL TERMS, CONDITIONS, BENEFITS,  
25           AND AMOUNTS.—Section 455(a)(1) (20 U.S.C.

1 1087e(a)(1)) is amended by inserting “428C,” after  
2 “428B,”.

3 (2) DISCLOSURE.—Section 455(g) (20 U.S.C.  
4 1087e(g)) is amended by adding at the end the fol-  
5 lowing new sentence: “The Secretary, upon applica-  
6 tion for such a loan, shall comply with the require-  
7 ments applicable to a lender under 428C(b)(1)(F).”

8 **SEC. 426. UNSUBSIDIZED STAFFORD LOANS.**

9 (a) AMENDMENT.—Section 428H(d)(2)(C) (20  
10 U.S.C. 1078–8(d)(2)(C)) is amended by striking  
11 “\$10,000” and inserting “\$12,000”.

12 (b) EFFECTIVE DATE.—The amendment made by  
13 subsection (a) shall apply to loans for which the first dis-  
14 bursement of principal is made on or after July 1, 2007.

15 **SEC. 427. ELIMINATION OF TERMINATION DATES FROM**  
16 **TAXPAYER-TEACHER PROTECTION ACT OF**  
17 **2004.**

18 (a) EXTENSION OF LIMITATIONS ON SPECIAL AL-  
19 LOWANCE FOR LOANS FROM THE PROCEEDS OF TAX EX-  
20 EMPT ISSUES.—Section 438(b)(2)(B) (20 U.S.C. 1087–  
21 1(b)(2)(B)) is amended—

22 (1) in clause (iv), by striking “and before Janu-  
23 ary 1, 2006,”; and

24 (2) in clause (v)(II)—

1 (A) by striking “and before January 1,  
2 2006,” each place it appears in divisions (aa)  
3 and (bb); and

4 (B) by striking “, and before January 1,  
5 2006” in division (cc).

6 (b) ELIMINATION OF EFFECTIVE DATE LIMITATION  
7 ON HIGHER TEACHER LOAN FORGIVENESS BENEFITS.—  
8 Section 3(b) of the Taxpayer-Teacher Protection Act of  
9 2004 is amended by striking paragraph (3).

10 **SEC. 428. ADDITIONAL ADMINISTRATIVE PROVISIONS.**

11 (a) TREATMENT OF EXEMPT CLAIMS.—

12 (1) INSURANCE COVERAGE.—Section  
13 428(b)(1)(G) (20 U.S.C. 1078(b)(1)(G)) is amended  
14 by inserting before the semicolon at the end the fol-  
15 lowing: “and 100 percent of the unpaid principal  
16 amount of exempt claims as defined in subsection  
17 (c)(1)(G)”.

18 (2) TREATMENT.—Section 428(c)(1) (20  
19 U.S.C. 1078(c)(1)) is amended—

20 (A) by redesignating subparagraph (G) as  
21 subparagraph (H), and moving such subpara-  
22 graph 2 em spaces to the left; and

23 (B) by inserting after subparagraph (F)  
24 the following new subparagraph:

1           “(G)(i) Notwithstanding any other provisions of  
2 this section, in the case of exempt claims, the Sec-  
3 retary shall apply the provisions of—

4           “(I) the fourth sentence of subparagraph  
5 (A) by substituting ‘100 percent’ for ‘95 per-  
6 cent’;

7           “(II) subparagraph (B)(i) by substituting  
8 ‘100 percent’ for ‘85 percent’; and

9           “(III) subparagraph (B)(ii) by substituting  
10 ‘100 percent’ for ‘75 percent’.

11           “(ii) For purposes of clause (i) of this subpara-  
12 graph, the term ‘exempt claims’ means claims with  
13 respect to loans for which it is determined that the  
14 borrower (or the student on whose behalf a parent  
15 has borrowed), without the lender’s or the institu-  
16 tion’s knowledge at the time the loan was made, pro-  
17 vided false or erroneous information or took actions  
18 that caused the borrower or the student to be ineli-  
19 gible for all or a portion of the loan or for interest  
20 benefits thereon.”.

21           (b) DOCUMENTATION OF FORBEARANCE AGREE-  
22 MENTS.—Section 428(c) (20 U.S.C. 1078(c)) is further  
23 amended—

24           (1) in paragraph (3)(A)(i), by striking “in writ-  
25 ing”; and



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

3           “(10) DOCUMENTATION OF FORBEARANCE  
4 AGREEMENTS.—For the purposes of paragraph (3),  
5 the terms of forbearance agreed to by the parties  
6 shall be documented by confirming the agreement of  
7 the borrower by notice to the borrower from the  
8 lender, and by recording the terms in the borrower’s  
9 file.”.

10          (c) VOLUNTARY FLEXIBLE AGREEMENTS.—Section  
11 428A (20 U.S.C. 1078–1) is amended—

12           (1) in subsection (a)(1)(B), by striking “unless  
13 the Secretary” and all that follows through “des-  
14 ignated guarantor”;

15           (2) by striking paragraph (2) of subsection (a);

16           (3) in paragraph (4)(B) of such subsection, by  
17 striking “and any waivers provided to other guar-  
18 anty agencies under paragraph (2)”;

19           (4) by redesignating paragraphs (3) and (4) of  
20 subsection (a) as paragraphs (2) and (3), respec-  
21 tively; and

22           (5) by striking paragraph (3) of subsection (c)  
23 and inserting the following:

24           “(3) NOTICE TO INTERESTED PARTIES.—Once  
25 the Secretary reaches a tentative agreement in prin-

1        ciple under this section, the Secretary shall publish  
2        in the Federal Register a notice that invites inter-  
3        ested parties to comment on the proposed agree-  
4        ment. The notice shall state how to obtain a copy of  
5        the tentative agreement in principle and shall give  
6        interested parties no less than 30 days to provide  
7        comments. The Secretary may consider such com-  
8        ments prior to providing the notices pursuant to  
9        paragraph (2).”.

10       (d) **DEFAULT REDUCTION PROGRAM.**—Section  
11 428F(a)(1) (20 U.S.C. 1078–6(a)(1)) is amended—

12            (1) in subparagraph (A), by striking “consecu-  
13            tive payments for 12 months” and inserting “9 pay-  
14            ments made within 20 days of the due date during  
15            10 consecutive months”; and

16            (2) by redesignating subparagraph (C) as sub-  
17            paragraph (D); and

18            (3) by inserting after subparagraph (B) the fol-  
19            lowing new subparagraph:

20                    “(C)(i) A guaranty agency may charge and  
21                    retain collection costs in an amount not to ex-  
22                    ceed 18.5 percent of the outstanding principal  
23                    and interest at the time of sale of a loan reha-  
24                    bilitated under subparagraph (A).

1           “(ii) Notwithstanding clause (i), on and  
2           after July 1, 2006, a guaranty agency that re-  
3           habilitates a defaulted loan by making a con-  
4           solidation loan to a borrower under section  
5           428C(a)(3)(A)(ii)(III) may not charge and re-  
6           tain collection costs in an amount in excess of  
7           10 percent of the outstanding principal and in-  
8           terest of the defaulted loans being consolidated.

9           “(iii) For any year beginning on or after  
10          July 1, 2009, the total principal and interest of  
11          loans that a guaranty agency rehabilitates by  
12          making consolidation loans to borrowers under  
13          such section shall not exceed 45 percent of the  
14          total loans rehabilitated under subparagraph  
15          (A).”.

16          (e) FINANCIAL AND ECONOMIC LITERACY.—

17                 (1) DEFAULT REDUCTION PROGRAM.—Section  
18                 428F is further amended by adding at the end the  
19                 following:

20                 “(c) FINANCIAL AND ECONOMIC LITERACY.—Where  
21                 appropriate, each program described under subsection (b)  
22                 shall include making available financial and economic edu-  
23                 cation materials for the borrower.”.

24                 (2) PROGRAM ASSISTANCE FOR BORROWERS.—

25                 Section 432(k)(1) (20 U.S.C. 1082(k)(1)) is amend-

1 ed by striking “and offering” and all that follows  
2 through the period and inserting “, offering loan re-  
3 payment matching provisions as part of employee  
4 benefit packages, and providing employees with fi-  
5 nancial and economic education and counseling.”.

6 (f) CREDIT BUREAU ORGANIZATION AGREE-  
7 MENTS.—Section 430A(a) (20 U.S.C. 1080a(a)) is  
8 amended by striking “agreements with credit bureau orga-  
9 nizations” and inserting “an agreement with each national  
10 credit bureau organization (as described in section 603(p)  
11 of the Fair Credit Reporting Act)”.

12 (g) UNIFORM ADMINISTRATIVE AND CLAIMS PROCE-  
13 DURE.—Section 432(l)(1)(H) (20 U.S.C. 1082(l)(1)(H))  
14 is amended by inserting “and anticipated graduation  
15 date” after “status change”.

16 (h) DEFAULT REDUCTION MANAGEMENT.—Section  
17 432 is further amended—

18 (1) by striking subsection (n); and

19 (2) by redesignating subsections (o) and (p) as  
20 subsections (n) and (o), respectively.

21 (i) SCHOOL AS LENDER.—Section 435(d)(2) (20  
22 U.S.C. 1085(d)(2)) is amended by striking subparagraphs  
23 (C) through (F) and the material following subparagraph  
24 (F) and inserting the following:

1           “(C) shall not make a loan, other than a  
2           loan made under section 428 or 428H to a  
3           graduate or professional student, unless the  
4           borrower has previously received a loan from  
5           the school, and shall not make a loan to a bor-  
6           rower who is not enrolled at that institution;

7           “(D) shall not have a cohort default rate  
8           (as defined in section 435(m)) greater than 15  
9           percent; and

10           “(E) shall use the proceeds from special al-  
11           lowance payments and interest payments from  
12           borrowers, and any proceeds from the sale or  
13           other disposition of loans, for need-based grant  
14           programs, except for reasonable reimbursement  
15           for direct administrative expenses.”.

16           (j) DISABILITY DETERMINATIONS.—Section 437(a)  
17           (20 U.S.C. 1087(a)) is amended by adding at the end the  
18           following new sentence: “In making such determination of  
19           permanent and total disability, the Secretary shall provide  
20           that a borrower who has been certified as permanently and  
21           totally disabled by the Department of Veterans Affairs or  
22           the Social Security Administration shall not be required  
23           to present further documentation for purposes of this  
24           title.”.

1 (k) TREATMENT OF FALSELY CERTIFIED BOR-  
2 ROWERS.—Section 437(c)(1) (20 U.S.C. 1087(c)(1)) is  
3 amended by inserting “or parent’s eligibility” after “such  
4 student’s eligibility”.

5 (l) PERFECTION OF SECURITY INTERESTS.—Section  
6 439(d) (20 U.S.C. 1087–2(d)) is amended—

7 (1) by striking paragraph (3); and

8 (2) by redesignating paragraphs (4) and (5) as  
9 paragraphs (3) and (4), respectively.

10 (m) ADDITIONAL TECHNICAL AMENDMENTS.—

11 (1) Section 428(a)(2)(A) (20 U.S.C.  
12 1078(a)(2)(A)) is amended—

13 (A) by striking “and” at the end of sub-  
14 clause (II) of clause (i); and

15 (B) by moving the margin of clause (iii)  
16 two ems to the left.

17 (2) Section 428H(e) (20 U.S.C. 1078–8(e)) is  
18 amended—

19 (A) by striking paragraph (6); and

20 (B) by redesignating paragraph (7) as  
21 paragraph (6).

22 (3) Section 428I(g) (20 U.S.C. 1078–9(g)) is  
23 amended by striking “Code,” and inserting “Code”.

24 (4) Section 432(m)(1)(B) (20 U.S.C.  
25 1082(m)(1)(B)) is amended—

1 (A) in clause (i), by inserting “and” after  
2 the semicolon at the end; and

3 (B) in clause (ii), by striking “; and” and  
4 inserting a period.

5 **PART C—FEDERAL WORK-STUDY PROGRAMS**

6 **SEC. 441. AUTHORIZATION OF APPROPRIATIONS.**

7 Section 441(b) (42 U.S.C. 2751(b)) is amended—

8 (1) by striking “1999” and inserting “2006”;  
9 and

10 (2) by striking “4 succeeding” and inserting “5  
11 succeeding”.

12 **SEC. 442. COMMUNITY SERVICE.**

13 Section 441(c)(1) (42 U.S.C. 2751(c)(1)) is amended  
14 by striking “that are open and accessible to the commu-  
15 nity”.

16 **SEC. 443. ALLOCATION OF FUNDS.**

17 (a) PHASEOUT OF ALLOCATION BASED ON PREVIOUS  
18 ALLOCATIONS.—Subsection (a) of section 442(a) (42  
19 U.S.C. 2752(a)) is amended to read as follows:

20 “(a) ALLOCATION BASED ON PREVIOUS ALLOCA-  
21 TION.—

22 “(1) BASE GUARANTEE.—From the amount ap-  
23 propriated pursuant to section 441(b) for each fiscal  
24 year after fiscal year 2007, the Secretary shall, sub-  
25 ject to paragraph (2), first allocate to each eligible

1 institution an amount equal to the following percent-  
2 age of the amount such institution received under  
3 subsection (a) of this section for fiscal year 2007 (as  
4 such subsection was in effect with respect to alloca-  
5 tions for such fiscal year):

6 “(A) 80 percent for fiscal years 2008 and  
7 2009;

8 “(B) 60 percent for fiscal years 2010 and  
9 2011;

10 “(C) 40 percent for fiscal years 2012 and  
11 2013;

12 “(D) 20 percent for fiscal years 2014 and  
13 2015; and

14 “(E) 0 percent for fiscal year 2016 and  
15 any succeeding fiscal year.

16 “(2) RATABLE REDUCTIONS FOR INSUFFICIENT  
17 APPROPRIATIONS.—

18 “(A) REDUCTION OF BASE GUARANTEE.—

19 If the amount appropriated for any fiscal year  
20 is less than the amount required to be allocated  
21 to all institutions under this subsection, then  
22 the amount of the allocation to each such insti-  
23 tution shall be ratably reduced.

24 “(B) ADDITIONAL APPROPRIATIONS ALLO-  
25 CATION.—If additional amounts are appro-



1           appropriated for any such fiscal year, such reduced  
2           amounts shall be increased on the same basis as  
3           they were reduced (until the amount allocated  
4           equals the amount required to be allocated  
5           under this subsection).

6           “(3) ADDITIONAL ALLOCATIONS FOR CERTAIN  
7           INSTITUTIONS.—

8                   “(A) ALLOCATIONS PERMITTED.—Notwith-  
9           standing any other provision of this section, the  
10          Secretary may allocate an amount equal to not  
11          more than 10 percent of the amount by which  
12          the amount appropriated in any fiscal year to  
13          carry out this part exceeds \$700,000,000  
14          among eligible institutions described in sub-  
15          paragraph (B).

16                   “(B) ELIGIBLE INSTITUTIONS.—For pur-  
17          poses of subparagraph (A)—

18                           “(i) an eligible institution that is a 4-  
19                           year institution may receive an allocation  
20                           under subparagraph (A) if more than 50  
21                           percent of the students who are degree-  
22                           seeking Pell Grant recipients attending  
23                           such institution graduate within 4 calendar  
24                           years of the first day of enrollment; and

1           “(ii) an eligible institution that is a 2-  
2           year institution may receive an allocation  
3           under subparagraph (A) if more than 50  
4           percent of the students who are degree-  
5           seeking Pell Grant recipients attending  
6           such institution graduate within 2 calendar  
7           years of the first day of enrollment.”.

8           (b) **EFFECTIVE DATE.**—The amendment made by  
9           subsection (a) shall apply with respect to any amounts ap-  
10          propriated under section 441(b) of the Higher Education  
11          Act of 1965 (42 U.S.C. 2751(b)) for fiscal year 2007 or  
12          any succeeding fiscal year.

13          **SEC. 444. BOOKS AND SUPPLIES.**

14          Section 442(c)(4)(D) (42 U.S.C. 2752(c)(4)(D)) is  
15          amended by striking “\$450” and inserting “\$600”.

16          **SEC. 445. JOB LOCATION AND DEVELOPMENT.**

17          Section 446(a)(1) (42 U.S.C. 2756(a)(1)) is amend-  
18          ed—

19                 (1) by striking “10 percent or \$50,000” and in-  
20                 serting “15 percent or \$75,000”; and

21                 (2) by inserting before the period at the end the  
22                 following: “, except that not less than one-third of  
23                 such amount shall be specifically allocated to locate  
24                 and develop community service jobs”.

1 **SEC. 446. WORK COLLEGES.**

2 Section 448 (42 U.S.C. 2756b) is amended—

3 (1) by striking “work-learning” each place it  
4 appears and inserting “work-learning-service”;

5 (2) by striking “work-service” each place it ap-  
6 pears and inserting “work-learning-service”;

7 (3) by amending subparagraph (C) of sub-  
8 section (e)(1) to read as follows:

9 “(C) requires all resident students, includ-  
10 ing at least one-half of all students who are en-  
11 rolled on a full-time basis, to participate in a  
12 comprehensive work-learning-service program  
13 for at least 5 hours each week, or at least 80  
14 hours during each period of enrollment, unless  
15 the student is engaged in an institutionally or-  
16 ganized or approved study abroad or externship  
17 program; and”;

18 (4) by amending paragraph (2) of subsection  
19 (e) to read as follows:

20 “(2) the term ‘comprehensive student work-  
21 learning-service program’—

22 “(A) means a student work-learning-serv-  
23 ice program that is an integral and stated part  
24 of the institution’s educational philosophy and  
25 program;

1           “(B) requires participation of all resident  
2 students for enrollment and graduation;

3           “(C) includes learning objectives, evalua-  
4 tion, and a record of work performance as part  
5 of the student’s college record;

6           “(D) provides programmatic leadership by  
7 college personnel at levels comparable to tradi-  
8 tional academic programs;

9           “(E) recognizes the educational role of  
10 work-learning-service supervisors; and

11           “(F) includes consequences for non-  
12 performance or failure in the work-learning-  
13 service program similar to the consequences for  
14 failure in the regular academic program.”; and

15           (5) in subsection (f), by striking “1999 and  
16 such sums as may be necessary for each of the 4  
17 succeeding fiscal years” and inserting “2006 and  
18 such sums as may be necessary for the 5 succeeding  
19 fiscal years”.

20           **PART D—FEDERAL DIRECT LOAN PROGRAM**

21           **SEC. 451. REAUTHORIZATION OF THE DIRECT LOAN PRO-**  
22           **GRAM.**

23           (a) ADMINISTRATIVE EXPENSES.—Section 458(a)(1)  
24 (20 U.S.C. 1087h(a)(1)) is amended by striking  
25 “\$617,000,000” and all that follows through “fiscal year

1 2003” and inserting “\$820,000,000 in fiscal year 2006,  
2 \$833,000,000 in fiscal year 2007, \$847,000,000 in fiscal  
3 year 2008, \$862,000,000 in fiscal year 2009, and  
4 \$878,000,000 in fiscal year 2010, and \$894,000,000 in  
5 fiscal year 2011”.

6 (b) CALCULATION BASIS.—Subsection (b) of section  
7 458 (20 U.S.C. 1087h(b)) is amended by striking “shall  
8 be calculated—” and all that follows through the end of  
9 such subsection and inserting “shall be calculated on the  
10 basis of 0.10 percent of the original principal amount of  
11 outstanding loans on which insurance was issued under  
12 part B.”.

13 (c) SPECIAL RULES: FEE CAP.—Section 458(c)(1)  
14 (20 U.S.C. 1087h(c)(1)) is amended by striking subpara-  
15 graphs (A) through (E) and inserting the following:

16 “(A) for fiscal year 2006, shall not exceed  
17 \$220,000,000;

18 “(B) for fiscal year 2007, shall not exceed  
19 \$233,000,000;

20 “(C) for fiscal year 2008, shall not exceed  
21 \$247,000,000;

22 “(D) for fiscal year 2009, shall not exceed  
23 \$262,000,000;

24 “(E) for fiscal year 2010, shall not exceed  
25 \$278,000,000; and

1           “(F) for fiscal year 2011, shall not exceed  
2           \$294,000,000.”.

3           (d) CONSOLIDATION LOAN ELIGIBILITY.—Section  
4 455(g) (20 U.S.C. 1087e(g)) is amended by adding at the  
5 end (after the sentence added by 425(c)(2) of this Act)  
6 the following new sentence: “To be eligible for a consolida-  
7 tion loan under this part, a borrower must meet all the  
8 eligibility criteria set forth in section 428C(a)(3).”.

9           **PART E—FEDERAL PERKINS LOAN PROGRAM**

10          **SEC. 461. REAUTHORIZATION OF PROGRAM.**

11          (a) PROGRAM AUTHORIZATION.—

12               (1) AUTHORIZATION OF APPROPRIATIONS.—

13               Section 461(b) (20 U.S.C. 1087aa(b)) is amended—

14                       (A) in paragraph (1)—

15                               (i) by striking “1999” and inserting  
16                               “2006”; and

17                               (ii) by striking “4 succeeding” and in-  
18                               serting “5 succeeding”; and

19                       (B) in paragraph (2), by striking “2003”  
20                       each place it appears and inserting “2012”.

21               (2) FEDERAL CAPITAL CONTRIBUTION RECOV-  
22               ERY.—Section 466 (20 U.S.C. 1087ff) is amended—

23                       (A) by striking “2004” each place it ap-  
24                       pears in subsections (a), (b), and (c) and insert-  
25                       ing “2012”;

1 (B) in subsection (a), by striking “2003”  
2 each place it appears and inserting “2011”; and  
3 (C) in subsection (b), by striking “2012”  
4 and inserting “2020”.

5 (b) PHASEOUT OF ALLOCATION BASED ON PREVIOUS  
6 ALLOCATIONS.—

7 (1) AMENDMENT.—Subsection (a) of section  
8 462 (20 U.S.C. 1087bb(a)) is amended to read as  
9 follows:

10 “(a) ALLOCATION BASED ON PREVIOUS ALLOCA-  
11 TION.—

12 “(1) BASE GUARANTEE.—From the amount ap-  
13 propriated pursuant to section 461(b) for each fiscal  
14 year after fiscal year 2007, the Secretary shall, sub-  
15 ject to paragraphs (2) and (3), first allocate to each  
16 eligible institution an amount equal to—

17 “(A) 100 percent of the amount such insti-  
18 tution received under subsection (a) of this sec-  
19 tion for fiscal year 2007 (as such subsection  
20 was in effect with respect to allocations for such  
21 fiscal year), multiplied by

22 “(B) the institution’s default penalty, as  
23 determined under subsection (e), except that if  
24 the institution has a cohort default rate in ex-  
25 cess of the applicable maximum cohort default

1 rate under subsection (f), the institution may  
2 not receive an allocation under this paragraph.

3 “(2) PHASE OUT.—For each of the fiscal years  
4 after fiscal year 2007, paragraph (1) shall be ap-  
5 plied by substituting for ‘100 percent’:

6 “(A) ‘80 percent’ for fiscal years 2008 and  
7 2009;

8 “(B) ‘60 percent’ for fiscal years 2010 and  
9 2011;

10 “(C) ‘40 percent’ for fiscal years 2012 and  
11 2013;

12 “(D) ‘20 percent’ for fiscal years 2014 and  
13 2015; and

14 “(E) ‘0 percent’ for fiscal year 2016 and  
15 any succeeding fiscal year.

16 “(3) RATABLE REDUCTIONS FOR INSUFFICIENT  
17 APPROPRIATIONS.—

18 “(A) REDUCTION OF BASE GUARANTEE.—  
19 If the amount appropriated for any fiscal year  
20 is less than the amount required to be allocated  
21 to all institutions under this subsection, then  
22 the amount of the allocation to each such insti-  
23 tution shall be ratably reduced.

24 “(B) ADDITIONAL APPROPRIATIONS ALLO-  
25 CATION.—If additional amounts are appro-



1           priated for any such fiscal year, such reduced  
2           amounts shall be increased on the same basis as  
3           they were reduced (until the amount allocated  
4           equals the amount required to be allocated  
5           under this subsection).”.

6           (2) EFFECTIVE DATE.—The amendment made  
7           by paragraph (1) shall apply with respect to any  
8           amounts appropriated under section 461(b) of the  
9           Higher Education Act of 1965 (20 U.S.C.  
10          1087bb(b)) for fiscal year 2008 or any succeeding  
11          fiscal year.

12          (c) BOOKS AND SUPPLIES.—Section 462(c)(4)(D)  
13          (20 U.S.C. 1087bb(c)(4)(D)) is amended by striking  
14          “\$450” and inserting “\$600”.

15   **SEC. 462. LOAN TERMS AND CONDITIONS.**

16          (a) LOAN LIMITS.—Section 464(a) (20 U.S.C.  
17          1087dd(a))—

18                  (1) in paragraph (2)(A)—

19                          (A) by striking “\$4,000” in clause (i) and  
20                          inserting “\$5,500”; and

21                          (B) by striking “\$6,000” in clause (ii) and  
22                          inserting “\$8,000”; and

23                  (2) in paragraph (2)(B)—

24                          (A) by striking “\$40,000” in clause (i) and  
25                          inserting “\$60,000”;

1 (B) by striking “\$20,000” in clause (ii)  
2 and inserting “\$27,500”; and

3 (C) by striking “\$8,000” in clause (iii) and  
4 inserting “\$11,000”.

5 (b) FORBEARANCE.—Section 464(e) (20 U.S.C.  
6 1087dd(e)) is amended by striking “, upon written re-  
7 quest,”.

8 (c) SPECIAL REPAYMENT RULE.—Paragraph (2) of  
9 section 464(f) is amended to read as follows:

10 “(2) No compromise repayment of a defaulted loan  
11 as authorized by paragraph (1) may be made unless  
12 agreed to by the Secretary.”.

13 (d) REHABILITATION.—Section 464(h)(1)(A) (20  
14 U.S.C. 1087dd(h)(1)(A)) is amended by striking “12  
15 ontime” and inserting “9 on-time”.

16 **SEC. 463. LOAN CANCELLATION.**

17 Section 465(a)(3)(A) (20 U.S.C. 1087ee(a)(3)(A)) is  
18 amended—

19 (1) by inserting “(D),” after “subparagraph  
20 (A), (C),” in clause (i);

21 (2) by inserting “or” after the semicolon at the  
22 end of clause (ii);

23 (3) by striking clause (iii); and

24 (4) by redesignating clause (iv) as clause (iii).

1 **SEC. 464. TECHNICAL AMENDMENTS.**

2 Part E is further amended as follows:

3 (1) Section 462(g)(1)(E)(i)(I) (20 U.S.C.  
4 1087bb(g)(1)(E)(i)(I)) is amended by inserting  
5 “monthly” after “consecutive”.

6 (2) Section 464(c)(1)(D) (20 U.S.C.  
7 1087dd(c)(1)(D)) is amended by redesignating sub-  
8 clauses (I) and (II) as clauses (i) and (ii), respec-  
9 tively.

10 (3) Section 465(a)(2) (20 U.S.C. 1087ee(a)(2))  
11 is amended—

12 (A) in subparagraph (A), by striking “sec-  
13 tion 111(c)” and inserting “section  
14 1113(a)(5)”; and

15 (B) in subparagraph (C), by striking  
16 “With Disabilities” and inserting “with Disabil-  
17 ities”.

18 (4) Section 467(b) (20 U.S.C. 1087gg(b)) is  
19 amended by striking “(5)(A), (5)(B)(i), or (6)” and  
20 inserting “(4)(A), (4)(B), or (5)”.

21 (5) Section 469(c) (20 U.S.C. 1087ii(c)) is  
22 amended—

23 (A) by striking “sections 602(a)(1) and  
24 672(1)” and inserting “sections 602(3) and  
25 632(5)”;

1 (B) by striking “qualified professional pro-  
2 vider of early intervention services” and insert-  
3 ing “early intervention services”; and

4 (C) by striking “section 672(2)” and in-  
5 serting “section 632(4)”.

6 **PART F—NEED ANALYSIS**

7 **SEC. 471. SIMPLIFIED NEEDS TEST IMPROVEMENTS.**

8 Section 479 (20 U.S.C. 1087ss) is amended—

9 (1) by striking clause (i) of subsection (b)(1)(A)  
10 and inserting the following:

11 “(i) the student’s parents file a form  
12 described in paragraph (3) or certify that  
13 they are not required to file an income tax  
14 return, and the student files such a form  
15 or certifies that the student is not required  
16 to file an income tax return, or the stu-  
17 dent’s parents receive benefits under a  
18 means-tested Federal benefit program;”.

19 (2) by striking clause (i) of subsection  
20 (b)(1)(B) and inserting the following:

21 “(i) the student (and the student’s  
22 spouse, if any) files a form described in  
23 paragraph (3) or certifies that the student  
24 (and the student’s spouse, if any) is not re-  
25 quired to file an income tax return, or the

1 student (and the student's spouse, if any)  
2 receives benefits under a means-tested  
3 Federal benefit program;”;

4 (3) by striking subparagraph (A) of subsection  
5 (c)(1) and inserting the following:

6 “(A) the student's parents file a form de-  
7 scribed in subsection (b)(3) or certify that they  
8 are not required to file an income tax return,  
9 and the student files such a form or certifies  
10 that the student is not required to file an in-  
11 come tax return, or the student's parents re-  
12 ceive benefits under a means-tested Federal  
13 benefit program;”;

14 (4) by striking subparagraph (A) of subsection  
15 (c)(2) and inserting the following:

16 “(A) the student (and the student's  
17 spouse, if any) files a form described in sub-  
18 section (b)(3) or certifies that the student (and  
19 the student's spouse, if any) is not required to  
20 file an income tax return, or the student (and  
21 the student's spouse, if any) receives benefits  
22 under a means-tested Federal benefit pro-  
23 gram;”;

24 (5) by adding at the end the following new sub-  
25 section:

1       “(d) DEFINITION OF MEANS-TESTED FEDERAL  
2 BENEFIT PROGRAM.—For purposes of this section, the  
3 term ‘means-tested Federal benefit program’ means a  
4 mandatory spending program of the Federal Government,  
5 other than a program under this title, in which eligibility  
6 for the programs’ benefits, or the amount of such benefits,  
7 or both, are determined on the basis of income or re-  
8 sources of the individual or family seeking the benefit, and  
9 may include such programs as the supplemental security  
10 income program under title XVI of the Social Security  
11 Act, the food stamp program under the Food Stamp Act  
12 of 1977, and the free and reduced price school lunch pro-  
13 gram under the Richard B. Russell National School Lunch  
14 Act, and other programs identified by the Secretary.”.

15 **SEC. 472. ADDITIONAL NEED ANALYSIS AMENDMENTS.**

16       (a) INCOME PROTECTION ALLOWANCE FOR DEPEND-  
17 ENT STUDENTS.—

18           (1) AMENDMENT.—Section 475(g)(2)(D) (20  
19 U.S.C. 1087oo(g)(2)(D)) is amended by striking  
20 “\$2,200” and inserting “\$3,000”.

21           (2) EFFECTIVE DATE.—The amendment made  
22 by paragraph (1) shall apply with respect to deter-  
23 minations of need for periods of enrollment begin-  
24 ning on or after July 1, 2006.

1 (b) EMPLOYMENT EXPENSE ALLOWANCE.—Section  
2 478(h) (20 U.S.C. 1087rr(h)) is amended—

3 (1) by striking “476(b)(4)(B),”; and

4 (2) by striking “meals away from home, apparel  
5 and upkeep, transportation, and housekeeping serv-  
6 ices” and inserting “food away from home, apparel,  
7 transportation, and household furnishings and oper-  
8 ations”.

9 (c) DISCRETION OF STUDENT FINANCIAL AID AD-  
10 MINISTRATORS.—Section 479A(a) (20 U.S.C. 1087tt(a))  
11 is amended—

12 (1) by striking “(a) IN GENERAL.—” and in-  
13 serting the following:

14 “(a) AUTHORITY TO MAKE ADJUSTMENTS.—

15 “(1) ADJUSTMENTS FOR SPECIAL CIR-  
16 CUMSTANCES.—”;

17 (2) by inserting before “Special circumstances  
18 may” the following:

19 “(2) SPECIAL CIRCUMSTANCES DEFINED.—”;

20 (3) by inserting “a student’s status as a ward  
21 of the court at any time prior to attaining 18 years  
22 of age,” after “487,”;

23 (4) by inserting before “Adequate documenta-  
24 tion” the following:

1           “(3) DOCUMENTATION AND USE OF SUPPLE-  
2           MENTARY INFORMATION.—”; and

3           (5) by inserting before “No student” the fol-  
4           lowing:

5           “(4) FEES FOR SUPPLEMENTARY INFORMATION  
6           PROHIBITED.—”.

7           (d) TREATING ACTIVE DUTY MEMBERS OF THE  
8           ARMED FORCES AS INDEPENDENT STUDENTS.—Section  
9           480(d)(3) (20 U.S.C. 1087vv(d)(3)) is amended by insert-  
10          ing before the semicolon at the end the following: “or is  
11          currently serving on active duty in the Armed Forces for  
12          other than training purposes”.

13          (e) EXCLUDABLE INCOME.—Section 480(e) (20  
14          U.S.C. 1087vv(e)) is amended—

15                 (1) by striking “and” at the end of paragraph  
16                 (3);

17                 (2) by striking the period at the end of para-  
18                 graph (4); and

19                 (3) by adding at the end the following new  
20                 paragraph:

21                         “(5) any part of any distribution from a quali-  
22                         fied tuition program established under section 529  
23                         of the Internal Revenue Code of 1986 that is not in-  
24                         cludable in gross income under such section 529.”.

25           (f) TREATMENT OF SAVINGS PLANS.—



1           (1) AMENDMENT.—Section 480(f) (20 U.S.C.  
2 1087vv(f)) is amended—

3           (A) in paragraph (1), by inserting “quali-  
4 fied tuition programs established under section  
5 529 of the Internal Revenue Code of 1986 (26  
6 U.S.C. 529), except as provided in subpara-  
7 graph (2),” after “tax shelters,”;

8           (B) by redesignating paragraph (2) as  
9 paragraph (3); and

10           (C) by inserting after paragraph (1) the  
11 following new paragraph:

12           “(2) A qualified tuition program shall not be consid-  
13 ered an asset of a dependent student under section 475  
14 of this part. The value of a qualified tuition program for  
15 purposes of determining the assets of parents or inde-  
16 pendent students shall be—

17           “(A) the refund value of any tuition credits or  
18 certificates purchased under section 529 of the In-  
19 ternal Revenue Code of 1986 (26 U.S.C. 529) on be-  
20 half of a beneficiary; or

21           “(B) the current balance of any account which  
22 is established under such section for the purpose of  
23 meeting the qualified higher education expenses of  
24 the designated beneficiary of the account.”.

1           (2) CONFORMING AMENDMENT.—Section 480(j)  
2           (20 U.S.C. 1087vv(j)) is amended—

3                   (A) by striking “; TUITION PREPAYMENT  
4           PLANS” in the heading of such subsection;

5                   (B) by striking paragraph (2);

6                   (C) in paragraph (3), by inserting “, or a  
7           distribution that is not includable in gross in-  
8           come under section 529 of such Code,” after  
9           “1986”; and

10                   (D) by redesignating paragraph (3) as  
11           paragraph (2).

12       **PART G—GENERAL PROVISIONS RELATING TO**  
13       **STUDENT FINANCIAL ASSISTANCE**

14       **SEC. 481. DEFINITION OF ACADEMIC YEAR.**

15           Paragraph (2) of section 481(a) (20 U.S.C. 1088(a))  
16       is amended to read as follows:

17           “(2) For the purpose of any program under this title,  
18       the term ‘academic year’ shall—

19                   “(A) require a minimum of 30 weeks of instruc-  
20       tional time for a course of study that measures its  
21       program length in credit hours; or

22                   “(B) require a minimum of 26 weeks of instruc-  
23       tional time for a course of study that measures its  
24       program length in clock hours; and

1           “(C) require an undergraduate course of study  
2           to contain an amount of instructional time whereby  
3           a full-time student is expected to complete at least  
4           (i) 24 semester or trimester hours or 36 quarter  
5           credit hours in a course of study that measures its  
6           program length in credit hours, or (ii) 900 clock  
7           hours in a course of study that measures its pro-  
8           gram length in clock hours.”.

9   **SEC. 482. DISTANCE EDUCATION.**

10          (a) DISTANCE EDUCATION: ELIGIBLE PROGRAM.—  
11          Section 481(b) (20 U.S.C. 1088(b)) is amended by adding  
12          at the end the following new paragraph:

13                 “(3) DISTANCE EDUCATION.—An otherwise eli-  
14                 gible program that is offered in whole or in part  
15                 through telecommunications is eligible for the pur-  
16                 poses of this title if the program is offered by an in-  
17                 stitution, other than a foreign institution, that has  
18                 been evaluated and determined (before or after the  
19                 date of enactment of this paragraph) to have the ca-  
20                 pability to effectively deliver distance education pro-  
21                 grams by an accrediting agency or association  
22                 that—

23                         “(A) is recognized by the Secretary under  
24                         subpart 2 of Part H; and

1           “(B) has evaluation of distance education  
2           programs within the scope of its recognition, as  
3           described in section 496(n)(3).”.

4           (b) CORRESPONDENCE COURSES.—Section 484(l)(1)  
5 (20 U.S.C. 1091(l)(1)) is amended—

6           (1) in subparagraph (A)—

7           (A) by striking “for a program of study of  
8           1 year or longer”; and

9           (B) by striking “unless the total” and all  
10           that follows through “courses at the institu-  
11           tion”; and

12           (2) by amending subparagraph (B) to read as  
13           follows:

14           “(B)   EXCEPTION.—Subparagraph   (A)  
15           does not apply to an institution or school de-  
16           scribed in section 3(3)(C) of the Carl D. Per-  
17           kins Vocational and Technical Education Act of  
18           1998.”.

19   **SEC. 483. EXPANDING INFORMATION DISSEMINATION RE-**  
20           **GARDING ELIGIBILITY FOR PELL GRANTS.**

21           Section 483(a) (20 U.S.C. 1090(a)) is amended by  
22           adding at the end the following new paragraph:

23           “(8) EXPANDING INFORMATION DISSEMINATION  
24           REGARDING ELIGIBILITY FOR PELL GRANTS.—The  
25           Secretary shall make special efforts, in conjunction

1 with State efforts, to notify students and their par-  
2 ents who qualify for a free lunch under the Richard  
3 B. Russell National School Lunch Act (42 U.S.C.  
4 1751 et seq.), the Food Stamps program, or such  
5 other programs as the Secretary shall determine, of  
6 their potential eligibility for a maximum Pell Grant,  
7 and shall disseminate such informational materials  
8 as the Secretary deems appropriate.”.

9 **SEC. 484. STUDENT ELIGIBILITY.**

10 (a) **SUSPENSION OF ELIGIBILITY FOR DRUG OF-**  
11 **FENSES.**—Section 484(r)(1) (20 U.S.C. 1091(r)(1)) is  
12 amended by striking everything preceding the table and  
13 inserting the following:

14 “(1) **IN GENERAL.**—A student who is convicted  
15 of any offense under any Federal or State law in-  
16 volving the possession or sale of a controlled sub-  
17 stance for conduct that occurred during a period of  
18 enrollment for which the student was receiving any  
19 grant, loan, or work assistance under this title shall  
20 not be eligible to receive any grant, loan, or work as-  
21 sistance under this title from the date of that convic-  
22 tion for the period of time specified in the following  
23 table:”.

24 (b) **FREELY ASSOCIATED STATES.**—Section 484(j)  
25 (20 U.S.C. 1091(j)) is amended by inserting “and shall

1 be eligible only for assistance under subpart 1 of part A  
2 thereafter,” after “part C,”.

3 (c) VERIFICATION OF INCOME DATE.—Paragraph  
4 (1) of section 484(q) (20 U.S.C. 1091(q)) is amended to  
5 read as follows:

6 “(1) CONFIRMATION WITH IRS.—The Secretary  
7 of Education, in cooperation with the Secretary of  
8 the Treasury, is authorized to confirm with the In-  
9 ternal Revenue Service the information specified in  
10 section 6103(l)(13) of the Internal Revenue Code of  
11 1986 reported by applicants (including parents)  
12 under this title on their Federal income tax returns  
13 for the purpose of verifying the information reported  
14 by applicants on student financial aid applications.”.

15 (d) TECHNICAL AMENDMENT.—Section 484(b)(5) is  
16 amended by inserting “or parent (on behalf of a student)”  
17 after “student”.

18 **SEC. 485. INSTITUTIONAL REFUNDS.**

19 Section 484B (20 U.S.C. 1091b) is amended—

20 (1) in subsection (a)(1), by inserting “subpart  
21 4 of part A or” after “received under”;

22 (2) in subsection (a)(2), by striking “takes a  
23 leave” and by inserting “takes one or more leaves”;

1           (3) in subsection (a)(3)(B)(ii), by inserting “(as  
2           determined in accordance with subsection (d))” after  
3           “student has completed”;

4           (4) in subsection (a)(4), by amending subpara-  
5           graph (A) to read as follows:

6                   “(A) IN GENERAL.—After determining the  
7                   eligibility of the student for a late disbursement  
8                   or post-withdrawal disbursement (as required in  
9                   regulations prescribed by the Secretary), the in-  
10                  stitution of higher education shall contact the  
11                  borrower and obtain confirmation that the loan  
12                  funds are still required by the borrower. In  
13                  making such contact, the institution shall ex-  
14                  plain to the borrower the borrower’s obligation  
15                  to repay the funds following any such disburse-  
16                  ment. The institution shall document in the  
17                  borrower’s file the result of such contact and  
18                  the final determination made concerning such  
19                  disbursement. ”.

20           (5) in subsection (b)(1), by inserting “no later  
21           than 45 days from the determination of withdrawal”  
22           after “return”;

23           (6) in subsection (b)(2), by amending subpara-  
24           graph (C) to read as follows:

1                   “(C) GRANT OVERPAYMENT REQUIRE-  
2                   MENTS.—

3                   “(i) IN GENERAL.—Notwithstanding  
4                   subparagraphs (A) and (B), a student  
5                   shall only be required to return grant as-  
6                   sistance in the amount (if any) by which—

7                                 “(I) the amount to be returned  
8                                 by the student (as determined under  
9                                 subparagraphs (A) and (B)), exceeds

10                                “(II) 50 percent of the total  
11                                grant assistance received by the stu-  
12                                dent under this title for the payment  
13                                period or period of enrollment.

14                                “(ii) MINIMUM.—A student shall not  
15                                be required to return amounts of \$50 or  
16                                less.”; and

17                                (7) in subsection (d), by striking “(a)(3)(B)(i)”  
18                                and inserting “(a)(3)(B)”.

19 **SEC. 486. INSTITUTIONAL AND FINANCIAL ASSISTANCE IN-**  
20 **FORMATION FOR STUDENTS.**

21                   (a) INFORMATION DISSEMINATION ACTIVITIES.—

22 Section 485(a)(1) (20 U.S.C. 1092(a)(1)) is amended—

23                                (1) by amending the second sentence to read as  
24                                follows: “The information required by this section  
25                                shall be produced and be made publicly available to



1 an enrolled student and to any prospective student  
2 in a uniform and comprehensible manner, through  
3 appropriate publications, mailings, electronic media,  
4 and the reports required by the institution’s accred-  
5 iting agency under section 496(c)(9).”;

6 (2) by amending subparagraph (G) to read as  
7 follows:

8 “(G) the academic programs of the institution,  
9 including—

10 “(i) the current degree programs and other  
11 educational and training programs;

12 “(ii) the institution’s learning objectives  
13 for those programs;

14 “(iii) the instructional, laboratory, and  
15 other physical plant facilities which relate to the  
16 academic programs; and

17 “(iv) the faculty and other instructional  
18 personnel;”;

19 (3) by striking subparagraph (L) and inserting  
20 the following:

21 “(L) a summary of student outcomes for full-  
22 time undergraduate students, including—

23 “(i) the completion or graduation rates of  
24 certificate- or degree-seeking undergraduate  
25 students entering such institutions;

1           “(ii) when readily available, information  
2           showing the number of undergraduate students  
3           that transfer out of the institution; and

4           “(iii) any other student outcome data,  
5           qualitative or quantitative, including data re-  
6           garding distance education deemed by the insti-  
7           tution to be appropriate to its stated edu-  
8           cational mission and goals, and, when applica-  
9           ble, licensing and placement rates for profes-  
10          sional and vocational programs;”;

11          (4) by inserting before the semicolon at the end  
12          of subparagraph (J) the following: “, and the proc-  
13          ess for students to register complaints with the ac-  
14          crediting agencies or associations”;

15          (5) in subparagraph (M), by striking “guaran-  
16          teed student loans under part B of this title or di-  
17          rect student loans under part E of this title, or  
18          both,” and inserting “student loans under part B,  
19          D, or E of this title”;

20          (6) by striking “and” at the end of subpara-  
21          graph (N);

22          (7) by striking the period at the end of sub-  
23          paragraph (O) and inserting a semicolon; and

24          (8) by adding at the end the following new sub-  
25          paragraphs:

1           “(P) the penalties contained in subsection  
2           484(r) regarding suspension of eligibility for drug  
3           related offenses; and

4           “(Q) the policies of the institution for accepting  
5           transfer of credit, explained in a manner that clearly  
6           states the basis for determining the acceptability and  
7           applicability of transfer of credits.”.

8           (b) ADDITIONAL AMENDMENTS.—Section 485(a) is  
9           further amended by striking paragraph (6) and inserting  
10          the following:

11           “(6) Each institution may provide supplemental  
12          information to enrolled and prospective students  
13          showing the completion or graduation rate for stu-  
14          dents described in paragraph (4). For the purpose of  
15          this paragraph, the definitions provided in the Inte-  
16          grated Postsecondary Education Data System shall  
17          apply.

18           “(7) Each eligible institution participating in  
19          any program under this title may publicly report to  
20          currently enrolled and prospective students the vol-  
21          untary information collected by the National Survey  
22          of Student Engagement (NSSE), the Community  
23          College Survey of Student Engagement (CCSSE), or  
24          other instruments that provide evidence of student  
25          participation in educationally purposeful activities.

1 The information shall be produced and made avail-  
2 able in a uniform and comprehensible manner,  
3 through appropriate publications, mailings, and elec-  
4 tronic media, and may be included in reports re-  
5 quired by the institution's accrediting agency.”.

6 (c) EXIT COUNSELING.—Section 485(b) (20 U.S.C.  
7 1092(b)) is amended by adding at the end the following  
8 new paragraph:

9 “(3) Each eligible institution shall, during the exit  
10 interview required by this subsection, provide to a bor-  
11 rower of a loan made under part B, D, or E a clear and  
12 conspicuous notice describing the effect of using a consoli-  
13 dation loan to discharge the borrower's student loans, in-  
14 cluding—

15 “(A) the effects of consolidation on total inter-  
16 est to be paid, fees to be paid, and length of repay-  
17 ment;

18 “(B) the effects of consolidation on a bor-  
19 rower's underlying loan benefits, including loan for-  
20 giveness, cancellation, and deferment;

21 “(C) the ability for the borrower to prepay the  
22 loan, pay on a shorter schedule, and to change re-  
23 payment plans, and that borrower benefit programs  
24 may vary among different loan holders;

1           “(D) the tax benefits for which the borrower  
2           may be eligible; and

3           “(E) the consequences of default.”.

4           (d)    CAMPUS    CRIME    INFORMATION.—Section  
5 485(f)(1) (20 U.S.C. 1092(f)(1)) is amended by inserting  
6 “, other than a foreign institution of higher education,”  
7 after “under this title”.

8           (e)    TRANSFER OF CREDIT POLICIES.—Section 485  
9 is further amended by adding at the end the following new  
10 subsection:

11          “(h) TRANSFER OF CREDIT POLICIES.—

12               “(1) DISCLOSURE.—Each eligible institution  
13 participating in any program under this title shall  
14 publicly disclose in a readable and comprehensible  
15 manner its transfer of credit policies which shall in-  
16 clude:

17                   “(A) A statement of the institution’s cur-  
18 rent transfer of credit policies that includes at  
19 least—

20                           “(i) a statement that transfer of cred-  
21 it shall not be denied solely on the basis of  
22 the agency or association that accredited  
23 such other eligible institution, if that agen-  
24 cy or association is recognized by the Sec-  
25 retary pursuant to section 496 to be a reli-

1           able authority as to the quality of the edu-  
2           cation or training offered; and

3           “(ii) a statement that transfer of  
4           credit shall be decided on the basis of  
5           whether the courses or program are deter-  
6           mined by the institution to be acceptable  
7           for credit in accordance with objective cri-  
8           teria that the institution publicly discloses  
9           and the student completed such courses or  
10          programs at the institution’s required level  
11          of proficiency.

12          “(B) Statistics concerning the annual, as  
13          well as a 3-year rolling average, rate of the per-  
14          centage of credits accepted in transfer and fully  
15          counted toward the degree or certificate comple-  
16          tion requirements of undergraduate students.  
17          Such data shall be disaggregated to report on  
18          the following categories of institutions from  
19          which credits were accepted in transfer:

20                  “(i) nationally accredited;

21                  “(ii) regionally accredited in the same  
22          State;

23                  “(iii) regionally accredited in the same  
24          region; and

1                   “(iv) regionally accredited in a dif-  
2                   ferent region.

3                   “(2) RULE OF CONSTRUCTION.—Nothing in  
4                   this subsection shall be construed to—

5                   “(A) authorize an officer or employee of  
6                   the Department to exercise any direction, su-  
7                   pervision, or control over the curriculum, pro-  
8                   gram of instruction, administration, or per-  
9                   sonnel of any institution of higher education, or  
10                  over any accrediting agency or association;

11                  “(B) limit the application of the General  
12                  Education Provisions Act; or

13                  “(C) create any legally enforceable right.”.

14 **SEC. 487. COLLEGE ACCESS INITIATIVE.**

15                  Part G is further amended by inserting after section  
16 485C (20 U.S.C. 1092c) the following new section:

17 **“SEC. 485D. COLLEGE ACCESS INITIATIVE.**

18                  “(a) STATE-BY-STATE INFORMATION.—The Sec-  
19 retary shall direct each guaranty agency with which the  
20 Secretary has an agreement under section 428(c) to pro-  
21 vide to the Secretary the information necessary for the de-  
22 velopment of web links and access for students and fami-  
23 lies to a comprehensive listing of the postsecondary edu-  
24 cation opportunities programs, publications, Internet Web

1 sites, and other services available in the States for which  
2 such agency serves as the designated guarantor.

3 “(b) GUARANTY AGENCY ACTIVITIES.—

4 “(1) PLAN AND ACTIVITY REQUIRED.—Each  
5 guaranty agency with which the Secretary has an  
6 agreement under section 428(c) shall develop a plan  
7 and undertake the activity necessary to gather the  
8 information required under subsection (a) and to  
9 make such information available to the public and to  
10 the Secretary in a form and manner as prescribed  
11 by the Secretary.

12 “(2) ACTIVITIES.—Each guaranty agency shall  
13 undertake such activities as are necessary to pro-  
14 mote access to postsecondary education for students  
15 through providing information on college planning,  
16 career preparation, and paying for college. The guar-  
17 anty agency shall publicize such information and co-  
18 ordinate such activities with other entities that ei-  
19 ther provide or distribute such information in the  
20 States for which such guaranty agency serves as the  
21 designated guarantor.

22 “(3) FUNDING.—The activities required by this  
23 section may be funded from the guaranty agency’s  
24 operating account established pursuant to section  
25 422B and to the extent funds remain, from earnings



1 on the restricted account established pursuant to  
2 section 422(h)(4).

3 “(c) ACCESS TO INFORMATION.—

4 “(1) SECRETARY’S RESPONSIBILITY.—The Sec-  
5 retary shall ensure the availability of the information  
6 provided by the guaranty agencies in accordance  
7 with this section to students, parents and other in-  
8 terested individuals, through web links or other  
9 methods prescribed by the Secretary.

10 “(2) GUARANTY AGENCY RESPONSIBILITY.—  
11 The guaranty agencies shall ensure that the infor-  
12 mation required by this section is available without  
13 charge in printed format for students and parents  
14 requesting such information.

15 “(3) PUBLICITY.—Within 270 days after the  
16 date of enactment of the College Access and Oppor-  
17 tunity Act of 2005, the Secretary and guaranty  
18 agencies shall publicize the availability of the infor-  
19 mation required by this section, with special empha-  
20 sis on ensuring that populations that are tradition-  
21 ally underrepresented in postsecondary education are  
22 made aware of the availability of such information.”.

1 **SEC. 488. DISTANCE EDUCATION DEMONSTRATION PRO-**  
2 **GRAM.**

3 (a) **ELIGIBLE APPLICANTS.**—Section 486(b)(3) (20  
4 U.S.C. 1093(b)(3)) is amended—

5 (1) in subparagraph (B), by striking “section  
6 102(a)(1)(C)” and inserting “section 102”; and

7 (2) in subparagraph (C), by striking “sub-  
8 section (a) of section 102, other than the require-  
9 ment of paragraph (3)(A) or (3)(B) of such sub-  
10 section,” and inserting “section 101, other than the  
11 requirements of subparagraph (A) or (B) of sub-  
12 section (b)(4) of such section”.

13 (b) **SELECTION.**—Section 486(d)(1) (20 U.S.C.  
14 1093(d)(1)) is amended—

15 (1) by striking “the third year” and inserting  
16 “subsequent years”;

17 (2) by striking “35 institutions” and inserting  
18 “100 institutions”; and

19 (3) by adding at the end the following new sen-  
20 tence: “Not more than 5 of such institutions, sys-  
21 tems, or consortia may be accredited, degree-grant-  
22 ing correspondence schools.”.

23 **SEC. 489. COLLEGE AFFORDABILITY DEMONSTRATION PRO-**  
24 **GRAM.**

25 Part G of title IV is amended by inserting after sec-  
26 tion 486 (20 U.S.C. 1093) the following new section:

1 **“SEC. 486A. COLLEGE AFFORDABILITY DEMONSTRATION**  
2 **PROGRAM.**

3 “(a) PURPOSE.—It is the purpose of this section—

4 “(1) to provide, through a college affordability  
5 demonstration program, for increased innovation in  
6 the delivery of higher education and student finan-  
7 cial aid in a manner resulting in reduced costs for  
8 students as well as the institution by accelerating  
9 degree or program completion, increasing availability  
10 of, and access to, distance components of education  
11 delivery, and other alternative methodologies; and

12 “(2) to help determine—

13 “(A) the most effective means of delivering  
14 student financial aid as well as quality edu-  
15 cation;

16 “(B) the specific statutory and regulatory  
17 requirements that should be altered to provide  
18 for more efficient and effective delivery of stu-  
19 dent financial aid, as well as access to high  
20 quality distance education programs, resulting  
21 in a student more efficiently completing post-  
22 secondary education; and

23 “(C) the most effective methods of obtain-  
24 ing and managing institutional resources.

25 “(b) DEMONSTRATION PROGRAM AUTHORIZED.—

1           “(1) IN GENERAL.—In accordance with the  
2 purposes described in subsection (a) and the provi-  
3 sions of subsection (d), the Secretary is authorized  
4 to select not more than 100 institutions of higher  
5 education or systems of such institutions for vol-  
6 untary participation in the College Affordability  
7 Demonstration Program in order to enable partici-  
8 pating institutions to carry out such purposes by  
9 providing programs of postsecondary education, and  
10 making available student financial assistance under  
11 this title to students enrolled in those programs, in  
12 a manner that would not otherwise meet the require-  
13 ments of this title.

14           “(2) WAIVERS.—The Secretary is authorized to  
15 waive for any institutions of higher education, or  
16 any system or consortia of institutions of higher  
17 education, selected for participation in the College  
18 Affordability Demonstration Program, any require-  
19 ments of this Act or the regulations thereunder as  
20 deemed necessary by the Secretary to meet the pur-  
21 pose described in subsection (a)(1).

22           “(3) ELIGIBLE APPLICANTS.—

23           “(A) ELIGIBLE INSTITUTIONS.—Except as  
24 provided in subparagraph (B), only an institu-  
25 tion of higher education that is eligible to par-

1            participate in programs under this title shall be eli-  
2            gible to participate in the demonstration pro-  
3            gram authorized under this section.

4            “(B) PROHIBITION.—An institution of  
5            higher education described in section 102 shall  
6            not be eligible to participate in the demonstra-  
7            tion program authorized under this section.

8            “(c) APPLICATION.—

9            “(1) IN GENERAL.—Each institution or system  
10           of institutions desiring to participate in the dem-  
11           onstration program under this section shall submit  
12           an application to the Secretary at such time and in  
13           such manner as the Secretary may require.

14           “(2) CONTENTS OF APPLICATIONS.—Each ap-  
15           plication for the college affordability demonstration  
16           program shall include at least the following:

17           “(A) a description of the institution or sys-  
18           tem of institutions and what quality assurance  
19           mechanisms are in place to insure the integrity  
20           of the Federal financial aid programs;

21           “(B) a description of each regulatory or  
22           statutory requirement for which waivers are  
23           sought, with a reason for each waiver;

24           “(C) a description of the programs being  
25           offered and the affected students;

1           “(D) a description of the expected out-  
2 comes of the program changes proposed, includ-  
3 ing the estimated reductions in costs both for  
4 the institution and for students;

5           “(E) a description of any collaborative ar-  
6 rangements with other institutions or organiza-  
7 tions to reduce costs;

8           “(F) a description of any expected eco-  
9 nomic impact of participation in the program  
10 within the community in which the institution is  
11 located;

12           “(G) a description of how the institution  
13 will reduce the costs of instructional materials,  
14 including textbooks;

15           “(H) an assurance that the participating  
16 institution or system of institutions will offer  
17 full cooperation with the ongoing evaluations of  
18 the demonstration program provided for in this  
19 section; and

20           “(I) any other information or assurances  
21 the Secretary may require.

22           “(d) SELECTION.—In selecting institutions to partici-  
23 pate in the demonstration program under this section, the  
24 Secretary shall take into account—

1           “(1) the number and quality of applications re-  
2           ceived, determined on the basis of the contents re-  
3           quired by subsection (c)(2);

4           “(2) the Department’s capacity to oversee and  
5           monitor each institution’s participation;

6           “(3) an institution’s—

7                 “(A) financial responsibility;

8                 “(B) administrative capability;

9                 “(C) program or programs being offered  
10           via distance education;

11                 “(D) student completion rates; and

12                 “(E) student loan default rates; and

13           “(4) the participation of a diverse group of in-  
14           stitutions with respect to size, mission, and geo-  
15           graphic distribution.

16           “(e) NOTIFICATION.—The Secretary shall make  
17           available to the public and to the authorizing committees  
18           a list of institutions and systems of institutions selected  
19           to participate in the demonstration program authorized by  
20           this section. Such notice shall include a listing of the spe-  
21           cific statutory and regulatory requirements being waived  
22           for each institution or system of institutions and a descrip-  
23           tion of the distance education courses to be offered.

24           “(f) EVALUATIONS AND REPORTS.—

1           “(1) EVALUATION.—The Secretary shall evalu-  
2           ate the demonstration program authorized under  
3           this section on a biennial basis. Such evaluations  
4           specifically shall review—

5                   “(A) the number and types of students  
6                   participating in the programs offered, including  
7                   the progress of participating students toward  
8                   recognized certificates or degrees and the extent  
9                   to which participation in such programs in-  
10                  creased;

11                  “(B) issues related to student financial as-  
12                  sistance for distance education;

13                  “(C) effective technologies and alternative  
14                  methodologies for delivering student financial  
15                  assistance;

16                  “(D) the extent of the cost savings to the  
17                  institution, the student, and the Federal Gov-  
18                  ernment by virtue of the waivers provided, and  
19                  an estimate as to future cost savings should the  
20                  demonstration program continue;

21                  “(E) the extent to which students saved  
22                  money by virtue of completing their postsec-  
23                  ondary education sooner;



1           “(F) the extent to which the institution re-  
2           duced its tuition and fees and its costs by virtue  
3           of participation in the demonstration program;

4           “(G) the extent to which any collaborative  
5           arrangements with other institutions or organi-  
6           zations have reduced the participating institu-  
7           tion’s costs; and

8           “(H) the extent to which statutory or reg-  
9           ulatory requirements not waived under the dem-  
10          onstration program present difficulties for stu-  
11          dents or institutions.

12          “(2) POLICY ANALYSIS.—The Secretary shall  
13          review current policies and identify those policies  
14          that present impediments to the development and  
15          use of distance education and other nontraditional  
16          methods of expanding access to education.

17          “(3) REPORTS.—The Secretary shall provide a  
18          report to the authorizing committees on a biennial  
19          basis regarding—

20                 “(A) the demonstration program author-  
21                 ized under this section;

22                 “(B) the results of the evaluations con-  
23                 ducted under paragraph (1);

1           “(C) the cost savings to the Federal Gov-  
2           ernment by the demonstration program author-  
3           ized by this section; and

4           “(D) recommendations for changes to in-  
5           crease the efficiency and effective delivery of fi-  
6           nancial aid.

7           “(g) OVERSIGHT.—In conducting the demonstration  
8           program authorized under this section, the Secretary  
9           shall, on a continuing basis—

10           “(1) ensure compliance of institutions or sys-  
11           tems of institutions with the requirements of this  
12           title (other than the sections and regulations that  
13           are waived under subsection (b)(2));

14           “(2) provide technical assistance to institutions  
15           in their application to and participation in the dem-  
16           onstration program;

17           “(3) monitor fluctuations in the student popu-  
18           lation enrolled in the participating institutions or  
19           systems of institutions;

20           “(4) monitor changes in financial assistance  
21           provided at the institution; and

22           “(5) consult with appropriate accrediting agen-  
23           cies or associations and appropriate State regulatory  
24           authorities.

1       “(h) TERMINATION OF AUTHORITY.—The authority  
2 of the Secretary under this section shall cease to be effec-  
3 tive on October 1, 2011.”.

4 **SEC. 490. PROGRAM PARTICIPATION AGREEMENTS.**

5       (a) REFUND POLICIES.—Section 487(a) (20 U.S.C.  
6 1094(a)) is amended—

7           (1) in paragraph (22), by striking “refund pol-  
8 icy” and inserting “policy on the return of title IV  
9 funds”; and

10          (2) in paragraph (23)—

11           (A) by moving subparagraph (C) 2 em  
12 spaces to the left; and

13           (B) by adding after such subparagraph the  
14 following new subparagraph:

15           “(D) An institution shall be considered in com-  
16 pliance with the requirements of subparagraph (A)  
17 for any student to whom the institution electroni-  
18 cally transmits a message containing a voter reg-  
19 istration form acceptable for use in the State in  
20 which the institution is located, or an Internet ad-  
21 dress where such a form can be downloaded, pro-  
22 vided such information is in an electronic message  
23 devoted to voter registration.”.

24       (b) AUDIT REQUIREMENTS.—Section 487(c)(1)(A)(i)  
25 (20 U.S.C. 1094(c)(1)(A)(i)) is amended by inserting be-

1 fore the semicolon at the end the following: “, except that  
2 the Secretary may modify the requirements of this clause  
3 with respect to institutions of higher education that are  
4 foreign institutions, and may waive such requirements  
5 with respect to a foreign institution whose students receive  
6 less than \$500,000 in loans under this title during the  
7 award year preceding the audit period”.

8 (c) REPORTS ON DISCIPLINARY PROCEEDINGS.—

9 (1) AMENDMENT.—Section 487(a) (20 U.S.C.  
10 1094(a)) is amended by adding at the end the fol-  
11 lowing new paragraph:

12 “(24) The institution will disclose to the alleged  
13 victim of any crime of violence (as that term is de-  
14 fined in section 16 of title 18), or a nonforcible sex  
15 offense, the final results of any disciplinary pro-  
16 ceeding conducted by such institution against a stu-  
17 dent who is the alleged perpetrator of such crime or  
18 offense with respect to such crime or offense. If the  
19 alleged victim of such crime or offense is deceased,  
20 the next of kin of such victim shall be treated as the  
21 alleged victim for purposes of this paragraph.”.

22 (2) EFFECTIVE DATE.—The amendment made  
23 by paragraph (1) shall apply with respect to any dis-  
24 ciplinary proceeding conducted by such institution

1 on or after one year after the date of enactment of  
2 this Act.

3 **SEC. 491. ADDITIONAL TECHNICAL AND CONFORMING**  
4 **AMENDMENTS.**

5 Part G is further amended as follows:

6 (1) Section 483(d) (20 U.S.C. 1090(d)) is  
7 amended by striking “that is authorized under sec-  
8 tion 685(d)(2)(C)” and inserting “, or another ap-  
9 propriate provider of technical assistance and infor-  
10 mation on postsecondary educational services, that is  
11 supported under section 663”.

12 (2) Section 484 (20 U.S.C. 1091) is amended—

13 (A) in subsection (a)(4), by striking “cer-  
14 tification,,” and inserting “certification,”;

15 (B) in subsection (b)(2)—

16 (i) in the matter preceding subpara-  
17 graph (A), by striking “section 428A” and  
18 inserting “section 428H”;

19 (ii) in subparagraph (A), by inserting  
20 “and” after the semicolon at the end  
21 thereof;

22 (iii) in subparagraph (B), by striking  
23 “; and” and inserting a period; and

24 (iv) by striking subparagraph (C); and

1 (C) in subsection (l)(1)(B)(i), by striking  
2 “section 521(4)(C) of the Carl D. Perkins Vo-  
3 cational and Applied Technology Education  
4 Act” and inserting “section 3(3)(C) of the Carl  
5 D. Perkins Vocational and Technical Education  
6 Act of 1998”.

7 (3) Section 485B(a) (20 U.S.C. 1092b(a)) is  
8 amended—

9 (A) by redesignating paragraphs (6)  
10 through (10) as paragraphs (7) through (11),  
11 respectively;

12 (B) by redesignating the paragraph (5) (as  
13 added by section 2008 of Public Law 101–239)  
14 as paragraph (6); and

15 (C) in paragraph (5) (as added by section  
16 204(3) of the National Community Service Act  
17 of 1990 (Public Law 101–610))—

18 (i) by striking “(22 U.S.C. 2501 et  
19 seq.),” and inserting “(22 U.S.C. 2501 et  
20 seq.),”; and

21 (ii) by striking the period at the end  
22 thereof and inserting a semicolon.

23 (4) Section 491(e) (20 U.S.C. 1098(e)) is  
24 amended by adding at the end the following new  
25 paragraph:

1       “(3) The appointment of members under subpara-  
2 graphs (A) and (B) of paragraph (1) shall be effective  
3 upon publication of the appointment in the Congressional  
4 Record.”.

5           (5) Section 491(k) (20 U.S.C. 1098(k)) is  
6 amended by striking “2004” and inserting “2011”.

7           (6) Section 493A (20 U.S.C. 1098c) is re-  
8 pealed.

9           (7) Section 498 (20 U.S.C. 1099c) is amend-  
10 ed—

11           (A) in subsection (c)(2), by striking “for  
12 profit,” and inserting “for-profit,”; and

13           (B) in subsection (d)(1)(B), by inserting  
14 “and” after the semicolon at the end thereof.

## 15           **PART H—PROGRAM INTEGRITY**

### 16       **SEC. 495. ACCREDITATION.**

17       (a) STANDARDS FOR ACCREDITATION.—Section  
18 496(a) (20 U.S.C. 1099b(a)) is amended—

19           (1) in paragraph (3)—

20           (A) by inserting “or” after the semicolon  
21 at the end of subparagraph (A);

22           (B) by striking subparagraph (B); and

23           (C) by redesignating subparagraph (C) as  
24 subparagraph (B);

25           (2) in paragraph (4)—

1 (A) by inserting “(A)” after “(4)”;

2 (B) by inserting “and” after the semicolon  
3 at the end thereof; and

4 (C) by adding at the end the following new  
5 subparagraph:

6 “(B) if such agency or association already has  
7 or seeks to include within its scope of recognition  
8 the evaluation of the quality of institutions or pro-  
9 grams offering distance education, such agency or  
10 association shall, in addition to meeting the other re-  
11 quirements of this subpart—

12 “(i) demonstrate to the Secretary that,  
13 through application of its standards, proce-  
14 dures, and policies, particularly those required  
15 under paragraph (5) of this subsection, the  
16 agency or association determines that the qual-  
17 ity of instruction and student support services  
18 for distance education is comparable to that  
19 provided by the institution in its classrooms and  
20 on its campuses (or if distance education is the  
21 only mode of delivery used by the institution,  
22 comparable to the quality of instruction and  
23 student support services provided in campus  
24 settings); and



1           “(ii) evaluate how an institution offering  
2 distance education ensures the integrity of stu-  
3 dent participation in its distance education pro-  
4 grams;”.

5           (D) by inserting after “standards” the fol-  
6 lowing: “(including standards to assess the  
7 quality of distance education that are com-  
8 parable to the standards used for face-to-face  
9 classroom instruction)”;

10          (3) in paragraph (5)—

11           (A) by amending subparagraph (A) to read  
12 as follows:

13           “(A) success with respect to student  
14 achievement in relation to the institution’s mis-  
15 sion, including, as appropriate, consideration of  
16 student academic achievement as determined by  
17 the institution (in accordance with standards of  
18 the accrediting agency or association) related to  
19 each institution’s articulation of desired learn-  
20 ing outcomes, retention, course and program  
21 completion, State licensing examinations, and  
22 job placement rates; and other student perform-  
23 ance data selected by the institution, particu-  
24 larly data used by the institution to evaluate or  
25 strengthen its educational programs, and in-

1 including thresholds for course completion and  
2 job placement rates if the institution offers cer-  
3 tificate-granting vocation or technical pro-  
4 grams;”;

5 (B) in subparagraph (E), by striking “fis-  
6 cal and administrative capacity” and inserting  
7 “fiscal, administrative, and governance capac-  
8 ity”; and

9 (C) by amending subparagraph (I) to read  
10 as follows:

11 “(I) record of student complaints received  
12 by the agency or association, including those re-  
13 sulting from the process described in section  
14 485(a)(1)(J); and”;

15 (4) by striking “and” at the end of paragraph  
16 (7); and

17 (5) by striking paragraph (8) and inserting the  
18 following:

19 “(8) such agency or association shall make  
20 available to the public and the State licensing or au-  
21 thorizing agency, and submit to the Secretary, for  
22 use in consumer information programs, a summary  
23 of agency or association actions, including—

24 “(A) the award of accreditation or re-  
25 accreditation of an institution and any findings

1 made in connection with the accreditation or re-  
2 accreditation;

3 “(B) final denial, withdrawal, suspension,  
4 or termination of accreditation, or placement on  
5 probation of an institution, together with the  
6 comments of the affected institution;

7 “(C) any other adverse action taken with  
8 respect to an institution;

9 “(D) a list of the individuals who comprise  
10 the inspection and review teams for each agency  
11 or association, including each individual’s name,  
12 agency affiliation, and relevant professional ex-  
13 perience;

14 “(E) a description of the agency’s or asso-  
15 ciation’s process for selecting, training, and  
16 evaluating such individuals; and

17 “(F) the agency’s or association’s code of  
18 conduct for its commissioners and such individ-  
19 uals; and

20 “(9) such agency or association shall—

21 “(A) review, during its onsite comprehen-  
22 sive review, the transfer of credit policies of  
23 programs and institutions under its accredita-  
24 tion; and

1           “(B) not adopt or apply standards, poli-  
2           cies, or practices that restrict or deny the trans-  
3           fer of credits earned by a student completing  
4           courses or programs at other eligible institu-  
5           tions of higher education solely on the basis of  
6           the agency or association that accredited such  
7           other eligible institution if that agency or asso-  
8           ciation—

9                   “(i) is recognized by the Secretary  
10                  pursuant to this section to be a reliable au-  
11                  thority as to the quality of the education  
12                  or training offered; and

13                   “(ii) is currently listed by the Sec-  
14                  retary pursuant to section 101(e).”.

15           (b) OPERATING PROCEDURES.—Section 496(c) (20  
16 U.S.C. 1099b(c)) is amended—

17                   (1) by inserting “(including those regarding dis-  
18                  tance education), and have several years of related  
19                  experience” before the semicolon at the end of para-  
20                  graph (1);

21                   (2) by striking “and” at the end of paragraph  
22                  (5);

23                   (3) by striking the period at the end of para-  
24                  graph (6) and inserting a semicolon; and

1           (4) by inserting after paragraph (6) the fol-  
2           lowing new paragraphs:

3           “(7) ensures that its onsite comprehensive re-  
4           views for accreditation or reaccreditation include  
5           evaluation of the substance of the information re-  
6           quired in subparagraphs (G) and (H) of section  
7           485(a)(1);

8           “(8) confirms as a part of its review for accred-  
9           itation or reaccreditation that the institution has  
10          transfer policies that are publicly disclosed and con-  
11          sistently applied;

12          “(9) develops as required in subsection (a)(8),  
13          a summary available to the public of the agency’s  
14          action and the significant findings related to that ac-  
15          tion;

16          “(10) includes, in its evaluation for accredita-  
17          tion or reaccreditation, review of the transfer of  
18          credit policies of the program or institution to assure  
19          that transfer policies do not deny transfer of credit  
20          based solely on the accreditation of the sending pro-  
21          gram or institution, except that nothing in this re-  
22          view shall restrict the right of the receiving program  
23          or institution to determine, on any other basis or on  
24          a combination of that basis together with other

1 bases, the credits the receiving program or institu-  
2 tion will accept for transfer; and

3 “(11) monitors the growth of distance edu-  
4 cation programs, evaluating, as appropriate, the de-  
5 velopment and management of such programs at in-  
6 stitutions that are experiencing significant growth in  
7 distance education.”.

8 (c) LIMITATION, SUSPENSION, AND TERMINATION OF  
9 RECOGNITION.—Section 496(l) is amended by adding at  
10 the end the following new paragraph:

11 “(3) The Secretary shall provide an annual report to  
12 Congress on the status of any agency or association for  
13 which the Secretary has limited, suspended or terminated  
14 recognition under this subsection.”.

15 (d) COLLEGE CONSUMER PROFILE.—Section 496 is  
16 further amended—

17 (1) by redesignating subsection (o) as sub-  
18 section (p); and

19 (2) by inserting after subsection (n):

20 “(o) COLLEGE CONSUMER PROFILE.—

21 “(1) INFORMATION DISSEMINATION.—No ac-  
22 crediting agency or association shall be recognized  
23 by the Secretary as a reliable authority as to the  
24 quality of the education or training offered by an in-  
25 stitution seeking to participate in the programs au-

1       thorized under this title, unless the agency ensures  
2       each institution subject to its jurisdiction makes  
3       publicly available in a uniform and comprehensible  
4       manner, a college consumer profile including, at  
5       minimum, information on the institution’s—

6               “(A) mission;

7               “(B) student demographics;

8               “(C) accreditation;

9               “(D) faculty/student ratios;

10              “(E) faculty qualifications, including the  
11       number of faculty with terminal degrees;

12              “(F) tuition, fees, and other costs of at-  
13       tending the institution;

14              “(G) student services, including services  
15       for students with disabilities;

16              “(H) policies and procedures for evaluating  
17       and accepting credits earned by students trans-  
18       ferring from other institutions and the percent-  
19       age of such credits accepted;

20              “(I) completion and graduation rates; and

21              “(J) placement rates and other measures  
22       of success in preparing students for entry into  
23       or advancement in the workforce.

24              “(2) PUBLICATION OF COLLEGE CONSUMER  
25       PROFILE.—The contents of the college consumer

1 profile required by paragraph (1) shall be made pub-  
2 lic through dissemination via the Secretary’s data  
3 collection and dissemination system. The informa-  
4 tion required to be disclosed by section 485 may be  
5 used by the institution to provide (where applicable)  
6 the contents of the college consumer profile, but  
7 nothing in this subsection shall be construed to re-  
8 lieve the institution of any information disclosure re-  
9 quirement of such section.”.

## 10 **TITLE V—DEVELOPING** 11 **INSTITUTIONS**

### 12 **SEC. 501. DEFINITIONAL CHANGES.**

13 Section 502(a) (20 U.S.C. 1101a(a)) is amended—

14 (1) in paragraph (5)—

15 (A) by inserting “and” after the semicolon  
16 at the end of subparagraph (A);

17 (B) by inserting “at the end of the award  
18 year immediately preceding the date of applica-  
19 tion” after “Hispanic students” in subpara-  
20 graph (B);

21 (C) by striking “; and” at the end of sub-  
22 paragraph (B) and inserting a period; and

23 (D) by striking subparagraph (C); and

24 (2) by striking paragraph (7).



1 **SEC. 502. ASSURANCE OF ENROLLMENT OF NEEDY STU-**  
2 **DENTS.**

3 Section 511(c) (20 U.S.C. 1103(c)) is amended—

4 (1) by redesignating paragraphs (8) and (9) as  
5 paragraphs (9) and (10), respectively; and

6 (2) by inserting after paragraph (7) the fol-  
7 lowing new paragraph:

8 “(8) contain such assurances as the Secretary  
9 may require that the institution has an enrollment  
10 of needy students as required by section 502(b);”.

11 **SEC. 503. ADDITIONAL AMENDMENTS.**

12 Title V is further amended—

13 (1) in section 502(a)(2)(A) (20 U.S.C.  
14 1101a(a)(2)(A)), by redesignating clauses (v) and  
15 (vi) as clauses (vi) and (vii), respectively, and insert-  
16 ing after clause (iv) the following new clause:

17 “(v) which provides a program of not  
18 less than 2 years that is acceptable for full  
19 credit toward a bachelor’s degree; and”;

20 (2) in section 503(b) (20 U.S.C. 1101b(b))—

21 (A) by amending paragraph (2) to read as  
22 follows:

23 “(2) Construction, maintenance, renovation,  
24 and improvement in classrooms, libraries, labora-  
25 tories, and other instructional facilities, including  
26 purchase or rental of telecommunications technology

1 equipment or services, and the acquisition of real  
2 property adjacent to the campus of the institution  
3 on which to construct such facilities.”;

4 (B) by amending paragraph (12) to read  
5 as follows:

6 “(12) Establishing community outreach pro-  
7 grams and collaborative partnerships between His-  
8 panic-serving institutions and local elementary or  
9 secondary schools. Such partnerships may include  
10 mentoring, tutoring, or other instructional opportu-  
11 nities that will boost student academic achievement  
12 and assist elementary and secondary school students  
13 in developing the academic skills and the interest to  
14 pursue postsecondary education.”;

15 (C) by redesignating paragraphs (5)  
16 through (14) as paragraphs (6) through (15),  
17 respectively; and

18 (D) by inserting after paragraph (4) the  
19 following:

20 “(5) Education or counseling services designed  
21 to improve the financial literacy and economic lit-  
22 eracy of students and, as appropriate, their par-  
23 ents.”;

24 (3) in section 504(a) (20 U.S.C. 1101c(a))—

25 (A) by striking the following:

1 “(a) AWARD PERIOD.—

2 “(1) IN GENERAL.—The Secretary” and insert-  
3 ing the following:

4 “(a) AWARD PERIOD.—The Secretary”; and

5 (B) by striking paragraph (2); and

6 (4) in section 514(c) (20 U.S.C. 1103c(e)), by  
7 striking “section 505” and inserting “section 504”.

8 **SEC. 504. TITLE V AUTHORIZATION.**

9 Subsection (a) of section 518 of such Act (20 U.S.C.  
10 1103g(a)) is amended to read as follows:

11 “(a) AUTHORIZATIONS OF APPROPRIATIONS.—There  
12 are authorized to be appropriated to carry out this title  
13 \$96,000,000 for fiscal year 2006 and such sums as may  
14 be necessary for each of the 5 succeeding fiscal years.”.

15 **TITLE VI—TITLE VI**

16 **AMENDMENTS**

17 **SEC. 601. INTERNATIONAL AND FOREIGN LANGUAGE STUD-**  
18 **IES.**

19 (a) FINDINGS AND PURPOSES.—Section 601 (20  
20 U.S.C. 1121) is amended—

21 (1) in subsection (a)—

22 (A) by striking “post-Cold War” in para-  
23 graph (3);

24 (B) by redesignating paragraphs (4) and  
25 (5) as paragraphs (5) and (6), respectively; and

1 (C) by inserting after paragraph (3) the  
2 following new paragraph:

3 “(4) The events and aftermath of September  
4 11, 2001, have underscored the need for the nation  
5 to strengthen and enhance American knowledge of  
6 international relations, world regions, and foreign  
7 languages. Homeland security and effective United  
8 States engagement abroad depend upon an increased  
9 number of Americans who have received such train-  
10 ing and are willing to serve their nation.”;

11 (2) in subsection (b)(1)—

12 (A) by striking “; and” at the end of sub-  
13 paragraph (D) and inserting “, including  
14 through linkages overseas with institutions of  
15 higher education and relevant organizations  
16 that contribute to the educational programs as-  
17 sisted under this part;”;

18 (B) by inserting “and” after the semicolon  
19 at the end of subparagraph (E); and

20 (C) by inserting after such subparagraph  
21 (E) the following new subparagraph:

22 “(F) to assist the national effort to educate and  
23 train citizens to participate in the efforts of home-  
24 land security;”;

1           (3) in subsection (b)(3), by inserting “reinforce  
2           and” before “coordinate”.

3           (b) GRADUATE AND UNDERGRADUATE LANGUAGE  
4 AND AREA CENTERS AND PROGRAMS.—Section 602(a)  
5 (20 U.S.C. 1122(a)) is amended—

6           (1) in paragraph (1), by striking subparagraph  
7           (A) and inserting the following:

8                   “(A) IN GENERAL.—The Secretary is au-  
9                   thorized to make grants to institutions of high-  
10                   er education or consortia of such institutions  
11                   for the purpose of establishing, strengthening,  
12                   and operating—

13                           “(i) comprehensive foreign language  
14                           and area or international studies centers  
15                           and programs; and

16                           “(ii) a diverse network of under-  
17                           graduate foreign language and area or  
18                           international studies centers and pro-  
19                           grams.”;

20           (2) in paragraph (2)—

21                   (A) by striking “and” at the end of sub-  
22                   paragraph (G);

23                   (B) by striking the period at the end of  
24                   subparagraph (H) and inserting a semicolon;  
25                   and

1 (C) by inserting after subparagraph (H)  
2 the following new subparagraphs:

3 “(I) supporting instructors of the less com-  
4 monly taught languages;

5 “(J) widely disseminating materials devel-  
6 oped by the center or program to local edu-  
7 cational agencies and public and private ele-  
8 mentary and secondary education schools, and  
9 institutions of higher education, presented from  
10 diverse perspectives and reflective of the full  
11 range of views on the subject matter, except  
12 that no more than 50 percent of funds awarded  
13 to an institution of higher education or con-  
14 sortia of such institutions for purposes under  
15 this title may be associated with the costs of  
16 dissemination; and

17 “(K) projects that support in students an  
18 understanding of science and technology in co-  
19 ordination with foreign language proficiency.”;  
20 and

21 (3) in paragraph (4)—

22 (A) by amending subparagraph (B) to read  
23 as follows:

24 “(B) Partnerships or programs of linkage  
25 and outreach with 2-year and 4-year colleges

1 and universities, including colleges of education  
2 and teacher professional development pro-  
3 grams.”;

4 (B) in subparagraph (C), by striking “Pro-  
5 grams of linkage or outreach” and inserting  
6 “Partnerships or programs of linkage and out-  
7 reach”;

8 (C) in subparagraph (E)—

9 (i) by striking “foreign area” and in-  
10 sserting “area studies”;

11 (ii) by striking “of linkage and out-  
12 reach”; and

13 (iii) by striking “(C), and (D)” and  
14 inserting “(D), and (E)”;

15 (D) by redesignating subparagraphs (C),  
16 (D), and (E) as subparagraphs (D), (E), and  
17 (F), respectively; and

18 (E) by inserting after subparagraph (B)  
19 the following new subparagraph:

20 “(C) Partnerships with local educational  
21 agencies and public and private elementary and  
22 secondary education schools that are designed  
23 to increase student academic achievement in  
24 foreign language and knowledge of world re-  
25 gions, and to facilitate the wide dissemination

1 of materials related to area studies, foreign lan-  
2 guages, and international studies that are re-  
3 flective of a full range of views on the subject  
4 matter.”.

5 (c) LANGUAGE RESOURCE CENTERS.—Section  
6 603(c) (20 U.S.C. 1123(c)) is amended by inserting “re-  
7 flect the purposes of this part and” after “shall”.

8 (d) UNDERGRADUATE INTERNATIONAL STUDIES AND  
9 FOREIGN LANGUAGE PROGRAMS.—Section 604 (20  
10 U.S.C. 1124) is amended—

11 (1) in subsection (a)(1), by striking “combina-  
12 tions” each place it appears and inserting “con-  
13 sortia”;

14 (2) in subsection (a)(2)—

15 (A) in subparagraph (B)(ii), by striking  
16 “teacher training” and inserting “teacher pro-  
17 fessional development”;

18 (B) by redesignating subparagraphs (I)  
19 through (M) as subparagraphs (J) through (N),  
20 respectively;

21 (C) by inserting after subparagraph (H)  
22 the following new subparagraph:

23 “(I) the provision of grants for educational  
24 programs abroad that are closely linked to the  
25 program’s overall goals and have the purpose of



1 promoting foreign language fluency and knowl-  
2 edge of world regions, except that not more  
3 than 10 percent of a grant recipient's funds  
4 may be used for this purpose;"; and

5 (D) in subparagraph (M)(ii) (as redesign-  
6 nated by subparagraph (B) of this paragraph),  
7 by striking "elementary and secondary edu-  
8 cation institutions" and inserting "local edu-  
9 cational agencies and public and private ele-  
10 mentary and secondary education schools";

11 (3) in subsection (a)(4)(B), by inserting "that  
12 demonstrates a need for a waiver or reduction" be-  
13 fore the period at the end;

14 (4) in subsection (a)(6), by inserting "reflect  
15 the purposes of this part and" after "shall";

16 (5) in subsection (a)(8), by striking "may" and  
17 inserting "shall"; and

18 (6) by striking subsection (e).

19 (e) RESEARCH; STUDIES; ANNUAL REPORT.—Sec-  
20 tion 605(a) (20 U.S.C. 1125(a)) is amended by inserting  
21 before the period at the end of the first sentence the fol-  
22 lowing: " , including the systematic collection, analysis and  
23 dissemination of data".

1 (f) TECHNOLOGICAL INNOVATION AND COOPERATION  
2 FOR FOREIGN INFORMATION ACCESS.—Section 606 (20  
3 U.S.C. 1126) is amended—

4 (1) in subsection (a)—

5 (A) by striking “or consortia of such insti-  
6 tutions or libraries” and inserting “museums,  
7 or consortia of such entities”;

8 (B) by striking “new”; and

9 (C) by inserting “from foreign sources”  
10 after “disseminate information”;

11 (2) in subsection (b)—

12 (A) by inserting “acquire and” before “fa-  
13 cilitate access” in paragraph (1);

14 (B) by striking “new means of” in para-  
15 graph (3) and inserting “new means and stand-  
16 ards for”;

17 (C) by striking “and” at the end of para-  
18 graph (6);

19 (D) by striking the period at the end of  
20 paragraph (7) and by inserting a semicolon;  
21 and

22 (E) by inserting after paragraph (7) the  
23 following new paragraphs:

24 “(8) to establish linkages between grant recipi-  
25 ents under subsection (a) with libraries, museums,

1 organizations, or institutions of higher education lo-  
2 cated overseas to facilitate carrying out the purposes  
3 of this section; and

4 “(9) to carry out other activities deemed by the  
5 Secretary to be consistent with the purposes of this  
6 section.”; and

7 (3) by adding at the end the following new sub-  
8 section:

9 “(e) SPECIAL RULE.—The Secretary may waive or  
10 reduce the required non-Federal share for institutions  
11 that—

12 “(1) are eligible to receive assistance under part  
13 A or B of title III or under title V; and

14 “(2) have submitted a grant application under  
15 this section that demonstrates a need for a waiver  
16 or reduction.”.

17 (g) SELECTION OF GRANT RECIPIENTS.—Section  
18 607(b) (20 U.S.C. 1125a(b)) is amended—

19 (1) by striking out “objectives” and inserting  
20 “missions”; and

21 (2) by adding at the end the following new sen-  
22 tence: “In keeping with the purposes of this part,  
23 the Secretary shall take into account the degree to  
24 which activities of centers, programs, and fellowships  
25 at institutions of higher education advance national

1 interests, generate and disseminate information, and  
2 foster debate on American foreign policy from di-  
3 verse perspectives.”.

4 (h) **EQUITABLE DISTRIBUTION.**—Section 608(a) (20  
5 U.S.C. 1128(a)) is amended by adding at the end the fol-  
6 lowing new sentence: “Grants made under section 602  
7 shall also reflect the purposes of this part.”.

8 (i) **AUTHORIZATION OF APPROPRIATIONS.**—Section  
9 610 (20 U.S.C. 1128b) is amended—

10 (1) by striking “1999” and inserting “2006”;

11 and

12 (2) by striking “4 succeeding” and inserting “5  
13 succeeding”.

14 (j) **CONFORMING AMENDMENTS.**—Sections 603(a),  
15 604(a)(5), and 612 (20 U.S.C. 1123(a), 1124(a)(5),  
16 1130–1) are each amended by striking “combinations”  
17 each place it appears and inserting “consortia”.

18 **SEC. 602. BUSINESS AND INTERNATIONAL EDUCATION PRO-**  
19 **GRAMS.**

20 (a) **CENTERS FOR INTERNATIONAL BUSINESS EDU-**  
21 **CATION.**—Section 612 (20 U.S.C. 1130–1) is amended—

22 (1) in subsection (c)(1)(D), by inserting “(in-  
23 cluding those that are eligible to receive assistance  
24 under part A or B of title III or under title V)”  
25 after “other institutions of higher education”; and

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

3           “(5) SPECIAL RULE.—The Secretary may waive  
4 or reduce the required non-Federal share for institu-  
5 tions that—

6                   “(A) are eligible to receive assistance  
7 under part A or B of title III or under title V;  
8 and

9                   “(B) have submitted a grant application  
10 under this section that demonstrates a need for  
11 a waiver or reduction.”.

12       (b) EDUCATION AND TRAINING PROGRAMS.—Section  
13 613 (20 U.S.C. 1130a) is amended by adding at the end  
14 the following new subsection:

15       “(e) SPECIAL RULE.—The Secretary may waive or  
16 reduce the required non-Federal share for institutions  
17 that—

18                   “(1) are eligible to receive assistance under part  
19 A or B of title III or under title V; and

20                   “(2) have submitted a grant application under  
21 this section that demonstrates a need for a waiver  
22 or reduction.”.

23       (c) AUTHORIZATION OF APPROPRIATIONS.—Section  
24 614 (20 U.S.C. 1130b) is amended—

1           (1) by striking “1999” each place it appears  
2           and inserting “2006”; and

3           (2) by striking “4 succeeding” each place it ap-  
4           pears and inserting “5 succeeding”.

5 **SEC. 603. INSTITUTE FOR INTERNATIONAL PUBLIC POLICY.**

6           (a) FOREIGN SERVICE PROFESSIONAL DEVELOP-  
7           MENT.—Section 621 (20 U.S.C. 1131) is amended—

8           (1) by striking the heading of such section and  
9           inserting the following:

10 **“SEC. 621. PROGRAM FOR FOREIGN SERVICE PROFES-**  
11 **SIONALS.”;**

12           (2) by striking the second sentence of sub-  
13           section (a) and inserting the following: “The Insti-  
14           tute shall conduct a program to enhance the inter-  
15           national competitiveness of the United States by in-  
16           creasing the participation of underrepresented popu-  
17           lations in the international service, including private  
18           international voluntary organizations and the foreign  
19           service of the United States.”;

20           (3) in subsection (b)(1), by striking subpara-  
21           graphs (A) and (B) and inserting the following:

22           “(A) An Indian Tribal College or Univer-  
23           sity or Alaska Native and Native Hawaiian-  
24           serving institution eligible for assistance under  
25           title III, an institution eligible for assistance

1 under part B of title III, or an Hispanic-serving  
2 institution eligible for assistance under title V.

3 “(B) An institution of higher education  
4 which serves substantial numbers of underrep-  
5 resented students.”; and

6 (4) by striking subsection (e) and inserting the  
7 following:

8 “(e) MATCH REQUIRED.—The eligible recipient of a  
9 grant under this section shall contribute to the conduct  
10 of the program supported by the grant an amount from  
11 non-Federal sources equal to at least one-half of the  
12 amount of the grant. Such contribution may be in cash  
13 or in kind. The Secretary may waive or reduce the re-  
14 quired non-Federal share for institutions that—

15 “(1) are eligible to receive assistance under part  
16 A or B of title III or under title V; and

17 “(2) have submitted a grant application under  
18 this section that demonstrates a need for a waiver  
19 or reduction.”.

20 (b) INSTITUTIONAL DEVELOPMENT.—Section 622  
21 (20 U.S.C. 1131a) is amended by inserting before the pe-  
22 riod at the end of subsection (a) the following: “and pro-  
23 mote collaboration with colleges and universities that re-  
24 ceive funds under this title”.

1 (c) STUDY ABROAD PROGRAM.—Section 623(a) (20  
2 U.S.C. 1131b(a)) is amended by inserting after “1978,”  
3 the following: “Alaska Native-serving, Native Hawaiian-  
4 serving, and Hispanic-serving institutions,”.

5 (d) ADVANCED DEGREE IN INTERNATIONAL RELA-  
6 TIONS.—Section 624 (20 U.S.C. 1131b) is amended—

7 (1) by striking “**MASTERS**” in the heading of  
8 such section and inserting “**ADVANCED**”;

9 (2) by striking “a masters degree in inter-  
10 national relations” and inserting “an advanced de-  
11 gree in international relations, international affairs,  
12 international economics, or other academic areas re-  
13 lated to the Institute fellow’s career objectives”; and

14 (3) by striking “The masters degree program”  
15 and inserting “The advanced degree study program  
16 shall be designed by the consortia, consistent with  
17 the fellow’s career objectives, and”.

18 (e) INTERNSHIPS.—Section 625 (20 U.S.C. 1131c)  
19 is amended—

20 (1) in subsection (a), by inserting after “1978,”  
21 the following: “Alaska Native-serving, Native Hawai-  
22 ian-serving, and Hispanic-serving institutions,”;

23 (2) in subsection (b)—

24 (A) by inserting “and” after the semicolon  
25 at the end of paragraph (2);



1 (B) by striking “; and” at the end of para-  
2 graph (3) and inserting a period; and

3 (C) by striking paragraph (4); and

4 (3) by amending subsection (c) to read as fol-  
5 lows:

6 “(c) RALPH J. BUNCHE FELLOWS.—In order to as-  
7 sure the recognition and commitment of individuals from  
8 underrepresented student populations who demonstrate  
9 special interest in international affairs and language  
10 study, eligible students who participate in the internship  
11 programs authorized under (a) and (b) shall be known as  
12 the ‘Ralph J. Bunche Fellows’.”

13 (f) REPORT.—Section 626 (20 U.S.C. 1131d) is  
14 amended by striking “annually prepare a report” and in-  
15 serting “prepare a report biennially”.

16 (g) AUTHORIZATION OF APPROPRIATIONS.—Section  
17 628 (20 U.S.C. 1131f) is amended—

18 (1) by striking “1999” and inserting “2006”;

19 and

20 (2) by striking “4 succeeding” and inserting “5  
21 succeeding”.

22 **SEC. 604. EVALUATION, OUTREACH, AND DISSEMINATION.**

23 Part D of title VI is amended by inserting after sec-  
24 tion 631 (20 U.S.C. 1132) the following new section:

1 **“SEC. 632. EVALUATION, OUTREACH, AND DISSEMINATION.**

2 “The Secretary may use not more than 1 percent of  
3 the funds made available for this title for program evalua-  
4 tion, national outreach, and information dissemination ac-  
5 tivities.”.

6 **SEC. 605. ADVISORY BOARD.**

7 Part D of title VI is amended by inserting after sec-  
8 tion 632 (as added by section 5) the following new section:

9 **“SEC. 633. INTERNATIONAL HIGHER EDUCATION ADVISORY**  
10 **BOARD.**

11 “(a) ESTABLISHMENT AND PURPOSE.—

12 “(1) ESTABLISHMENT.—There is established in  
13 the Department an independent International High-  
14 er Education Advisory Board (hereafter in this sec-  
15 tion referred to as the ‘International Advisory  
16 Board’). The International Advisory Board shall  
17 provide advice, counsel and recommendations to the  
18 Secretary and the Congress on international edu-  
19 cation issues for higher education.

20 “(2) PURPOSE.—The purpose of the Inter-  
21 national Advisory Board is—

22 “(A) to provide expertise in the area of na-  
23 tional needs for proficiency in world regions,  
24 foreign languages, and international affairs;

25 “(B) to make recommendations that will  
26 promote the excellence of international edu-

1 cation programs and result in the growth and  
2 development of such programs at the postsec-  
3 ondary education level that will reflect diverse  
4 perspectives and the full range of views on  
5 world regions, foreign language, and inter-  
6 national affairs; and

7 “(C) to advise the Secretary and the Con-  
8 gress with respect to needs for expertise in gov-  
9 ernment, the private sector, and education in  
10 order to enhance America’s understanding of,  
11 and engagement in, the world.

12 “(b) INDEPENDENCE OF INTERNATIONAL ADVISORY  
13 BOARD.—In the exercise of its functions, powers, and du-  
14 ties, the International Advisory Board shall be inde-  
15 pendent of the Secretary and the other offices and officers  
16 of the Department. Except as provided in this subsection  
17 and subsection (f), the recommendations of the Inter-  
18 national Advisory Board shall not be subject to review or  
19 approval by any officer of the Federal Government. Noth-  
20 ing in this title shall be construed to authorize the Inter-  
21 national Advisory Board to mandate, direct, or control an  
22 institution of higher education’s specific instructional con-  
23 tent, curriculum, or program of instruction. The Board  
24 is authorized to study, monitor, apprise, and evaluate a  
25 sample of activities supported under this title in order to

1 provide recommendations to the Secretary and the Con-  
2 gress for the improvement of programs under the title and  
3 to ensure programs meet the purposes of the title. The  
4 recommendations of the Board may address any area in  
5 need of improvement, except that any recommendation of  
6 specific legislation to Congress shall be made only if the  
7 President deems it necessary and expedient.

8 “(c) MEMBERSHIP.—

9 “(1) APPOINTMENT.—The International Advi-  
10 sory Board shall have 7 members of whom—

11 “(A) 3 members shall be appointed by the  
12 Secretary;

13 “(B) 2 members shall be appointed by the  
14 Speaker of the House of Representatives, upon  
15 the recommendation of the Majority Leader and  
16 the Minority Leader; and

17 “(C) 2 members shall be appointed by the  
18 President pro tempore of the Senate, upon the  
19 recommendation of the Majority Leader and the  
20 Minority Leader.

21 “(2) REPRESENTATION.—Two of the members  
22 appointed by the Secretary under paragraph (1)(A)  
23 shall be appointed to represent Federal agencies that  
24 have national security responsibilities, after consulta-  
25 tion with the heads of such agencies. The members

1 of the International Advisory Board shall also in-  
2 clude (but not be limited to) representatives of  
3 States, institutions of higher education, cultural or-  
4 ganizations, educational organizations, local edu-  
5 cation agencies, students, and private citizens with  
6 expertise in international concerns.

7 “(3) QUALIFICATION.—Members of the Inter-  
8 national Advisory Board shall be individuals who  
9 have technical qualifications, professional standing,  
10 experience working in international affairs or foreign  
11 service occupations, or demonstrated knowledge in  
12 the fields of higher education and international edu-  
13 cation, including foreign languages, world regions, or  
14 international affairs.

15 “(d) FUNCTIONS OF THE COMMITTEE.—

16 “(1) IN GENERAL.—The International Advisory  
17 Board shall provide recommendations in accordance  
18 with subsection (b) regarding improvement of pro-  
19 grams under this title to the Secretary and the Con-  
20 gress for their review. The Board may—

21 “(A) review and comment upon the regula-  
22 tions for grants under this title;

23 “(B) monitor, apprise, and evaluate a sam-  
24 ple of activities supported under this title based  
25 on the purposes and objectives of this title in

1 order to provide recommendations for improve-  
2 ment of the programs under this title;

3 “(C) make recommendations that will as-  
4 sist the Secretary and the Congress to improve  
5 the programs under this title to better reflect  
6 the national needs related to the homeland se-  
7 curity, international education, and inter-  
8 national affairs, including an assessment of the  
9 national needs and the training provided by the  
10 institutions of higher education that receive a  
11 grant under this title for expert and non-expert  
12 level foreign language training;

13 “(D) make recommendations to the Sec-  
14 retary and the Congress regarding such studies,  
15 surveys, and analyses of international education  
16 that will provide feedback about the programs  
17 under this title and assure that their relative  
18 authorized activities reflect diverse perspectives  
19 and the full range of views on world regions,  
20 foreign languages, and international affairs;

21 “(E) make recommendations that will  
22 strengthen the partnerships between local edu-  
23 cational agencies, public and private elementary  
24 and secondary education schools, and grant re-  
25 cipients under this title to ensure that the re-

1 search and knowledge about world regions, for-  
2 eign languages, and international affairs is  
3 widely disseminated to local educational agen-  
4 cies;

5 “(F) make recommendations on how insti-  
6 tutions of higher education that receive a grant  
7 under this title can encourage students to serve  
8 the nation and meet national needs in an inter-  
9 national affairs, international business, foreign  
10 language, or national security capacity;

11 “(G) make recommendations on how link-  
12 ages between institutions of higher education  
13 and public and private organizations that are  
14 involved in international education, language  
15 training, and international research capacities  
16 to fulfill manpower and information needs of  
17 United States businesses; and

18 “(H) make recommendations to the Sec-  
19 retary and the Congress about opportunities for  
20 underrepresented populations in the areas of  
21 international relations, international affairs,  
22 and international economics, in order to effec-  
23 tively carry out the activities of the Institute  
24 under part C.

1           “(2) HEARINGS.—The International Advisory  
2 Board shall provide for public hearing and comment  
3 regarding the matter contained in the recommenda-  
4 tions described in paragraph (1), prior to the sub-  
5 mission of those recommendations to Secretary and  
6 the Congress.

7           “(e) OPERATIONS OF THE COMMITTEE.—

8           “(1) TERMS.—Each member of the Inter-  
9 national Advisory Board shall be appointed for a  
10 term of 3 years, except that, of the members first  
11 appointed (A) 4 shall be appointed for a term of 3  
12 years, and (B) 3 shall be appointed for a term of 4  
13 years, as designated at the time of appointment by  
14 the Secretary. A member of the International Advi-  
15 sory Board may be reappointed to successive terms  
16 on the International Advisory Board.

17           “(2) VACANCIES.—Any member appointed to  
18 fill a vacancy occurring prior to the expiration of the  
19 term of a predecessor shall be appointed only for the  
20 remainder of such term. A member of the Inter-  
21 national Advisory Board shall, upon the Secretary’s  
22 request, continue to serve after the expiration of a  
23 term until a successor has been appointed.

24           “(3) NO GOVERNMENTAL MEMBERS.—Except  
25 for the members appointed by the Secretary under



1 subsection (c)(1)(A), no officers or full-time employ-  
2 ees of the Federal Government shall serve as mem-  
3 bers of the International Advisory Board.

4 “(4) MEETINGS.—The International Advisory  
5 Board shall meet not less than once each year. The  
6 International Advisory Board shall hold additional  
7 meetings at the call of the Chair or upon the written  
8 request of not less than 3 voting members of the  
9 International Advisory Board.

10 “(5) QUORUM.—A majority of the voting mem-  
11 bers of the Board serving at the time of a meeting  
12 shall constitute a quorum.

13 “(6) CHAIR.—The International Advisory  
14 Board shall elect a Chairman or Chairwoman from  
15 among the members of the International Advisory  
16 Board.

17 “(f) SUBMISSION TO DEPARTMENT FOR COM-  
18 MENT.—The International Advisory Board shall submit  
19 its proposed recommendations to the Secretary of Edu-  
20 cation for comment for a period not to exceed 30 days  
21 in each instance.

22 “(g) PERSONNEL AND RESOURCES.—

23 “(1) COMPENSATION AND EXPENSE.—Members  
24 of the International Advisory Committee shall serve  
25 without pay for such service. Members of the Inter-

1 national Advisory Board who are officers or employ-  
2 ees of the United States may not receive additional  
3 pay, allowances, or benefits by reason of their serv-  
4 ice on the International Advisory Board. Members of  
5 the International Advisory Board may each receive  
6 reimbursement for travel expenses incident to at-  
7 tending International Advisory Board meetings, in-  
8 cluding per diem in lieu of subsistence, as authorized  
9 by section 5703 of title 5, United States Code, for  
10 persons in the Government service employed inter-  
11 mittently.

12 “(2) PERSONNEL.—The International Advisory  
13 Board may appoint such personnel as may be deter-  
14 mined necessary by the Chairman without regard to  
15 the provisions of title 5, United States Code, gov-  
16 erning appointments in the competitive service, and  
17 may be paid without regard to the provisions of  
18 chapter 51 and subchapter III of chapter 53 of such  
19 title relating to classification and General Schedule  
20 pay rates, but no individual so appointed shall be  
21 paid in excess of the rate authorized for GS–18 of  
22 the General Schedule. The International Advisory  
23 Board may appoint not more than 1 full-time equiv-  
24 alent, nonpermanent, consultant without regard to  
25 the provisions of title 5, United States Code. The

1 International Advisory Board shall not be required  
2 by the Secretary to reduce personnel to meet agency  
3 personnel reduction goals.

4 “(3) CONSULTATION.—In carrying out its du-  
5 ties under the Act, the International Advisory Board  
6 shall consult with other Federal agencies, represent-  
7 atives of State and local governments, and private  
8 organizations to the extent feasible.

9 “(4) ASSISTANCE FROM OTHER AGENCIES.—

10 “(A) INFORMATION.—The International  
11 Advisory Board is authorized to secure directly  
12 from any executive department, bureau, agency,  
13 board, commission, office, independent estab-  
14 lishment, or instrumentality information, sug-  
15 gestions, estimates, and statistics for the pur-  
16 pose of this section and each such department,  
17 bureau, agency, board, commission, office, inde-  
18 pendent establishment, or instrumentality is au-  
19 thorized and directed, to the extent permitted  
20 by law, to furnish such information, sugges-  
21 tions, estimates, and statistics directly to the  
22 International Advisory Board, upon request  
23 made by the Chairman.

24 “(B) SERVICES AND PERSONNEL.—The  
25 head of each Federal agency shall, to the extent

1 not prohibited by law, consult with the Inter-  
2 national Advisory Board in carrying out this  
3 section. The International Advisory Board is  
4 authorized to utilize, with their consent, the  
5 services, personnel, information, and facilities of  
6 other Federal, State, local, and private agencies  
7 with or without reimbursement.

8 “(5) CONTRACTS; EXPERTS AND CONSULT-  
9 ANTS.—The International Advisory Board may enter  
10 into contracts for the acquisition of information,  
11 suggestions, estimates, and statistics for the purpose  
12 of this section. The International Advisory Board is  
13 authorized to obtain the services of experts and con-  
14 sultants without regard to section 3109 of title 5,  
15 United States Code and to set pay in accordance  
16 with such section.

17 “(h) TERMINATION.—Notwithstanding the sunset  
18 and charter provisions of the Federal Advisory Committee  
19 Act (5 U.S.C. App. I) or any other statute or regulation,  
20 the International Advisory Committee shall be authorized  
21 through September 30, 2012.

22 “(i) FUNDS.—The Secretary shall use not more than  
23 one-half of the funds available to the Secretary under sec-  
24 tion 632 to carry out this section.”.

1 **SEC. 606. RECRUITER ACCESS TO STUDENTS AND STUDENT**  
2 **RECRUITING INFORMATION; SAFETY.**

3 Part D of title VI is amended by inserting after sec-  
4 tion 633 (as added by section 6) the following new sec-  
5 tions:

6 **“SEC. 634. RECRUITER ACCESS TO STUDENTS AND STU-**  
7 **DENT RECRUITING INFORMATION.**

8 “Each institution of higher education that receives a  
9 grant under this title shall assure that—

10 “(1) recruiters of the United States Govern-  
11 ment and agencies thereof are given the same access  
12 to students as is provided generally to other institu-  
13 tions of higher education and prospective employers  
14 of those students for the purpose of recruiting for  
15 graduate opportunities or prospective employment;  
16 and

17 “(2) no undue restrictions are placed upon stu-  
18 dents that seek employment with the United States  
19 Government or any agency thereof.

20 **“SEC. 635. STUDENT SAFETY.**

21 “Applicants seeking funds under this title to support  
22 student travel and study abroad shall submit as part of  
23 their grant application a description of safety policies and  
24 procedures for students participating in the program while  
25 abroad.”.

1 **SEC. 607. NATIONAL STUDY OF FOREIGN LANGUAGE HERIT-**  
2 **AGE COMMUNITIES.**

3 Part D of title VI is further amended by inserting  
4 after section 635 (as added by section 7) the following  
5 new section:

6 **“SEC. 636. NATIONAL STUDY OF FOREIGN LANGUAGE HER-**  
7 **ITAGE COMMUNITIES.**

8 “(a) STUDY.—The Secretary of Education, in con-  
9 sultation with the International Advisory Board, shall con-  
10 duct a study to identify foreign language heritage commu-  
11 nities, particularly such communities that include speakers  
12 of languages that are critical to the national security of  
13 the United States.

14 “(b) FOREIGN LANGUAGE HERITAGE COMMUNITY.—  
15 For purposes of this section, the term ‘foreign language  
16 heritage community’ means a community of residents or  
17 citizens of the United States who are native speakers of,  
18 or who have partial fluency in, a foreign language.

19 “(c) REPORT.—Not later than 1 year after the date  
20 of the enactment of this Act, the Secretary of Education  
21 shall submit a report to the Congress on the results of  
22 the study conducted under this section.”.

1                   **TITLE VII—TITLE VII**  
2                   **AMENDMENTS**

3 **SEC. 701. JAVITS FELLOWSHIP PROGRAM.**

4           (a) **INTERRUPTIONS OF STUDY.**—Section 701(c) (20  
5 U.S.C. 1134(c)) is amended by adding at the end the fol-  
6 lowing new sentence: “In the case of other exceptional cir-  
7 cumstances, such as active duty military service or per-  
8 sonal or family member illness, the institution of higher  
9 education may also permit the fellowship recipient to in-  
10 terrupt periods of study for the duration of the tour of  
11 duty (in the case of military service) or not more than  
12 12 months (in any other case), but without payment of  
13 the stipend.”.

14           (b) **ALLOCATION OF FELLOWSHIPS.**—Section  
15 702(a)(1) (20 U.S.C. 1134a(a)(1)) is amended—

16               (1) in the first sentence, by inserting “from di-  
17 verse geographic regions” after “higher education”;  
18               and

19               (2) by adding at the end the following new sen-  
20 tence: “The Secretary shall also assure that at least  
21 one representative appointed to the Board represents  
22 an institution that is eligible for a grant under title  
23 III or V of this Act.”.

24           (c) **STIPENDS.**—Section 703 (20 U.S.C. 1134b(a)) is  
25 amended—

1 (1) in subsection (a)—

2 (A) by striking “1999–2000” and inserting  
3 “2006–2007”;

4 (B) by striking “shall be set” and inserting  
5 “may be set”; and

6 (C) by striking “Foundation graduate fel-  
7 lowships” and inserting “Foundation Graduate  
8 Research Fellowship Program”; and

9 (2) in subsection (b), by amending paragraph  
10 (1)(A) to read as follows:

11 “(1) IN GENERAL.—(A) The Secretary shall (in  
12 addition to stipends paid to individuals under this  
13 subpart) pay to the institution of higher education,  
14 for each individual awarded a fellowship under this  
15 subpart at such institution, an institutional allow-  
16 ance. Except as provided in subparagraph (B), such  
17 allowance shall be, for 2006–2007 and succeeding  
18 academic years, the same amount as the institu-  
19 tional payment made for 2005–2006 adjusted for  
20 2006–2007 and annually thereafter in accordance  
21 with inflation as determined by the Department of  
22 Labor’s Consumer Price Index for the previous cal-  
23 endar year.”.

24 (d) AUTHORIZATION OF APPROPRIATIONS.—Section  
25 705 (20 U.S.C. 1134d) is amended by striking “fiscal year



1 1999 and such sums as may be necessary for each of the  
2 4 succeeding fiscal years” and inserting “fiscal year 2006  
3 and such sums as may be necessary for each of the 5 suc-  
4 ceeding fiscal years”.

5 **SEC. 702. GRADUATE ASSISTANCE IN AREAS OF NATIONAL**  
6 **NEED.**

7 (a) DESIGNATION OF AREAS OF NATIONAL NEED;  
8 PRIORITY.—Section 712 (20 U.S.C. 1135a) is amended—

9 (1) in the last sentence of subsection (b)—

10 (A) by striking “and an assessment” and  
11 inserting “an assessment”; and

12 (B) by inserting before the period at the  
13 end the following: “, and the priority described  
14 in subsection (c) of this section”; and

15 (2) by adding at the end the following new sub-  
16 section:

17 “(c) PRIORITY.—The Secretary shall establish a pri-  
18 ority for grants in order to prepare individuals for the pro-  
19 fessoriate who will train highly-qualified elementary and  
20 secondary school teachers of math, science, and special  
21 education, and teachers who provide instruction for lim-  
22 ited English proficient individuals. Such grants shall offer  
23 program assistance and graduate fellowships for—

24 “(1) post-baccalaureate study related to teacher  
25 preparation and pedagogy in math and science for

1 students who have completed a master's degree or  
2 are pursuing a doctorate of philosophy in math and  
3 science;

4 “(2) post-baccalaureate study related to teacher  
5 preparation and pedagogy in special education and  
6 English language acquisition and academic pro-  
7 ficiency for limited English proficient individuals;  
8 and

9 “(3) support of dissertation research in the  
10 fields of math, science, special education, or second  
11 language pedagogy and second language acqui-  
12 sition.”.

13 (b) COLLABORATION REQUIRED FOR CERTAIN AP-  
14 PPLICATIONS.—Section 713(b) (20 U.S.C. 1135b) is  
15 amended—

16 (1) by striking “and” at the end of paragraph  
17 (9);

18 (2) by redesignating paragraph (10) as para-  
19 graph (11); and

20 (3) by inserting after paragraph (9) the fol-  
21 lowing new paragraph:

22 “(10) in the case of an application for a grant  
23 by a department, program, or unit in education or  
24 teacher preparation, contain assurances that such  
25 department, program, or unit collaborates with de-

1       partments, programs, or units in all content areas to  
2       assure a successful combination of training in both  
3       teaching and such content; and”.

4       (c) STIPENDS.—Section 714(b) (20 U.S.C. 1135c(b))  
5 is amended—

6           (1) by striking “1999–2000” and inserting  
7       “2006–2007”;

8           (2) by striking “shall be set” and inserting  
9       “may be set”; and

10          (3) by striking “Foundation graduate fellow-  
11       ships” and inserting “Foundation Graduate Re-  
12       search Fellowship Program”.

13       (d) ADDITIONAL ASSISTANCE.—Section 715(a)(1)  
14 (20 U.S.C. 1135d(a)(1)) is amended—

15           (1) by striking “1999–2000” and inserting  
16       “2006–2007”; and

17           (2) by striking “1998–1999” and inserting  
18       “2006–2007”.

19       (e) AUTHORIZATION OF APPROPRIATIONS.—Section  
20 716 (20 U.S.C. 1135e) is amended by striking “fiscal year  
21 1999 and such sums as may be necessary for each of the  
22 4 succeeding fiscal years” and inserting “fiscal year 2006  
23 and such sums as may be necessary for each of the 5 suc-  
24 ceeding fiscal years”.

1 (f) TECHNICAL AMENDMENTS.—Section 714(c) (20  
2 U.S.C. 1135c(c)) is amended—

3 (1) by striking “section 716(a)” and inserting  
4 “section 715(a)”; and

5 (2) by striking “section 714(b)(2)” and insert-  
6 ing “section 713(b)(2)”.

7 **SEC. 703. THURGOOD MARSHALL LEGAL EDUCATIONAL OP-**  
8 **PORTUNITY PROGRAM.**

9 (a) CONTRACT AND GRANT PURPOSES.—Section  
10 721(c) (20 U.S.C. 1136(c)) is amended—

11 (1) by amending paragraph (2) to read as fol-  
12 lows:

13 “(2) to prepare such students for study at ac-  
14 credited law schools and assist them with the devel-  
15 opment of analytical skills and study methods to en-  
16 hance their success and promote completion of law  
17 school;”;

18 (2) by striking “and” at the end of paragraph  
19 (4);

20 (3) by striking the period at the end of para-  
21 graph (5) and inserting “; and”; and

22 (4) by adding at the end the following new  
23 paragraph:

24 “(6) to award Thurgood Marshall Fellowships  
25 to eligible law school students—

1           “(A) who participated in summer institutes  
2 authorized by subsection (d) and who are en-  
3 rolled in an accredited law school; or

4           “(B) who are eligible law school students  
5 who have successfully completed a comparable  
6 summer institute program certified by the  
7 Council on Legal Educational Opportunity.”.

8           (b) SERVICES PROVIDED.—Section 721(d)(1)(D) (20  
9 U.S.C. 1136(d)(1)(D)) is amended by inserting “in ana-  
10 lytical skills and study methods” after “courses”.

11           (c) AUTHORIZATION OF APPROPRIATIONS.—Section  
12 721(h) (20 U.S.C. 1136(h)) is amended by striking “1999  
13 and each of the 4 succeeding fiscal years” and inserting  
14 “2006 and each of the 5 succeeding fiscal years”.

15           (d) GENERAL PROVISIONS.—Subsection (e) of section  
16 731 (20 U.S.C. 1137(e)) is repealed.

17 **SEC. 704. FUND FOR THE IMPROVEMENT OF POSTSEC-**  
18 **ONDARY EDUCATION.**

19           (a) CONTRACT AND GRANT PURPOSES.—Section  
20 741(a) (20 U.S.C. 1138(a)) is amended—

21           (1) by amending paragraph (1) to read as fol-  
22 lows:

23           “(1) the encouragement of the reform and im-  
24 provement of, and innovation in, postsecondary edu-  
25 cation and the provision of educational opportunity

1 for all, especially for the non-traditional student pop-  
2 ulations;”;

3 (2) in paragraph (2), by inserting before the  
4 semicolon at the end the following: “for postsec-  
5 ondary students, especially those that provide aca-  
6 demic credit for programs”;

7 (3) by amending paragraph (3) to read as fol-  
8 lows:

9 “(3) the establishment of institutions and pro-  
10 grams based on the technology of communications,  
11 including delivery by distance education;” and

12 (4) by amending paragraph (6) to read as fol-  
13 lows:

14 “(6) the introduction of institutional reforms  
15 designed to expand individual opportunities for en-  
16 tering and reentering postsecondary institutions and  
17 pursuing programs of postsecondary study tailored  
18 to individual needs;”.

19 (b) AREAS OF NATIONAL NEED.—Section 744(c) (20  
20 U.S.C. 1138c(c)) is amended by striking paragraph (4)  
21 and inserting the following:

22 “(4) International cooperation, partnerships, or  
23 student exchange among postsecondary educational  
24 institutions in the United States and abroad.

1           “(5) Establishment of academic programs in-  
2           cluding graduate and undergraduate courses, semi-  
3           nars and lectures, support of research, and develop-  
4           ment of teaching materials for the purpose of sup-  
5           porting faculty and academic programs that teach  
6           traditional American history (including significant  
7           constitutional, political, intellectual, economic, diplo-  
8           matic, and foreign policy trends, issues, and docu-  
9           ments; the history, nature, and development of  
10          democratic institutions of which American democ-  
11          racy is a part; and significant events and individuals  
12          in the history of the United States).

13           “(6) Support for planning, applied research,  
14           training, resource exchanges or technology transfers,  
15           the delivery of services, or other activities the pur-  
16           pose of which is to design and implement programs  
17           to enable institutions of higher education to work  
18           with private and civic organizations to assist commu-  
19           nities to meet and address their pressing and severe  
20           problems, including economic development, commu-  
21           nity infrastructure and housing, crime prevention,  
22           education, healthcare, self sufficiency, and workforce  
23           preparation.”.

24           (c) AUTHORIZATION OF APPROPRIATIONS.—Section  
25 745 (20 U.S.C. 1138d) is amended by striking

1 “\$30,000,000 for fiscal year 1999 and such sums as may  
2 be necessary for each of the 4 succeeding fiscal years” and  
3 inserting “\$40,000,000 for fiscal year 2006 and such  
4 sums as may be necessary for each of the 5 succeeding  
5 fiscal years” .

6 **SEC. 705. URBAN COMMUNITY SERVICE.**

7 Part C of title VII (20 U.S.C. 1139 et seq.) is re-  
8 pealed.

9 **SEC. 706. DEMONSTRATION PROJECTS TO ENSURE STU-**  
10 **DENTS WITH DISABILITIES RECEIVE A QUAL-**  
11 **ITY HIGHER EDUCATION.**

12 (a) **SERVING ALL STUDENTS WITH DISABILITIES.—**  
13 Section 762(a) (20 U.S.C. 1140a(a)) is amended by strik-  
14 ing “students with learning disabilities” and inserting  
15 “students with disabilities”.

16 (b) **AUTHORIZED ACTIVITIES.—**

17 (1) **AMENDMENT.—**Section 762(b)(2) is amend-  
18 ed—

19 (A) in subparagraph (A), by inserting “in  
20 order to improve retention and completion”  
21 after “disabilities”;

22 (B) by redesignating subparagraphs (B)  
23 and (C) as subparagraphs (C) and (E), respec-  
24 tively;



1 (C) by inserting after subparagraph (A)  
2 the following new subparagraph:

3 “(B) EFFECTIVE TRANSITION PRAC-  
4 TICES.—The development of innovative, effec-  
5 tive, and efficient teaching methods and strate-  
6 gies to ensure the smooth transition of students  
7 with disabilities from high school to postsec-  
8 ondary education.”; and

9 (D) by inserting after subparagraph (C)  
10 (as redesignated by subparagraph (B) of this  
11 paragraph) the following new subparagraph:

12 “(D) DISTANCE LEARNING.—The develop-  
13 ment of innovative, effective, and efficient  
14 teaching methods and strategies to provide fac-  
15 ulty and administrators with the ability to pro-  
16 vide accessible distance education programs or  
17 classes that would enhance access of students  
18 with disabilities to higher education, including  
19 the use of electronic communication for instruc-  
20 tion and advisement.”.

21 (2) CONFORMING AMENDMENT.—Section  
22 762(b)(3) is amended by striking “subparagraphs  
23 (A) through (C)” and inserting “subparagraphs (A)  
24 through (E)”.

1 (c) APPLICATIONS.—Section 763 (20 U.S.C. 1140b)  
2 is amended—

3 (1) by amending paragraph (1) to read as fol-  
4 lows:

5 “(1) a description of how such institution plans  
6 to address the activities allowed under this part;”;

7 (2) by striking “and” at the end of paragraph  
8 (2);

9 (3) by striking the period at the end of para-  
10 graph (3) and inserting “; and”; and

11 (4) by adding at the end the following new  
12 paragraph:

13 “(4) a description of the extent to which an in-  
14 stitution will work to replicate the best practices of  
15 institutions of higher education with demonstrated  
16 success in serving students with disabilities.”.

17 (d) AUTHORIZATION OF APPROPRIATIONS.—Section  
18 765 (20 U.S.C. 1140d) is amended by striking “fiscal year  
19 1999 and such sums as may be necessary for each of the  
20 4 succeeding fiscal years” and inserting “fiscal year 2006  
21 and such sums as may be necessary for each of the 5 suc-  
22 ceeding fiscal years”.

1                   **TITLE VIII—CLERICAL**  
2                   **AMENDMENTS**

3 **SEC. 801. CLERICAL AMENDMENTS.**

4           (a) DEFINITION.—Section 103 (20 U.S.C. 1003) is  
5 amended—

6               (1) by redesignating paragraphs (1) through  
7               (16) as paragraphs (2) through (17), respectively;  
8               and

9               (2) by inserting before paragraph (2) (as so re-  
10               designated) the following new paragraph:

11               “(1) AUTHORIZING COMMITTEES.—The term  
12               ‘authorizing committees’ means the Committee on  
13               Health, Education, Labor, and Pensions of the Sen-  
14               ate and the Committee on Education and the Work-  
15               force of the House of Representatives.”.

16           (b) COMMITTEES.—

17               (1) The following provisions are each amended  
18               by striking “Committee on Labor and Human Re-  
19               sources of the Senate and the Committee on Edu-  
20               cation and the Workforce of the House of Rep-  
21               resentatives” and inserting “authorizing commit-  
22               tees”:

23                       (A) Section 131(a)(3)(B) (20 U.S.C.  
24                       1015(a)(3)(B)).

1 (B) Section 131(c)(4) (20 U.S.C.  
2 1015(c)(4)).

3 (C) Section 206(d) (20 U.S.C. 1026(d)).

4 (D) Section 207(c)(1) (20 U.S.C.  
5 1027(c)(1)).

6 (E) Section 428(g) (20 U.S.C. 1078(g)).

7 (F) Section 428A(a)(4) (20 U.S.C. 1078–  
8 1(a)(4)).

9 (G) Section 428A(c)(2) (20 U.S.C. 1078–  
10 1(c)(2)).

11 (H) Section 428A(c)(3) (20 U.S.C. 1078–  
12 1(c)(3)).

13 (I) Section 428A(c)(5) (20 U.S.C. 1078–  
14 1(c)(5)).

15 (J) Section 455(b)(8)(B) (20 U.S.C.  
16 1087e(b)(8)(B)).

17 (K) Section 483(e) (20 U.S.C. 1090(c)).

18 (L) Section 486(e) (20 U.S.C. 1093(e)).

19 (M) Section 486(f)(3)(A) (20 U.S.C.  
20 1093(f)(3)(A)).

21 (N) Section 486(f)(3)(B) (20 U.S.C.  
22 1093(f)(3)(B)).

23 (O) Section 487A(a)(5) (20 U.S.C.  
24 1094a(a)(5)).

1 (P) Section 487A(b)(2) (20 U.S.C.  
2 1094a(b)(2)).

3 (Q) Section 487A(b)(3)(B) (20 U.S.C.  
4 1094a(b)(3)(B)).

5 (R) Section 498B(d)(1) (20 U.S.C. 1099c-  
6 2(d)(1)).

7 (S) Section 498B(d)(2) (20 U.S.C. 1099c-  
8 2(d)(2)).

9 (2) The following provisions are each amended  
10 by striking “Committee on Education and the Work-  
11 force of the House of Representatives and the Com-  
12 mittee on Labor and Human Resources of the Sen-  
13 ate” and inserting “authorizing committees”:

14 (A) Section 141(d)(4)(B) (20 U.S.C.  
15 1018(d)(4)(B)).

16 (B) Section 428(n)(4) (20 U.S.C.  
17 1078(n)(4)).

18 (C) Section 437(c)(1) (20 U.S.C.  
19 1087(c)(1)).

20 (D) Section 485(f)(5)(A) (20 U.S.C.  
21 1092(f)(5)(A)).

22 (E) Section 485(g)(4)(B) (20 U.S.C.  
23 1092(g)(4)(B)).

24 (3) Section 206(a) (20 U.S.C. 1026(a)) is  
25 amended by striking “, the Committee on Labor and

1 Human Resources of the Senate, and the Committee  
2 on Education and the Workforce of the House of  
3 Representatives” and inserting “and the authorizing  
4 committees”.

5 (4) Section 401(f)(3) (20 U.S.C. 1070a(f)(3))  
6 is amended by striking “Committee on Appropria-  
7 tions and the Committee on Labor and Human Re-  
8 sources of the Senate and the Committee on Appro-  
9 priations and the Committee on Education and the  
10 Workforce of the House of Representatives” and in-  
11 sserting “Committees on Appropriations of the Sen-  
12 ate and House of Representatives and the author-  
13 izing committees”.

14 (5) Section 428(c)(9)(K) (20 U.S.C.  
15 1078(c)(9)(K)) is amended by striking “House Com-  
16 mittee on Education and the Workforce and the  
17 Senate Committee on Labor and Human Resources”  
18 and inserting “authorizing committees”.

19 (6) Section 428I(h) (20 U.S.C. 1078–9(h)) is  
20 amended by striking “Chairman of the Senate Labor  
21 and Human Resources Committee and the House  
22 Committee on Education and Labor” and inserting  
23 “chairpersons of the authorizing committees”.

24 (7) Section 432(f)(1)(C) (20 U.S.C.  
25 1082(f)(1)(C)) is amended by striking “Committee

1 on Education and the Workforce of the House of  
2 Representatives or the Committee on Labor and  
3 Human Resources of the Senate” and inserting “ei-  
4 ther of the authorizing committees”.

5 (8) Section 439(d)(1)(E)(iii) (20 U.S.C. 1087–  
6 2(d)(1)(E)(iii)) is amended by striking “Chairman  
7 and the Ranking Member on the Committee on  
8 Labor and Human Resources of the Senate and the  
9 Chairman and the Ranking Member of the Com-  
10 mittee on Education and Labor of the House of  
11 Representatives” and inserting “chairpersons and  
12 ranking minority members of the authorizing com-  
13 mittees”.

14 (9) Paragraphs (3) and (8)(C) of section 439(r)  
15 (20 U.S.C. 1087–2(r)) are each amended by striking  
16 “Chairman and ranking minority member of the  
17 Committee on Labor and Human Resources of the  
18 Senate, the Chairman and ranking minority member  
19 of the Committee on Education and Labor of the  
20 House of Representatives,” and inserting “chair-  
21 persons and ranking minority members of the au-  
22 thorizing committees”.

23 (10) Paragraphs (5)(B) and (10) of section  
24 439(r) (20 U.S.C. 1087–2(r)) are each amended by  
25 striking “Chairman and ranking minority member of

1 the Senate Committee on Labor and Human Re-  
2 sources and to the Chairman and ranking minority  
3 member of the House Committee on Education and  
4 Labor” and inserting “chairpersons and ranking mi-  
5 nority members of the authorizing committees”.

6 (11) Section 439(r)(6)(B) (20 U.S.C. 1087-  
7 2(r)(6)(B)) is amended by striking “Chairman and  
8 ranking minority member of the Committee on  
9 Labor and Human Resources of the Senate and to  
10 the Chairman and ranking minority member of the  
11 Committee on Education and Labor of the House of  
12 Representatives” and inserting “chairpersons and  
13 ranking minority members of the authorizing com-  
14 mittees”.

15 (12) Section 439(s)(2)(A) (20 U.S.C. 1087-  
16 2(s)(2)(A)) is amended by striking “Chairman and  
17 Ranking Member of the Committee on Labor and  
18 Human Resources of the Senate and the Chairman  
19 and Ranking Member of the Committee on Eco-  
20 nomic and Educational Opportunities of the House  
21 of Representatives” and inserting “chairpersons and  
22 ranking minority members of the authorizing com-  
23 mittees”.

24 (13) Section 439(s)(2)(B) (20 U.S.C. 1087-  
25 2(s)(2)(B)) is amended by striking “Chairman and



1 Ranking Minority Member of the Committee on  
2 Labor and Human Resources of the Senate and  
3 Chairman and Ranking Minority Member of the  
4 Committee on Economic and Educational Opportu-  
5 nities of the House of Representatives” and insert-  
6 ing “chairpersons and ranking minority members of  
7 the authorizing committees”.

8 (14) Section 482(d) (20 U.S.C. 1089(d)) is  
9 amended by striking “Committee on Labor and  
10 Human Resources of the Senate and the Committee  
11 on Education and Labor of the House of Represent-  
12 atives” and inserting “authorizing committees”.

13 (c) ADDITIONAL CLERICAL AMENDMENTS.—

14 (1) Clauses (i) and (ii) of section 425(a)(2)(A)  
15 (20 U.S.C. 1075(a)(2)(A)) are each amended by  
16 striking “428A or 428B” and inserting “428B or  
17 428H”.

18 (2) Section 428(a)(2)(E) (20 U.S.C.  
19 1078(a)(2)(E)) is amended by striking “428A or”.

20 (3) Clauses (i) and (ii) of section 428(b)(1)(B)  
21 (20 U.S.C. 1078(b)(1)(B)) are each amended by  
22 striking “428A or 428B” and inserting “428B or  
23 428H”.

24 (4) Section 428(b)(1)(Q) (20 U.S.C.  
25 1078(b)(1)(Q)) is amended by striking “sections

1 428A and 428B” and inserting “section 428B or  
2 428H”.

3 (5) Section 428(b)(7)(C) (20 U.S.C.  
4 1078(b)(7)(C)) is amended by striking “428A,  
5 428B,” and inserting “428B”.

6 (6) Section 428G(e)(2) (20 U.S.C. 1078–  
7 7(c)(2)) is amended by striking “428A” and insert-  
8 ing “428H”.

9 (7) The heading for section 433(e) (20 U.S.C.  
10 1083(e)) is amended by striking “SLS LOANS  
11 AND”.

12 (8) Section 433(e) (20 U.S.C. 1083(e)) is  
13 amended by striking “428A, 428B,” and inserting  
14 “428B”.

15 (9) Section 435(a)(3) (20 U.S.C. 1085(a)(3)) is  
16 amended—

17 (A) by inserting “or” at the end of sub-  
18 paragraph (A);

19 (B) by striking subparagraph (B); and

20 (C) by redesignating subparagraph (C) as  
21 subparagraph (B).

22 (10) Section 435(d)(1)(G) (20 U.S.C.  
23 1085(d)(1)(G)) is amended by striking “428A(d),  
24 428B(d), 428C,” and inserting “428B(d), 428C,  
25 428H,”.

1           (11) Section 435(m) (20 U.S.C. 1085(m)) is  
2 amended—

3           (A) in paragraph (1)(A), by striking “,  
4 428A,”; and

5           (B) in paragraph (2)(D), by striking  
6 “428A” each place it appears and inserting  
7 “428H”.

8           (12) Section 438(b)(2)(D) (20 U.S.C. 1087–  
9 1(b)(2)(D)) is amended by striking “division (i) of  
10 this subparagraph” and inserting “clause (i) of this  
11 subparagraph”.

12           (13) Section 438(c)(6) (20 U.S.C. 1087–  
13 1(c)(6)) is amended—

14           (A) by striking “SLS AND PLUS” in the  
15 heading and inserting “PLUS”; and

16           (B) by striking “428A or”.

17           (14) Section 438(c)(7) (20 U.S.C. 1087–  
18 1(c)(7)) is amended by striking “428A or”.

19           (15) Nothing in the amendments made by this  
20 subsection shall be construed to alter the terms, con-  
21 ditions, and benefits applicable to Federal supple-  
22 mental loans for students (“SLS loans”) under sec-  
23 tion 428A as in effect prior to July 1, 1994 (20  
24 U.S.C. 1078–1).

1           **TITLE IX—AMENDMENTS TO**  
2           **OTHER EDUCATION LAWS**

3           **PART A—EDUCATION OF THE DEAF ACT OF 1986**

4           **SEC. 901. LAURENT CLERC NATIONAL DEAF EDUCATION**  
5                           **CENTER.**

6           (a) GENERAL AUTHORITY.—Section 104(a)(1)(A) of  
7 the Education of the Deaf Act of 1986 (20 U.S.C.  
8 4304(a)(1)(A)) is amended by inserting after “maintain  
9 and operate” the following: “, at the Laurent Clerc Na-  
10 tional Deaf Education Center,”.

11          (b) ADMINISTRATIVE REQUIREMENTS.—

12               (1) IN GENERAL.—Section 104(b) of the Edu-  
13 cation of the Deaf Act of 1986 (20 U.S.C. 4304(b))  
14 is amended—

15                       (A) in the matter preceding subparagraph  
16                       (A) of paragraph (1), by striking “elementary  
17                       and secondary education programs” and insert-  
18                       ing “Laurent Clerc National Deaf Education  
19                       Center”; and

20                       (B) in paragraph (2), by striking “elemen-  
21                       tary and secondary education programs” and  
22                       inserting “Laurent Clerc National Deaf Edu-  
23                       cation Center”.

24               (2) ACADEMIC CONTENT STANDARDS, ACHIEVE-  
25                       MENT STANDARDS, AND ASSESSMENTS.—Section

1 104(b) of the Education of the Deaf Act of 1986  
2 (20 U.S.C. 4304(b)) is amended by adding at the  
3 end the following new paragraph:

4 “(5) The University, in consultation with the Sec-  
5 retary, shall—

6 “(A) not later than one year after the date of  
7 the enactment of the College Access and Oppor-  
8 tunity Act of 2005, adopt and implement academic  
9 content standards, academic achievement standards,  
10 and academic assessments as described in section  
11 1111(b) of the Elementary and Secondary Edu-  
12 cation Act of 1965 for the Laurent Clerc National  
13 Deaf Education Center;

14 “(B) develop adequate yearly progress stand-  
15 ards for the Center as described in section  
16 1111(b)(2)(C) of such Act; and

17 “(C) make available to the public the results of  
18 such assessments, except in such case in which such  
19 reporting would not yield statistically reliable infor-  
20 mation or would reveal personally identifiable infor-  
21 mation about an individual student.”.

22 **SEC. 902. AUTHORITY.**

23 Section 111 of the Education of the Deaf Act of 1986  
24 (20 U.S.C. 4331) is amended by striking “the institution  
25 of higher education with which the Secretary has an agree-

1 ment under this part” and inserting “the Rochester Insti-  
2 tute of Technology”.

3 **SEC. 903. AGREEMENT FOR THE NATIONAL TECHNICAL IN-**  
4 **STITUTE FOR THE DEAF.**

5 (a) GENERAL AUTHORITY.—Section 112(a) of the  
6 Education of the Deaf Act of 1986 (20 U.S.C. 4332(a))  
7 is amended—

8 (1) in paragraph (1)—

9 (A) in the first sentence—

10 (i) by striking “an institution of high-  
11 er education” and inserting “the Rochester  
12 Institute of Technology, Rochester, New  
13 York,”; and

14 (ii) by striking “of a” and inserting  
15 “of the”; and

16 (B) by striking the second sentence; and

17 (2) in paragraph (2)—

18 (A) in the matter preceding subparagraph  
19 (A), by striking “the institution of higher edu-  
20 cation with which the Secretary has an agree-  
21 ment under this section” and inserting “the  
22 Rochester Institute of Technology”; and

23 (B) in subparagraph (B), by striking “the  
24 institution” and inserting “the Rochester Insti-  
25 tute of Technology”.

1 (b) PROVISIONS OF AGREEMENT.—Section 112(b) of  
2 the Education of the Deaf Act of 1986 (20 U.S.C.  
3 4332(b)) is amended—

4 (1) in paragraph (2), by striking “or other gov-  
5 erning body of the institution” and inserting “of the  
6 Rochester Institute of Technology”; and

7 (2) in paragraph (3)—

8 (A) by striking “or other governing body of  
9 the institution” and inserting “of the Rochester  
10 Institute of Technology”;

11 (B) by striking “the institution of higher  
12 education under the agreement with the Sec-  
13 retary” and inserting “the Rochester Institute  
14 of Technology by the National Technical Insti-  
15 tute for the Deaf”; and

16 (C) by striking “Committee on Education  
17 and Labor of the House of Representatives and  
18 to the Committee on Labor and Human Re-  
19 sources of the Senate” and inserting “Com-  
20 mittee on Education and the Workforce of the  
21 House of Representatives and to the Committee  
22 on Health, Education, Labor, and Pensions of  
23 the Senate”.

24 (c) LIMITATION.—Section 112(c) of the Education of  
25 the Deaf Act of 1986 (20 U.S.C. 4332(c)) is amended in

1 paragraphs (1) and (2) by striking “institution” each  
2 place it appears and inserting “Rochester Institute of  
3 Technology”.

4 **SEC. 904. DEFINITIONS.**

5 Section 201 of the Education of the Deaf Act of 1986  
6 (20 U.S.C. 4351) is amended—

7 (1) by striking paragraph (3);

8 (2) by redesignating paragraphs (4) through  
9 (7) as paragraphs (3) through (6), respectively; and

10 (3) by adding at the end the following new  
11 paragraph:

12 “(7) The term ‘RIT’ means the Rochester Insti-  
13 tute of Technology.”.

14 **SEC. 905. AUDIT.**

15 (a) GOVERNMENT ACCOUNTABILITY OFFICE AU-  
16 THORITY.—Section 203(a) of the Education of the Deaf  
17 Act of 1986 (20 U.S.C. 4353(a)) is amended—

18 (1) in the heading, by striking “GENERAL AC-  
19 COUNTING OFFICE” and inserting “GOVERNMENT  
20 ACCOUNTABILITY OFFICE”; and

21 (2) in the matter following paragraph (2), by  
22 striking “General Accounting Office” and inserting  
23 “Government Accountability Office”.

24 (b) INDEPENDENT FINANCIAL AND COMPLIANCE  
25 AUDIT.—Section 203(b)(1) of the Education of the Deaf



1 Act of 1986 (20 U.S.C. 4353(b)(1)) is amended by strik-  
2 ing the second sentence and inserting the following:  
3 “NTID shall have an annual independent financial and  
4 compliance audit made of RIT programs and activities,  
5 including NTID programs and activities.”.

6 (c) COMPLIANCE.—Section 203(b)(2) of the Edu-  
7 cation of the Deaf Act of 1986 (20 U.S.C. 4353(b)(2))  
8 is amended by striking “sections” and all that follows  
9 through “section 207” and inserting “sections 102(b),  
10 105(b)(4), 112(b)(5), 203(c), 207(b)(2), subsections (c)  
11 through (f) of section 207”.

12 (d) SUBMISSION OF AUDITS.—Section 203(b)(3) of  
13 the Education of the Deaf Act of 1986 (20 U.S.C.  
14 4353(b)(3)) is amended—

15 (1) by inserting after “Secretary” the following:  
16 “and the Committee on Education and the Work-  
17 force of the House of Representatives and the Com-  
18 mittee on Health, Education, Labor, and Pensions  
19 of the Senate”; and

20 (2) by striking “or the institution authorized to  
21 establish and operate the NTID under section  
22 112(a)” and inserting “or RIT”.

23 (e) LIMITATIONS REGARDING EXPENDITURE OF  
24 FUNDS.—Section 203(c)(2)(A) of the Education of the  
25 Deaf Act of 1986 (20 U.S.C. 4353(c)(2)(A)) is amended

1 in the fifth sentence by striking “the Committee on Edu-  
2 cation and Labor of the House of Representatives and the  
3 Committee on Labor and Human Resources of the Sen-  
4 ate” and inserting “the Committee on Education and the  
5 Workforce of the House of Representatives and the Com-  
6 mittee on Health, Education, Labor, and Pensions of the  
7 Senate”.

8 **SEC. 906. REPORTS.**

9 (a) TECHNICAL AMENDMENTS.—Section 204 of the  
10 Education of the Deaf Act of 1986 (20 U.S.C. 4354) is  
11 amended in the matter preceding paragraph (1)—

12 (1) by striking “or other governing body of the  
13 institution of higher education with which the Sec-  
14 retary has an agreement under section 112” and in-  
15 serting “of RIT”; and

16 (2) by striking “Committee on Education and  
17 Labor of the House of Representatives and the Com-  
18 mittee on Labor and Human Resources of the Sen-  
19 ate” and inserting “Committee on Education and  
20 the Workforce of the House of Representatives and  
21 the Committee on Health, Education, Labor, and  
22 Pensions of the Senate”.

23 (b) CONTENTS OF REPORT.—Section 204 of the  
24 Education of the Deaf Act of 1986 (20 U.S.C. 4354) is  
25 amended—

1           (1) in paragraph (2)(C), by striking “upon  
2           graduation/completion” and inserting “within one  
3           year of graduation/completion”; and

4           (2) in paragraph (3)(B), by striking “of the in-  
5           stitution of higher education with which the Sec-  
6           retary has an agreement under section 112, includ-  
7           ing specific schedules and analyses for all NTID  
8           funds, as required under section 203” and inserting  
9           “of RIT programs and activities”.

10 **SEC. 907. LIAISON FOR EDUCATIONAL PROGRAMS.**

11           Section 206(a) of the Education of the Deaf Act of  
12 1986 (20 U.S.C. 4356(a)) is amended by striking “Not  
13 later than 30 days after the date of enactment of this Act,  
14 the” and inserting “The”.

15 **SEC. 908. FEDERAL ENDOWMENT PROGRAMS FOR GAL-**  
16 **LAUDET UNIVERSITY AND THE NATIONAL**  
17 **TECHNICAL INSTITUTE FOR THE DEAF.**

18           Section 207(a)(2) of the Education of the Deaf Act  
19 of 1986 (20 U.S.C. 4357(a)(2)) is amended by striking  
20 “or other governing body of the institution of higher edu-  
21 cation with which the Secretary has an agreement under  
22 section 112” and inserting “of RIT”.

23 **SEC. 909. OVERSIGHT AND EFFECT OF AGREEMENTS.**

24           Section 208(a) of the Education of the Deaf Act of  
25 1986 (20 U.S.C. 4359(a)) is amended—

1           (1) by striking “the institution of higher edu-  
2           cation with which the Secretary has an agreement  
3           under part B of title I” and inserting “RIT”; and

4           (2) by striking “Committee on Labor and  
5           Human Resources of the Senate and the Committee  
6           on Education and Labor of the House of Represent-  
7           atives” and inserting “Committee on Education and  
8           the Workforce of the House of Representatives and  
9           the Committee on Health, Education, Labor, and  
10          Pensions of the Senate”.

11 **SEC. 910. AUTHORIZATION OF APPROPRIATIONS.**

12          (a) **MONITORING AND EVALUATION ACTIVITIES.**—  
13 Section 205(e) of the Education of the Deaf Act of 1986  
14 (20 U.S.C. 4355(e)) is amended by striking “fiscal years  
15 1998 through 2003” and inserting “fiscal years 2006  
16 through 2011”.

17          (b) **FEDERAL ENDOWMENT PROGRAMS FOR GAL-**  
18 **LAUDET UNIVERSITY AND THE NATIONAL TECHNICAL IN-**  
19 **STITUTE FOR THE DEAF.**—Section 207(h) of the Edu-  
20 cation of the Deaf Act of 1986 (20 U.S.C. 4357(h)) is  
21 amended in paragraphs (1) and (2) by striking “fiscal  
22 years 1998 through 2003” each place it appears and in-  
23 serting “fiscal years 2006 through 2011”.

1 (c) GENERAL AUTHORIZATION OF APPROPRIA-  
2 TIONS.—Section 212 of the Education of the Deaf Act of  
3 1986 (20 U.S.C. 4360a) is amended—

4 (1) in the matter preceding paragraph (1) in  
5 subsection (a), by striking “fiscal years 1998  
6 through 2003” and inserting “fiscal years 2006  
7 through 2011”; and

8 (2) in subsection (b), by striking “fiscal years  
9 1998 through 2003” and inserting “fiscal years  
10 2006 through 2011”.

11 **PART B—ADDITIONAL EDUCATION LAWS**

12 **SEC. 921. AMENDMENT TO HIGHER EDUCATION AMEND-**  
13 **MENTS OF 1998.**

14 (a) REPEALS OF EXPIRED AND EXECUTED PROVI-  
15 SIONS.—The following provisions of the Higher Education  
16 Amendments of 1998 are repealed:

17 (1) STUDY OF MARKET MECHANISMS IN FED-  
18 ERAL STUDENT LOAN PROGRAMS.—Section 801 (20  
19 U.S.C. 1018 note).

20 (2) STUDY OF FEASIBILITY OF ALTERNATE FI-  
21 NANCIAL INSTRUMENTS FOR DETERMINING LENDER  
22 YIELDS.—Section 802.

23 (3) STUDENT RELATED DEBT STUDY.—Section  
24 803 (20 U.S.C. 1015 note)

1           (4) STUDY OF OPPORTUNITIES FOR PARTICIPA-  
2           TION IN ATHLETIC PROGRAMS.—Section 805 (20  
3           U.S.C. 1001 note).

4           (5) COMMUNITY SCHOLARSHIP MOBILIZA-  
5           TION.—Part C (20 U.S.C. 1070 note).

6           (6) INCARCERATED YOUTH.—Part D (20  
7           U.S.C. 1151).

8           (7) IMPROVING UNITED STATES UNDER-  
9           STANDING OF SCIENCE, ENGINEERING, AND TECH-  
10          NOLOGY IN EAST ASIA.—Part F (20 U.S.C. 1862  
11          note).

12          (8) WEB-BASED EDUCATION COMMISSION.—  
13          Part J.

14          (b) EXTENSIONS OF AUTHORIZATIONS AND STUD-  
15          IES.—

16                (1) TRANSFER OF CREDIT.—Section 804(b) (20  
17                U.S.C. 1099b note) is amended—

18                    (A) by striking “one year after the date of  
19                    enactment of this Act” and inserting “Sep-  
20                    tember 30, 2007”; and

21                    (B) by inserting “and policies of institu-  
22                    tions of higher education” after “agencies or  
23                    associations”.

24                (2) COHORT DEFAULT RATE STUDY.—Section  
25                806 is amended—

1 (A) in subsection (a), by striking “higher  
2 education at which less” and inserting “higher  
3 education. The study shall also review the effect  
4 of cohort default rates specifically on institu-  
5 tions of higher education at which less”; and

6 (B) in subsection (c), by striking “Sep-  
7 tember 30, 1999,” and inserting “September  
8 30, 2007,”.

9 (3) VIOLENCE AGAINST WOMEN.—Section 826  
10 (20 U.S.C. 1152) is amended—

11 (A) in subsection (g)—

12 (i) by striking “1999” and inserting  
13 “2006”; and

14 (ii) by striking “4 succeeding” and in-  
15 serting “5 succeeding”; and

16 (B) by redesignating subsections (f) and  
17 (g) as subsections (e) and (f), respectively.

18 (4) UNDERGROUND RAILROAD.—Subsection (c)  
19 of section 841 (20 U.S.C. 1153(c)) is amended to  
20 read as follows:

21 “(c) AUTHORIZATION OF APPROPRIATIONS.—There  
22 are authorized to be appropriated to carry out this section  
23 \$3,000,000 for fiscal year 2006 and such sums as may  
24 be necessary for each of the 5 succeeding fiscal years.”.

1 (c) DISBURSEMENT OF STUDENT LOANS.—Section  
2 422(d) of the Higher Education Amendments of 1998  
3 (Public Law 105–244; 112 Stat. 1696) is amended by  
4 adding at the end the following new sentence: “Such  
5 amendments shall also be effective on and after July 1,  
6 2006.”.

7 **SEC. 922. TRIBALLY CONTROLLED COLLEGE OR UNIVER-**  
8 **SITY ASSISTANCE ACT OF 1978.**

9 (a) TITLE I AUTHORIZATION.—Section 110(a) of the  
10 Tribally Controlled Community College or University As-  
11 sistance Act of 1978 (25 U.S.C. 1810(a)) is amended—

12 (1) by striking “1999” each place it appears  
13 and inserting “2006”; and

14 (2) by striking “4 succeeding” each place it ap-  
15 pears and inserting “5 succeeding”.

16 (b) TITLE III REAUTHORIZATION.—Section 306(a)  
17 of the Tribally Controlled Community College or Univer-  
18 sity Assistance Act of 1978 (25 U.S.C. 1836(a)) is amend-  
19 ed—

20 (1) by striking “1999” and inserting “2006”;  
21 and

22 (2) by striking “4 succeeding” and inserting “5  
23 succeeding”.

24 (c) TITLE IV REAUTHORIZATION.—Section 403 of  
25 the Tribal Economic Development and Technology Re-



1 lated Education Assistance Act of 1990 (25 U.S.C. 1852)  
2 is amended—

3 (1) by striking “1999” and inserting “2006”;  
4 and

5 (2) by striking “4 succeeding” and inserting “5  
6 succeeding”.

7 (d) ADDITIONAL AMENDMENTS.—The Tribally Con-  
8 trolled Community College or University Assistance Act  
9 of 1978 is further amended—

10 (1) in section 2(a)(6) (25 U.S.C. 1801(a)(6)),  
11 by striking “in the field of Indian education” and in-  
12 serting “in the field of Tribal Colleges and Univer-  
13 sities and Indian higher education”;

14 (2) in section 2(b), by striking paragraph (5)  
15 and inserting the following:

16 “(5) Eligible credits earned in a continuing  
17 education program shall be determined as one credit  
18 for every 10 contact hours for institutions on a  
19 quarter system, and 15 contact hours for institu-  
20 tions on a semester system, of participation in an or-  
21 ganized continuing education experience under re-  
22 sponsible sponsorship, capable direction, and quali-  
23 fied instruction, as described in the criteria estab-  
24 lished by the International Association for Con-  
25 tinuing Education and Training, and may not exceed

1 20 percent of an institution’s total Indian student  
2 count.”; and

3 (3) in section 103 (25 U.S.C. 1804), by striking  
4 “and” at the end of paragraph (2), by striking the  
5 period at the end of paragraph (3) and inserting “;  
6 and”, and by inserting after paragraph (3) the fol-  
7 lowing new paragraph:

8 “(4) has been accredited by a nationally recog-  
9 nized accrediting agency or association determined  
10 by the Secretary of Education to be a reliable au-  
11 thority as to the quality of training offered, or is, ac-  
12 cording to such an agency or association, making  
13 reasonable progress toward accreditation.”.

14 **SEC. 923. NAVAJO COMMUNITY COLLEGE ACT.**

15 Section 5(a)(1) of the Navajo Community College Act  
16 (25 U.S.C. 640c–1(a)(1)) is amended—

17 (1) by striking “1999” and inserting “2006”;  
18 and

19 (2) by striking “4 succeeding” and inserting “5  
20 succeeding”.

21 **SEC. 924. EDUCATION AMENDMENTS OF 1992.**

22 Section 1543(d) of the Education Amendments of  
23 1992 (20 U.S.C. 1070 note) is amended—

24 (1) by striking “1999” and inserting “2006”;  
25 and

1           (2) by striking “4 succeeding” and inserting “5  
2           succeeding”.

3 **SEC. 925. STUDY OF STUDENT LEARNING OUTCOMES AND**  
4 **PUBLIC ACCOUNTABILITY.**

5           (a) **STUDY REQUIRED.**—The Secretary shall provide  
6 for the conduct a study of the best practices of States in  
7 assessing undergraduate postsecondary student learning,  
8 particularly as such practices relate to public account-  
9 ability systems.

10          (b) **CHARACTERISTICS OF THE ASSOCIATION.**—Such  
11 study shall be conducted by an association or organization  
12 with specific expertise and knowledge in state practices  
13 and access to necessary state officials (in this section re-  
14 ferred to as the “association”). The association respon-  
15 sible for the study under this section shall be a national,  
16 non-partisan or bi-partisan entity representing States or  
17 State officials with expertise in evaluative and qualitative  
18 policy research for best practice models, the capacity to  
19 convene experts, and to formulate policy recommenda-  
20 tions.

21          (c) **REQUIRED SUBJECTS OF STUDY.**—In performing  
22 the study, the association shall, at a minimum, examine  
23 the following:

1           (1) The current status of institutional and state  
2 efforts to embed student learning assessments into  
3 the state-level public accountability frameworks.

4           (2) The extent to which there is commonality  
5 among educators and accrediting agencies on learn-  
6 ing standards for the associates and bachelors de-  
7 grees.

8           (3) The reliability, rigor, and generalizability of  
9 available instruments to assess general education at  
10 the undergraduate level.

11           (4) Roles and responsibilities for public ac-  
12 countability for student learning.

13 (d) CONSULTATION.—

14           (1) NATIONAL COMMITTEE.—The association  
15 shall establish and consult with a national com-  
16 mittee. The committee shall meet not less than twice  
17 a year to review the research, identify best practice  
18 models, and review recommendations.

19           (2) MEMBERSHIP.—The national advisory com-  
20 mittee shall consist of a representative of the Sec-  
21 retary of Education and individuals with expertise  
22 in—

23                   (A) State accountability systems;

24                   (B) student learning assessments;

25                   (C) student flow data;

1                   (D) transitions between K–12 and higher  
2                   education; and

3                   (E) Federal higher education policy.

4                   (3) ADDITIONAL EXPERTISE.—The association  
5                   may augment this committee with other expertise, as  
6                   appropriate.

7                   (e) CONGRESSIONAL CONSULTATION.—The associa-  
8                   tion shall consult on a regular basis with the Committee  
9                   on Education and the Workforce of the House of Rep-  
10                  resentatives and the Committee on Health Education  
11                  Labor and Pensions of the Senate in carrying out the  
12                  study required by this section.

13                  (f) REPORT.—The association shall, not later than  
14                  two years after the date of enactment of this Act, prepare  
15                  and submit a report on the study required by this section  
16                  to the Committee on Education and the Workforce of the  
17                  House of Representatives and the Committee on Health,  
18                  Education, Labor, and Pensions of the Senate.

○