AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 4508
OFFERED BY MR. GUTHRIE OF KENTUCKY

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Promoting Real Opportunity, Success, and Prosperity through Education Reform Act” or the “PROSPER Act”.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. References.
Sec. 3. General effective date.

TITLE I—GENERAL PROVISIONS

PART A—DEFINITIONS

Sec. 101. Definition of institution of higher education.
Sec. 102. Institutions outside the United States.
Sec. 103. Additional definitions.
Sec. 104. Regulatory relief.

PART B—ADDITIONAL GENERAL PROVISIONS

Sec. 111. Free speech protections.
Sec. 112. National Advisory Committee on Institutional Quality and Integrity.
Sec. 113. Repeal of certain reporting requirements.
Sec. 114. Programs on drug and alcohol abuse prevention.
Sec. 115. Campus access for religious groups.
Sec. 116. Secretarial prohibitions.
Sec. 117. Ensuring equal treatment by governmental entities.
Sec. 118. Single-sex social student organizations.

PART C—COST OF HIGHER EDUCATION

Sec. 121. College Dashboard website.
Sec. 122. Net price calculators.
Sec. 123. Text book information.
Sec. 124. Review of current data collection and feasibility study of improved data collection.

PART D—ADMINISTRATIVE PROVISIONS FOR DELIVERY OF STUDENT FINANCIAL ASSISTANCE

Sec. 131. Performance-based organization for the delivery of Federal student financial assistance.
Sec. 132. Administrative data transparency.

PART E—LENDER AND INSTITUTION REQUIREMENTS RELATING TO EDUCATION LOANS

Sec. 141. Modification of preferred lender arrangements.

PART F—ADDRESSING SEXUAL ASSAULT

Sec. 151. Addressing sexual assault.

TITLE II—EXPANDING ACCESS TO IN-DEMAND APPRENTICESHIPS

Sec. 201. Repeal.

TITLE III—INSTITUTIONAL AID

Sec. 301. Strengthening institutions.
Sec. 302. Strengthening historically Black colleges and universities.
Sec. 303. Historically Black college and university capital financing.
Sec. 304. Minority Science and Engineering Improvement Program.
Sec. 305. Strengthening historically Black colleges and universities and other minority-serving institutions.
Sec. 306. General provisions.

TITLE IV—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS IN ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION

Sec. 401. Federal Pell Grants.
Sec. 402. Federal TRIO programs.
Sec. 403. Gaining early awareness and readiness for undergraduate programs.
Sec. 404. Special programs for students whose families are engaged in migrant and seasonal farmwork.
Sec. 405. Child care access means parents in school.
Sec. 406. Repeals.
Sec. 407. Sunset of TEACH grants.

PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM

Sec. 421. Federal Direct Consolidation Loans.
Sec. 422. Loan rehabilitation.
Sec. 423. Loan forgiveness for teachers.
Sec. 424. Loan forgiveness for service in areas of national need.
Sec. 425. Loan repayment for civil legal assistance attorneys.
Sec. 426. Sunset of cohort default rate and other conforming changes.
Sec. 427. Closed school and other discharges.
PART C—FEDERAL WORK-STUDY PROGRAMS

Sec. 441. Purpose; authorization of appropriations.
Sec. 442. Allocation formula.
Sec. 443. Grants for Federal work-study programs.
Sec. 444. Flexible use of funds.
Sec. 445. Job location and development programs.
Sec. 446. Community service.
Sec. 447. Work colleges.

PART D—FEDERAL DIRECT STUDENT LOAN PROGRAM

Sec. 451. Termination of Federal Direct Loan Program under part D and other conforming amendments.
Sec. 452. Borrower defenses.
Sec. 453. Administrative expenses.
Sec. 454. Loan cancellation for teachers.

PART E—FEDERAL ONE LOANS

Sec. 461. Wind-down of Federal Perkins Loan Program.
Sec. 462. Federal ONE Loan program.

PART F—NEED ANALYSIS

Sec. 471. Cost of attendance.
Sec. 472. Simplified needs test.
Sec. 473. Discretion of student financial aid administrators.
Sec. 474. Definitions of total income and assets.

PART G—GENERAL PROVISIONS RELATING TO STUDENT ASSISTANCE

Sec. 481. Definitions of academic year and eligible program.
Sec. 482. Programmatic loan repayment rates.
Sec. 483. Master calendar.
Sec. 484. FAFSA Simplification.
Sec. 485. Student eligibility.
Sec. 486. Statute of limitations.
Sec. 487. Institutional refunds.
Sec. 488. Information disseminated to prospective and enrolled students.
Sec. 489. Early awareness of financial aid eligibility.
Sec. 490. Distance education demonstration programs.
Sec. 491. Contents of program participation agreements.
Sec. 492. Regulatory relief and improvement.
Sec. 493. Transfer of allotments.
Sec. 494. Administrative expenses.
Sec. 494A. Repeal of advisory committee.
Sec. 494B. Regional meetings and negotiated rulemaking.
Sec. 494C. Report to Congress.
Sec. 494D. Deferral of loan repayment following active duty.
Sec. 494E. Contracts; matching program.

PART H—PROGRAM INTEGRITY

Sec. 495. Repeal of and prohibition on State authorization regulations.
Sec. 496. Recognition of accrediting agency or association.
Sec. 497. Eligibility and certification procedures.
TITLE V—DEVELOPING INSTITUTIONS

Sec. 501. Hispanic-serving institutions.
Sec. 502. Promoting postbaccalaureate opportunities for Hispanic Americans.
Sec. 503. General provisions.

TITLE VI—INTERNATIONAL EDUCATION PROGRAMS

Sec. 601. International and foreign language studies.
Sec. 602. Business and international education programs.
Sec. 603. Repeal of assistance program for Institute for International Public Policy.
Sec. 604. General provisions.

TITLE VII—GRADUATE AND POSTSECONDARY IMPROVEMENT PROGRAMS

Sec. 701. Graduate education programs.
Sec. 702. Repeal of Fund for the Improvement of Postsecondary Education.
Sec. 703. Programs for students with disabilities.
Sec. 704. Repeal of college access challenge grant program.

TITLE VIII—OTHER REPEALS

Sec. 801. Repeal of additional programs.

TITLE IX—AMENDMENTS TO OTHER LAWS

PART A—EDUCATION OF THE DEAF ACT OF 1986


PART B—TRIBALLY CONTROLLED COLLEGES AND UNIVERSITIES ASSISTANCE ACT OF 1978; DINE' COLLEGE ACT

Sec. 911. Tribally Controlled Colleges and Universities Assistance Act of 1978.
Sec. 912. Dine' College Act.

1 SEC. 2. REFERENCES.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).
SEC. 3. GENERAL EFFECTIVE DATE.

Except as otherwise provided in this Act or the amendments made by this Act, this Act and the amendments made by this Act shall take effect on the date of enactment of this Act.

TITLE I—GENERAL PROVISIONS

PART A—DEFINITIONS

SEC. 101. DEFINITION OF INSTITUTION OF HIGHER EDUCATION.

Part A of title I (20 U.S.C. 1001 et seq.) is amended by striking section 101 (20 U.S.C. 1001) and inserting the following:

“SEC. 101. DEFINITION OF INSTITUTION OF HIGHER EDUCATION.

“(a) INSTITUTION OF HIGHER EDUCATION.—For purposes of this Act, the term ‘institution of higher education’ means an educational institution in any State that—

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

“(A) have a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, or who meet the requirements of section 484(d);
“(B) are beyond the age of compulsory school attendance in the State in which the institution is located; or
“(C) will be dually or concurrently enrolled in the institution and a secondary school;
“(2) is legally authorized by the State in which it maintains a physical location to provide a program of education beyond secondary education;
“(3)(A) is accredited by a nationally recognized accrediting agency or association; or
“(B) if not so accredited, is an institution that has been granted preaccreditation status by such an agency or association that has been recognized by the Secretary for the granting of preaccreditation status, and the Secretary has determined that there is satisfactory assurance that the institution will meet the accreditation standards of such an agency or association within a reasonable time; and
“(4) provides—
“(A) an educational program for which the institution awards a bachelor’s degree, graduate degree, or professional degree;
“(B) not less than a 2-year educational program which is acceptable for full credit towards a bachelor’s degree; or
“(C) a non-degree program leading to a recognized educational credential that meets the definition of an eligible program under section 481(b).

“(b) ADDITIONAL LIMITATIONS.—

“(1) PROPRIETARY INSTITUTIONS OF HIGHER EDUCATION.—

“(A) LENGTH OF EXISTENCE.—A proprietary institution shall not be considered an institution of higher education unless such institution has been in existence for at least 2 years.

“(B) INSTITUTIONAL INELIGIBILITY FOR MINORITY SERVING INSTITUTION PROGRAMS.— A proprietary institution shall not be considered an institution of higher education for the purposes of any program under title III or V.

“(2) POSTSECONDARY VOCATIONAL INSTITUTIONS.—A nonprofit or public institution that offers only non-degree programs described in subsection (a)(4)(C) shall not be considered an institution of higher education unless such institution has been in existence for at least 2 years.

“(3) LIMITATIONS BASED ON MANAGEMENT.— An institution shall not be considered an institution of higher education if—
“(A) the institution, or an affiliate of the institution that has the power, by contract or ownership interest, to direct or cause the direction of the management or policies of the institution, has filed for bankruptcy; or

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

“(4) LIMITATION ON COURSE OF STUDY OR ENROLLMENT.—An institution shall not be considered an institution of higher education if such institution—

“(A) offers more than 50 percent of such institution’s courses by correspondence education, unless the institution is an institution that meets the definition in section 3(3)(C) of the Carl D. Perkins Career and Technical Education Act of 2006;

“(B) enrolls 50 percent or more of the institution’s students in correspondence education
courses, unless the institution is an institution that meets the definition in section 3(3)(C) of such Act;

“(C) has a student enrollment in which more than 25 percent of the students are incarcerated, except that the Secretary may waive the limitation contained in this subparagraph for an institution that provides a 2- or 4-year program of instruction (or both) for which the institution awards an associate’s degree or a postsecondary certificate, or a bachelor’s degree, respectively; or

“(D) has a student enrollment in which more than 50 percent of the students either do not have a secondary school diploma or its recognized equivalent, or do not meet the requirements of section 484(d), and does not provide a 2- or 4-year program of instruction (or both) for which the institution awards an associate’s degree or a bachelor’s degree, respectively, except that the Secretary may waive the limitation contained in this subparagraph if an institution demonstrates to the satisfaction of the Secretary that the institution exceeds such limitation because the institution serves, through
contracts with Federal, State, or local government agencies, significant numbers of students who do not have a secondary school diploma or its recognized equivalent or do not meet the requirements of section 484(d).

“(c) List of Accrediting Agencies.—For purposes of this section, the Secretary shall publish a list of nationally recognized accrediting agencies or associations that the Secretary determines, pursuant to subpart 2 of part H of title IV, to be reliable authority as to the quality of the education offered.

“(d) Certification.—The Secretary shall certify, for the purposes of participation in title IV, an institution’s qualification as an institution of higher education in accordance with the requirements of subpart 3 of part H of title IV.

“(e) Loss of Eligibility.—An institution of higher education shall not be considered to meet the definition of an institution of higher education for the purposes of participation in title IV if such institution is removed from eligibility for funds under title IV as a result of an action pursuant to part H of title IV.

“(f) Rule of Construction.—Nothing in subsection (a)(2) relating to State authorization shall be construed to—
“(1) impede or preempt State laws, regulations, or requirements on how States authorize out-of-state institutions of higher education; or

“(2) limit, impede, or preclude a State’s ability to collaborate or participate in a reciprocity agreement to permit an institution within such State to meet any other State’s authorization requirements for out-of-state institutions.”.

SEC. 102. INSTITUTIONS OUTSIDE THE UNITED STATES.

Part A of title I (20 U.S.C. 1001 et seq.) is further amended by striking section 102 (20 U.S.C. 1002) and inserting the following:

“SEC. 102. INSTITUTIONS OUTSIDE THE UNITED STATES.

“(a) INSTITUTIONS OUTSIDE THE UNITED STATES.—

“(1) IN GENERAL.—Only for purposes of part D or E of title IV, the term ‘institution of higher education’ includes an institution outside the United States (referred to in this part as a ‘foreign institution’) that is comparable to an institution of higher education as defined in section 101 and has been approved by the Secretary for purposes of part D or E of title IV, consistent with the requirements of section 452(d).
“(2) QUALIFICATIONS.—Only for the purposes of students receiving aid under title IV, an institution of higher education may not qualify as a foreign institution under paragraph (1), unless such institution—

“(A) is legally authorized to provide an educational program beyond secondary education by the education ministry (or comparable agency) of the country in which the institution is located;

“(B) is not located in a State;

“(C) except as provided with respect to clinical training offered by the institution under 600.55(h)(1), section 600.56(b), or section 600.57(a)(2) of title 34, Code of Federal Regulations (as in effect pursuant to subsection (b))—

“(i) does not offer any portion of an educational program in the United States to students who are citizens of the United States;

“(ii) has no written arrangements with an institution or organization located in the United States under which students enrolling at the foreign institution would
take courses from an institution located in
the United States; and

“(iii) does not allow students to enroll
in any course offered by the foreign insti-
tution in the United States, including re-
search, work, internship, externship, or
special studies within the United States,
except that independent research done by
an individual student in the United States
for not more than one academic year is
permitted, if the research is conducted dur-
ing the dissertation phase of a doctoral
program under the guidance of faculty and
the research is performed at a facility in
the United States;

“(D) awards degrees, certificates, or other
recognized educational credentials in accordance
with section 600.54(e) of title 34, Code of Fed-
eral Regulations (as in effect pursuant to sub-
section (b)) that are officially recognized by the
country in which the institution is located; and

“(E) meets the applicable requirements of
subsection (b).

“(3) INSTITUTIONS WITH LOCATIONS IN AND OUT-
SIDE THE UNITED STATES.—In a case of an institution
of higher education consisting of two or more locations
offering all or part of an educational program that are
directly or indirectly under common ownership and that
enrolls students both within a State and outside the
United States, and the number of students who would be
eligible to receive funds under title IV attending locations
of such institution outside the United States, is at least
twice the number of students enrolled within a State—
“(A) the locations outside the United States shall
apply to participate as one or more foreign institutions
and shall meet the requirements of paragraph (1) of this
definition, and the other requirements of this part; and
“(B) the locations within a State shall be treated as
an institution of higher education under section 101.
“(b) TREATMENT OF CERTAIN REGULATIONS.—
“(1) FORCE AND EFFECT.—
“(A) IN GENERAL.—The provisions of title
34, Code of Federal Regulations, referred to in
subparagraph (B), as such provisions were in
effect on the day before the date of the enactment
of the PROSPER Act, shall have the
force and effect of enacted law until changed by
such law and are deemed to be incorporated in
this subsection as though set forth fully in this
subsection.
“(B) APPLICABLE PROVISIONS.—The provisions of title 34, Code of Federal Regulations, referred to in this subparagraph are the following:

“(i) Subject to paragraph (2)(A), section 600.41(e)(3).

“(ii) Subject to paragraph (2)(B), section 600.52.

“(iii) Subject to paragraph (2)(C), section 600.54.

“(iv) Subject to subparagraphs (D) and (E) of paragraph (2), section 600.55, except that paragraph (4) of subsection (f) of such section shall have no force or effect.

“(v) Section 600.56.

“(vi) Subject to paragraph (2)(F), section 600.57.

“(vii) Subject to subparagraphs (G) and (H) of paragraph (2), section 668.23(h), except that clause (iii) of paragraph (1) of such section shall have no force or effect.

“(viii) Section 668.5.
“(C) Application to Federal One Loans.—With respect to the provisions of title 34, Code of Federal Regulations, referred to subparagraph (B), as modified by paragraph (2) any reference to a loan made under part D of title IV shall also be treated as a reference to a loan made under part E of title IV.

“(2) Modifications.—The following shall apply to the provisions of title 34, Code of Federal Regulations, referred to in paragraph (1)(B):

“(A) Notwithstanding section 600.41(e)(3) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), if the basis for the loss of eligibility of a foreign graduate medical school to participate in programs under title IV is one or more annual pass rates on the United States Medical Licensing Examination below the threshold required in subparagraph (D) the sole issue is whether the aggregate pass rate for the preceding calendar year fell below that threshold. For purposes of the preceding sentence, in the case of a foreign graduate medical school that opted to have the Educational Commission for Foreign Medical Graduates calculate and provide the pass rates directly to the
Secretary for the preceding calendar year as permitted under section 600.55(d)(2) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), in lieu of the foreign graduate medical school providing pass rate data to the Secretary under section 600.55(d)(1)(iii) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), the Educational Commission for Foreign Medical Graduates' calculations of the school's rates are conclusive; and the presiding official has no authority to consider challenges to the computation of the rate or rates by the Educational Commission for Foreign Medical Graduates.

“(B) Notwithstanding section 600.52 of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), in this Act, the term ‘foreign institution’ means an institution described in subsection (a).

“(C) Notwithstanding section 600.54(c) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), to be eligible to participate in programs under title IV, foreign institution may not enter into a written ar-
arrangement under which an institution or organization that is not eligible to participate in programs under title IV provides more than 25 percent of the program of study for one or more of the eligible foreign institution’s programs.

“(D) Notwithstanding section 600.55(f)(1)(ii) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), for a foreign graduate medical school outside of Canada, for Step 1, Step 2–CS, and Step 2–CK, or the successor examinations, of the United States Medical Licensing Examination administered by the Educational Commission for Foreign Medical Graduate, at least 75 percent of the school’s students and graduates who receive or have received title IV funds in order to attend that school, and who completed the final of these three steps of the examination in the year preceding the year for which any of the school’s students seeks a loan under title IV shall have received an aggregate passing score on the exam as a whole; or except as provided in section 600.55(f)(2) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), for no more than two consecutive
years, at least 70 percent of the individuals who were students or graduates of the graduate medical school outside the United States or Canada (who receive or have received title IV funds in order to attend that school) taking the United States Medical Licensing Examination exams in the year preceding the year for which any of the school’s students seeks a loan under title IV shall have received an aggregate passing score on the exam as a whole.

“(E) Notwithstanding 600.55(h)(2) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), not more than 25 percent of the graduate medical educational program offered to United States students, other than the clinical training portion of the program, may be located outside of the country in which the main campus of the foreign graduate medical school is located.

“(F) Notwithstanding section 600.57(a)(5) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), a nursing school shall reimburse the Secretary for the cost of any loan defaults for current and former students during the previous fiscal year.
“(G) Notwithstanding section 668.23(h)(1)(ii), of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), a foreign institution that received $500,000 or more in funds under title IV during its most recently completed fiscal year shall submit, in English, for each most recently completed fiscal year in which it received such funds, audited financial statements prepared in accordance with generally accepted accounting principles of the institution’s home country provided that such accounting principles are comparable to the International Financial Reporting Standards.

“(H) Notwithstanding section 668.23(h)(1)(ii), of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), only in a case in which the accounting principles of an institution’s home country are not comparable to International Financial Reporting Standards shall the institution be required to submit corresponding audited financial statements that meet the requirements of section 668.23(d) of title 34, Code of Federal
Regulations (as in effect pursuant to paragraph (1)).

“(c) Special Rules.—

“(1) In general.—A foreign graduate medical school at which student test passage rates are below the minimum requirements set forth in subsection (b)(2)(D) for each of the two most recent calendar years for which data are available shall not be eligible to participate in programs under part D or E of title IV in the fiscal year subsequent to that consecutive two year period and such institution shall regain eligibility to participate in programs under such part only after demonstrating compliance with requirements under section 600.55 of title 34, Code of Federal Regulations (as in effect pursuant to subsection (b)) for one full calendar year subsequent to the fiscal year the institution became ineligible unless, within 30 days of receiving notification from the Secretary of the loss of eligibility under this paragraph, the institution appeals the loss of its eligibility to the Secretary. The Secretary shall issue a decision on any such appeal within 45 days after its submission. Such decision may permit the institution to continue to participate in programs under part D or E of title IV, if—
“(A) the institution demonstrates to the satisfaction of the Secretary that the test passage rates on which the Secretary has relied are not accurate, and that the recalculation of such rates would result in rates that exceed the required minimum for any of these two calendar years; or

“(B) there are, in the judgement of the Secretary, mitigating circumstances that would make the application of this paragraph inequitable.

“(2) STUDENT ELIGIBILITY.—If, pursuant to this subsection, a foreign graduate medical school loses eligibility to participate in the programs under part D or E of title IV, then a student at such institution may, notwithstanding such loss of eligibility, continue to be eligible to receive a loan under such part while attending such institution for the academic year succeeding the academic year in which such loss of eligibility occurred.

“(3) TREATMENT OF CLINICAL TRAINING PROGRAMS.—

“(A) IN GENERAL.—Clinical training programs operated by a foreign graduate medical school with an accredited hospital or clinic in
the United States or at an institution in Canada accredited by the Liaison Committee on Medical Education shall be deemed to be approved and shall not require the prior approval of the Secretary.

“(B) On-site Evaluations.—Any part of a clinical training program operated by a foreign graduate medical school located in a foreign country other than the country in which the main campus is located, in the United States, or at an institution in Canada accredited by the Liaison Committee on Medical Education, shall not require an on-site evaluation or specific approval by the institution’s medical accrediting agency if the location is a teaching hospital accredited by and located within a foreign country approved by the National Committee on Foreign Medical Education and Accreditation.

“(d) Failure to Release Information.—An institution outside the United States that does not provide to the Secretary such information as may be required by this section shall be ineligible to participate in the loan program under part D or E of title IV.
“(e) **ONLINE EDUCATION.**—Notwithstanding section 481(b)(2), an eligible program described in section 600.54 of title 34, Code of Federal Regulations (as in effect pursuant to subsection (b)) may not offer more than 50 percent of courses through telecommunications.”.

**SEC. 103. ADDITIONAL DEFINITIONS.**

(a) **DIPLOMA MILL.**—Section 103(5)(B) (20 U.S.C. 1003(5)(B)) is amended by striking “section 102” and inserting “section 101 or 102”.

(b) **CORRESPONDENCE EDUCATION.**—Section 103(7) (20 U.S.C. 1003(7)) is amended to read as follows:

“(7) **CORRESPONDENCE EDUCATION.**—The term ‘correspondence education’ means education that is provided by an institution of higher education under which—

“(A) the institution provides instructional materials (including examinations on the materials) by mail or electronic transmission to students who are separated from the instructor; and

“(B) interaction between the institution and the student is limited and the academic instruction by faculty is not regular and substantive, as assessed by the institution’s accrediting agency or association under section 496.”.
(c) EARLY CHILDHOOD EDUCATION PROGRAM.—

Section 103(8) (20 U.S.C. 1003(8)) is amended to read as follows:

“(8) EARLY CHILDHOOD EDUCATION PROGRAM.—The term ‘early childhood education program’ means a program—

“(A) that serves children of a range of ages from birth through age five that addresses the children’s cognitive (including language, early literacy, and early mathematics), social, emotional, and physical development; and

“(B) that is—

“(i) a Head Start program or an Early Head Start program carried out under the Head Start Act (42 U.S.C. 9831 et seq.), including a migrant or seasonal Head Start program, an Indian Head Start program, or a Head Start program or an Early Head Start program that also receives State funding;

“(ii) a State licensed or regulated child care program;

“(iii) a State-funded prekindergarten or child care program;
“(iv) a program authorized under section 619 of the Individuals with Disabilities Education Act or part C of such Act; or

“(v) a program operated by a local educational agency.”.

(d) NONPROFIT.—Section 103(13) (20 U.S.C. 1003(13)) is amended to read as follows:

“(13) NONPROFIT.—

“(A) The term ‘nonprofit’, when used with respect to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by one or more nonprofit corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

“(B) The term ‘nonprofit’, when used with respect to foreign institution means—

“(i) an institution that is owned and operated only by one or more nonprofit corporations or associations; and

“(ii)(I) if a recognized tax authority of the institution’s home country is recognized by the Secretary for purposes of
making determinations of an institution’s nonprofit status for purposes of title IV, the institution is determined by that tax authority to be a nonprofit educational institution; or

“(II) if no recognized tax authority of the institution’s home country is recognized by the Secretary for purposes of making determinations of an institution’s nonprofit status for purposes of title IV, the foreign institution demonstrates to the satisfaction of the Secretary that it is a nonprofit educational institution.”.

(e) Competency-based Education; Competency-based Education Program.—Section 103 (20 U.S.C. 1003) is amended by adding at the end the following:

“(25) Competency-based education; competency-based education program.—

“(A) Competency-based education.—

Except as otherwise provided, the term ‘competency-based education’ means education that—

“(i) measures academic progress and attainment—
“(I) by direct assessment of a student’s level of mastery of competencies;

“(II) by expressing a student’s level of mastery of competencies in terms of equivalent credit or clock hours; or

“(III) by a combination of the methods described in subclauses (I) or (II) and credit or clock hours; and

“(ii) provides the educational content, activities, and resources, including substantive instructional interaction, including by faculty, and regular support by the institution, necessary to enable students to learn or develop what is required to demonstrate and attain mastery of such competencies, as assessed by the accrediting agency or association of the institution of higher education.

“(B) COMPETENCY-BASED EDUCATION PROGRAM.—Except as otherwise provided, the term ‘competency-based education program’ means a postsecondary program offered by an institution of higher education that—
“(i) provides competency-based education, which upon a student’s demonstration or mastery of a set of competencies identified and required by the institution, leads to or results in the award of a certificate, degree, or other recognized educational credential;

“(ii) has a method to differentiate between knowledge that a student acquired prior to enrollment in the competency-based education program and knowledge that the student acquired as a result of enrollment in such program; and

“(iii) is organized in such a manner that an institution can determine, based on the method of measurement selected by the institution under subparagraph (A)(i), what constitutes a full-time, three-quarter time, half-time, and less than half-time workload for the purposes of awarding and administering assistance under title IV of this Act, or assistance provided under another provision of Federal law to attend an institution of higher education.
“(C) Competency Defined.—In this paragraph, the term ‘competency’ means the knowledge, skill, or characteristic demonstrated by a student in a subject area.”.

(f) Pay for Success Initiative.—Section 103 (20 U.S.C. 1003) is amended by adding at the end the following:

“(26) Pay for success initiative.—The term ‘pay for success initiative’ has the meaning given the term in section 8101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).”.

(g) Evidence-based.—Section 103 (20 U.S.C. 1003) is amended by adding at the end the following:

“(27) Evidence-based.—The term ‘evidence-based’ has the meaning given the term in section 8101(21)(A) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801(21)(A)), except that such term shall also apply to institutions of higher education.”.

SEC. 104. REGULATORY RELIEF.

(a) Regulations Repealed.—

(1) Repeal.—The following regulations (including any supplement or revision to such regulations) are repealed and shall have no legal effect:
(A) Definition of credit hour.—The definition of the term “credit hour” in section 600.2 of title 34, Code of Federal Regulations, as added by the final regulations published by the Department of Education in the Federal Register on October 29, 2010 (75 Fed. Reg. 66946).

(B) Gainful employment.—Sections 600.10(c), 600.20(d), 668.401 through 668.415, 668.6, and 668.7, of title 34, Code of Federal Regulations, as added or amended by the final regulations published by the Department of Education in the Federal Register on October 31, 2014 (79 Fed. Reg. 64889 et seq.).

(C) Borrower defense.—Sections 668.41, 668.90, 668.93, 668.171, 668.175, 674.33, 682.211, 682.402(d), 682.405, 682.410, 685.200, 685.205, 685.206, 685.212(k), 685.214, 685.215, 685.222, appendix A to subpart B of part 685, 685.300, 685.308, of title 34, Code of Federal Regulations, as added or amended by the final regulations published by the Department of Education in the Federal Register on November 1, 2016 (81 Fed. Reg. 75926 et seq.).
(2) Effect of repeal.—To the extent that regulations repealed—

(A) by subparagraph (A) or subparagraph (B) of paragraph (1) amended regulations that were in effect on June 30, 2011, the provisions of the regulations that were in effect on June 30, 2011, and were so amended are restored and revived as if the regulations repealed by such subparagraph had not taken effect; and

(B) by paragraph (1)(C) amended regulations that were in effect on October 31, 2016, the provisions of the regulations that were in effect on October 31, 2016, and were so amended are restored and revived as if the regulations repealed by paragraph (1)(C) had not taken effect.

(b) Certain regulations and other actions prohibited.—

(1) Gainful employment.—The Secretary of Education shall not, on or after the date of enactment of this Act, promulgate or enforce any regulation or rule with respect to the definition or application of the term “gainful employment” for any purpose under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).
(2) CREDIT HOUR.—The Secretary of Education shall not, on or after the date of enactment of this Act, promulgate or enforce any regulation or rule with respect to the definition of the term “credit hour” for any purpose under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

(3) POSTSECONDARY INSTITUTION RATINGS SYSTEM.—The Secretary of Education shall not carry out, develop, refine, promulgate, publish, implement, administer, or enforce a postsecondary institution ratings system or any other performance system to rate institutions of higher education (as defined in section 101 or 102 of the Higher Education Act of 1965 (20 U.S.C. 1001; 1002)).

PART B—ADDITIONAL GENERAL PROVISIONS

SEC. 111. FREE SPEECH PROTECTIONS.

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

(1) in subsection (a)—

(A) by redesignating paragraph (2) as paragraph (4); and

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

“(2) It is the sense of Congress that—

“(A) every individual should be free to profess, and to maintain, the opinion of such indi-
vidual in matters of religion, and that pro-
professing or maintaining such opinion should in
no way diminish, enlarge, or affect the civil lib-
erties or rights of such individual on the cam-
pus of an institution of higher education; and

“(B) no public institution of higher edu-
cation directly or indirectly receiving financial
assistance under this Act should limit religious
expression, free expression, or any other rights
provided under the First Amendment.

“(3) It is the sense of Congress that—

“(A) free speech zones and restrictive
speech codes are inherently at odds with the
freedom of speech guaranteed by the First
Amendment of the Constitution; and

“(B) no public institution of higher edu-
cation directly or indirectly receiving financial
assistance under this Act should restrict the
speech of such institution’s students through
such zones or codes.”;

(2) by redesignating subsections (b) and (c) as
subsections (c) and (d), respectively;

(3) by inserting after subsection (a), the fol-
lowing:
“(b) DISCLOSURE OF FREE SPEECH POLICIES.—No institution of higher education shall be eligible to receive funds under this Act, including participation in any program under title IV, unless the institution certifies to the Secretary that the institution has annually disclosed to current and prospective students any policies held by the institutions related to protected speech on campus, including policies limiting where and when such speech may occur.”; and

(4) in subsection (d), as redesignated by paragraph (2)—

(A) in paragraph (2), by inserting “(including such joining, assembling, and residing for religious purposes)” after “Constitution”; and

(B) in paragraph (3), by inserting “(including speech relating to religion)” after “Constitution”.

SEC. 112. NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY AND INTEGRITY.

Section 114 (20 U.S.C. 1011c) is amended—

(1) by striking “section 102” each place it appears and inserting “section 101”;

(2) in subsection (b)—
(A) in paragraph (3), by striking “Except as provided in paragraph (5), the term” and inserting “The term”;

(B) by striking paragraph (5) and inserting the following:

“(5) SECRETARIAL APPOINTEES.—The Secretary may remove any member who was appointed under paragraph (1)(A) by a predecessor of the Secretary and may fill the vacancy created by such removal in accordance with paragraphs (3) and (4).”.

(3) in subsection (c)—

(A) in paragraph (2), by adding “and” at the end;

(B) in paragraph (3) by striking the semicolon at the end and inserting a period; and

(C) by striking paragraphs (4) through (6);

(4) in subsection (e)(2)(D) by striking “, including any additional functions established by the Secretary through regulation”; and

(5) in subsection (f), by striking “September 30, 2017” and inserting “September 30, 2024”.

SEC. 113. REPEAL OF CERTAIN REPORTING REQUIREMENTS.

(a) Repeals.—The following provisions of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) are repealed:

(1) Section 117 (20 U.S.C. 1011f).

(2) Section 119 (20 U.S.C. 1011h).

(b) Conforming Amendments.—

(1) section 118 is redesignated as section 117;

(2) sections 120, 121, 122, and 123 are redesignated as sections 118, 119, 120, and 121, respectively; and

(3) section 485(f)(1)(H) (20 U.S.C. 1092(f)(1)(H)) is amended by striking “section 120” and inserting “section 118”.

SEC. 114. PROGRAMS ON DRUG AND ALCOHOL ABUSE PREVENTION.

Section 118 (as so redesignated) is amended to read as follows:

“SEC. 118. DRUG AND ALCOHOL ABUSE PREVENTION.

“(a) Required Programs.—Each institution of higher education participating in any program under this Act shall adopt and implement a program to prevent the use of illicit drugs and the abuse of alcohol by students and employees that, at a minimum, includes the annual distribution to each student and employee of—
“(1) institutional standards of conduct and sanctions that clearly prohibit and address the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees; and

“(2) the description of any drug or alcohol counseling, treatment, rehabilitation, or re-entry programs that are available to students or employees.

“(b) INFORMATION AVAILABILITY.—Each institution of higher education described in subsection (a) shall, upon request, make available to the Secretary and to the public a copy of the institutional standards described under subsection (a)(1) and information regarding any programs described in subsection (a)(2).”.

SEC. 115. CAMPUS ACCESS FOR RELIGIOUS GROUPS.

Part B of title I (20 U.S.C. 1011 et seq.) (as amended by sections 111 through 114 of this part) is amended by adding at the end the following:

“SEC. 122 CAMPUS ACCESS FOR RELIGIOUS GROUPS.

“None of the funds made available under this Act may be provided to any public institution of higher education that denies to a religious student organization any right, benefit, or privilege that is generally afforded to other student organizations at the institution (including full access to the facilities of the institution and official recognition of the organization by the institution) because
of the religious beliefs, practices, speech, leadership and membership standards, or standards of conduct of the religious student organization.”.

SEC. 116. SECRETARIAL PROHIBITIONS.

Part B of title I (20 U.S.C. 1011 et seq.) (as amended by sections 111 through 115 of this part) is amended by adding at the end the following:

“SEC. 123. SECRETARIAL PROHIBITIONS.

“(a) In General.—Nothing in this Act shall be construed to authorize or permit the Secretary to promulgate any rule or regulation that exceeds the scope of the explicit authority granted to the Secretary under this Act.

“(b) Definitions.—The Secretary shall not define any term that is used in this Act in a manner that is inconsistent with the scope of this Act, including through regulation or guidance.

“(c) Requirements.—The Secretary shall not impose, on an institution or State as a condition of participation in any program under this Act, any requirement that exceeds the scope of the requirements explicitly set forth in this Act for such program.”.
SEC. 117. ENSURING EQUAL TREATMENT BY GOVERNMENTAL ENTITIES.

Part B of title I (20 U.S.C. 1011 et seq.) (as amended by sections 111 through 116 of this part) is further amended by adding at the end the following:

“SEC. 124. ENSURING EQUAL TREATMENT BY GOVERNMENTAL ENTITIES.

“(a) IN GENERAL.—Notwithstanding any other provision of law, no government entity shall take any adverse action against an institution of higher education that receives funding under title IV, if such adverse action—

“(1)(A) is being taken by a government entity that—

“(i) is a department, agency, or instrumentality of the Federal Government; or

“(ii) receives Federal funds; or

“(B) would affect commerce with foreign nations, among the several States, or with Indian Tribes; and

“(2) has the effect of prohibiting or penalizing the institution for acts or omissions by the institution that are in furtherance of its religious mission or are related to the religious affiliation of the institution.

“(b) ASSERTION BY INSTITUTION.—An actual or threatened violation of subsection (a) may be asserted by
an institution of higher education that receives funding
under title IV as a claim or defense in a proceeding before
any court. The court shall grant any appropriate equitable
relief, including injunctive or declaratory relief.

“(c) RULE OF CONSTRUCTION.—Nothing in this sec-

“(1) title VI of the Civil Rights Act of 1964 (42
U.S.C. 2000d et seq.);

“(2) section 182 of the Elementary and Sec-

“(3) section 2 of the Elementary and Secondary
Education Amendments Act of 1969 (42 U.S.C.
2000d–6)

“(d) DEFINITIONS.—In this section:

“(1) ADVERSE ACTION.—The term ‘adverse ac-

“(A) the denial or threat of denial of fund-
ing, including grants, scholarships, or loans;

“(B) the denial or threat of denial of ac-

“(C) the withholding or threat of with-

holding of any licenses, permits, certifications,
accreditations, contracts, cooperative agreements, grants, guarantees, tax-exempt status, or exemptions; or

“(D) any other penalty or denial, or threat of such other penalty or denial, of an otherwise available benefit.

“(2) GOVERNMENT ENTITY.—The term ‘government entity’ means—

“(A) any department, agency, or instrumentality of the Federal Government;

“(B) a State or political subdivision of a State, or any agency or instrumentality thereof; and

“(C) any interstate or other inter-governmental entity.

“(3) INSTITUTION OF HIGHER EDUCATION.—The term ‘institution of higher education’ has the meaning given the term in section 101 or 102.

“(4) RELIGIOUS MISSION.—The term ‘religious mission’ includes an institution of higher education’s religious tenets, beliefs, or teachings, and any policies or decisions related to such tenets, beliefs, or teachings (including any policies or decisions concerning housing, employment, curriculum, self-gov-
ernance, or student admission, continuing enrollment, or graduation.”

SEC. 118. SINGLE-SEX SOCIAL STUDENT ORGANIZATIONS.

Part B of title I (20 U.S.C. 1011 et seq.) (as amended by sections 111 through 117 of this part) is further amended by adding at the end the following:

“SEC. 125. SINGLE-SEX SOCIAL STUDENT ORGANIZATIONS.

“(a) NON-RETALIATION AGAINST SINGLE-SEX STUDENT ORGANIZATIONS.—An institution of higher education that has a policy allowing for the official recognition of a single-sex social student organization may not—

“(1) require or coerce such a recognized organization to admit as a member an individual who does not meet the organization’s criteria for single-sex status;

“(2) require or coerce such a recognized organization to permit an individual described in paragraph (1) to participate in the activities of the organization;

“(3) take any adverse action against a student on the basis of the student’s membership in such recognized organization; or

“(4) impose any requirement or restriction, including on timing for accepting new members or membership recruitment, on such a recognized orga-
organization (or its current or prospective members) based on the organization’s single-sex status or its criteria for defining its single-sex status.

“(b) CONSTRUCTION.—Nothing in this Act shall be construed—

“(1) to create any enforceable right—

“(A) by a local, college, or university student organization against a national student organization; or

“(B) by a national student organization against any local, college, or university student organization;

“(2) to require an institution of higher education to have a policy allowing for the official recognition of a single-sex social student organization; or

“(3) to prohibit an institution of higher education from taking an adverse action against a member of a single-sex social student organization for reasons other than on the basis of such student’s membership in such organization, such as academic or non-academic misconduct.

“(c) ADVERSE ACTION.—For the purposes of this section, the term ‘adverse action’ includes the following:
“(1) Expulsion, suspension, probation, censure, condemnation, reprimand, or any other disciplinary, coercive, or adverse action taken by an institution of higher education or administrative unit of such an institution.

“(2) An oral or written warning made by an official of an institution of higher education acting in the official’s official capacity.

“(3) Denying participation in any education program or activity.

“(4) Withholding, in whole or in part, any financial assistance (including scholarships and on-campus employment), or denying the opportunity to apply for financial assistance, a scholarship, or on-campus employment.

“(5) Denying or restricting access to on-campus housing.

“(6) Denying any certification or letter of recommendation that may be required by a student’s current or future employer, a government agency, a licensing board, or an educational institution or scholarship program to which the student seeks to apply.

“(7) Denying participation in any sports team, club, or other student organization, or denying any
leadership position in any sports team, club, or other student organization.’’

PART C—COST OF HIGHER EDUCATION

SEC. 121. COLLEGE DASHBOARD WEBSITE.

(a) Establishment.—Section 132 (20 U.S.C. 1015a) is amended—

(1) in subsection (a)—

(A) by striking paragraph (1) and inserting the following new paragraph:

“(1) COLLEGE DASHBOARD WEBSITE.—The term ‘College Dashboard website’ means the College Dashboard website required under subsection (d).”.

(B) in paragraph (2), by striking “first-time,”;

(C) in paragraph (3), in the matter preceding subparagraph (A), by striking “first-time,”; and

(D) in paragraph (4), by striking “first-time,”;

(2) in subsection (b)—

(A) in paragraph (1), by striking “first-time,”; and

(B) in paragraph (2), by striking “first-time,”;
(3) by striking subsections (c) through (g), (j), and (l);

(4) by redesignating subsections (h), (i), and (k) as subsections (c), (d), and (e), respectively; and

(5) by striking subsection (d) (as so redesignated) and inserting the following new subsection:

“(d) CONSUMER INFORMATION.—

“(1) AVAILABILITY OF TITLE IV INSTITUTION INFORMATION.—The Secretary shall develop and make publicly available a website to be known as the ‘College Dashboard website’ in accordance with this section and prominently display on such website, in simple, understandable, and unbiased terms for the most recent academic year for which satisfactory data are available, the following information with respect to each institution of higher education that participates in a program under title IV:

“(A) A link to the website of the institution.

“(B) An identification of the type of institution as one of the following:

“(i) A four-year public institution of higher education.

“(ii) A four-year private, nonprofit institution of higher education.
“(iii) A four-year private, proprietary institution of higher education.

“(iv) A two-year public institution of higher education.

“(v) A two-year private, nonprofit institution of higher education.

“(vi) A two-year private, proprietary institution of higher education.

“(vii) A less than two-year public institution of higher education.

“(viii) A less than two-year private, nonprofit institution of higher education.

“(ix) A less than two-year private, proprietary institution of higher education.

“(C) The number of students enrolled at the institution—

“(i) as undergraduate students, if applicable; and

“(ii) as graduate students, if applicable.

“(D) The student-faculty ratio.

“(E) The percentage of degree-seeking or certificate-seeking undergraduate students enrolled at the institution who obtain a degree or certificate within—
“(i) 100 percent of the normal time for completion of, or graduation from, the program in which the student is enrolled;

“(ii) 150 percent of the normal time for completion of, or graduation from, the program in which the student is enrolled;

“(iii) 200 percent of the normal time for completion of, or graduation from, the program in which the student is enrolled; and

“(iv) 300 percent of the normal time for completion of, or graduation from, the program in which the student is enrolled, for institutions at which the highest degree offered is predominantly an associate’s degree.

“(F)(i) The average net price per year for undergraduate students enrolled at the institution who received Federal student financial aid under title IV based on dependency status and an income category selected by the user of the College Dashboard website from a list containing the following income categories:

“(I) $0 to $30,000.

“(II) $30,001 to $48,000.
“(III) $48,001 to $75,000.

“(IV) $75,001 to $110,000.

“(V) $110,001 to $150,000.

“(VI) Over $150,000.

“(ii) A link to the net price calculator for such institution.

“(G) The percentage of undergraduate and graduate students who obtained a certificate or degree from the institution who borrowed Federal student loans—

“(i) set forth separately for each educational program offered by the institution; and

“(ii) made available in a format that allows a user of the College Dashboard website to view such percentage by selecting from a list of such educational programs.

“(H) The average Federal student loan debt incurred by a student who obtained a certificate or degree in an educational program from the institution and who borrowed Federal student loans in the course of obtaining such certificate or degree—
“(i) set forth separately for each educational program offered by the institution; and

“(ii) made available in a format that allows a user of the College Dashboard website to view such student loan debt information by selecting from a list of such educational programs.

“(I) The median earnings of students who obtained a certificate or degree in an educational program from the institution and who received Federal student financial aid under title IV in the course of obtaining such certificate or degree—

“(i) in the fifth and tenth years following the year in which the students obtained such certificate or degree;

“(ii) set forth separately by educational program; and

“(iii) made available in a format that allows a user of the College Dashboard website to view such median earnings information by selecting from a list of such educational programs.
“(J) A link to the webpage of the institution containing campus safety data with respect to such institution.

“(2) ADDITIONAL INFORMATION.—The Secretary shall publish on websites that are linked to through the College Dashboard website, for the most recent academic year for which satisfactory data is available, the following information with respect to each institution of higher education that participates in a program under title IV:

“(A) ENROLLMENT.—The following enrollment information:

“(i) The percentages of male and female undergraduate students enrolled at the institution.

“(ii) The percentages of undergraduate students enrolled at the institution—

“(I) full-time; and

“(II) less than full-time.

“(iii) In the case of an institution other than an institution that provides all courses and programs through online education, of the undergraduate students enrolled at the institution—
“(I) the percentage of such students who are residents of the State in which the institution is located;

“(II) the percentage of such students who are not residents of such State; and

“(III) the percentage of such students who are international students.

“(iv) The percentages of undergraduate students enrolled at the institution, disaggregated by—

“(I) race and ethnic background;

“(II) classification as a student with a disability;

“(III) recipients of a Federal Pell Grant;

“(IV) recipients of assistance under a tuition assistance program conducted by the Department of Defense under section 1784a or 2007 of title 10, United States Code, or other authorities available to the Department of Defense or veterans’ education benefits (as defined in section 480); and
“(V) recipients of a Federal student loan.

“(B) COMPLETION.—The information required under paragraph (1)(E), disaggregated by—

“(i) recipients of a Federal Pell Grant;

“(ii) race and ethnic background;

“(iii) classification as a student with a disability;

“(iv) recipients of assistance under a tuition assistance program conducted by the Department of Defense under section 1784a or 2007 of title 10, United States Code, or other authorities available to the Department of Defense or veterans’ education benefits (as defined in section 480); and

“(v) recipients of a Federal student loan.

“(C) COSTS.—The following cost information:

“(i) The cost of attendance for full-time undergraduate students enrolled in the institution who live on campus.
“(ii) The cost of attendance for full-time undergraduate students enrolled in the institution who live off campus.

“(iii) The cost of tuition and fees for full-time undergraduate students enrolled in the institution.

“(iv) The cost of tuition and fees per credit hour or credit hour equivalency for undergraduate students enrolled in the institution less than full time.

“(v) In the case of a public institution of higher education (other than an institution described in clause (vi)) and notwithstanding subsection (b)(1), the costs described in clauses (i) and (ii) for—

“(I) full-time students enrolled in the institution who are residents of the State in which the institution is located; and

“(II) full-time students enrolled in the institution who are not residents of such State.

“(vi) In the case of a public institution of higher education that offers different tuition rates for students who are
residents of a geographic subdivision smaller than a State and students not located in such geographic subdivision and notwithstanding subsection (b)(1), the costs described in clauses (i) and (ii) for—

“(I) full-time students enrolled at the institution who are residents of such geographic subdivision;

“(II) full-time students enrolled at the institution who are residents of the State in which the institution is located but not residents of such geographic subdivision; and

“(III) full-time students enrolled at the institution who are not residents of such State.

“(D) F INANCIAL AID.—The following information with respect to financial aid:

“(i) The average annual grant amount (including Federal, State, and institutional aid) awarded to an undergraduate student enrolled at the institution who receives grant aid, and the percentage of undergraduate students receiving such aid.
“(ii) The percentage of undergraduate students enrolled at the institution receiving Federal, State, and institutional grants, student loans, and any other type of student financial assistance known by the institution, provided publicly or through the institution, such as Federal work-study funds.

“(iii) The loan repayment rate (as defined in section 481B) for each educational program at such institution.

“(3) OTHER DATA MATTERS.—

“(A) COMPLETION DATA.—The Commissioner of Education Statistics shall ensure that the information required under paragraph (1)(E) includes information with respect to all students at an institution, in a manner that accurately reflects the actual length of the program, including students other than first-time, full-time students and students who transfer to another institution, in a manner that the Commissioner considers appropriate.

“(B) ADJUSTMENT OF INCOME CATEGORIES.—The Secretary may annually adjust the range of each of the income categories de-
scribed in paragraph (1)(F) to account for a change in the Consumer Price Index for All Urban Consumers as determined by the Bureau of Labor Statistics if the Secretary determines an adjustment is necessary.

“(4) INSTITUTIONAL COMPARISON.—The Secretary shall include on the College Dashboard website a method for users to easily compare the information required under paragraphs (1) and (2) between institutions.

“(5) UPDATES.—

“(A) DATA.—The Secretary shall update the College Dashboard website not less than annually.

“(B) TECHNOLOGY AND FORMAT.—The Secretary shall regularly assess the format and technology of the College Dashboard website and make any changes or updates that the Secretary considers appropriate.

“(6) CONSUMER TESTING.—

“(A) IN GENERAL.—In developing and maintaining the College Dashboard website, the Secretary, in consultation with appropriate departments and agencies of the Federal Government, shall conduct consumer testing with ap-
propriate persons, including current and prospective college students, family members of such students, institutions of higher education, and experts, to ensure that the College Dashboard website is usable and easily understandable and provides useful and relevant information to students and families.

“(B) Recommendations for Changes.—The Secretary shall submit to the authorizing committees any recommendations that the Secretary considers appropriate for changing the information required to be provided on the College Dashboard website under paragraphs (1) and (2) based on the results of the consumer testing conducted under subparagraph (A).

“(7) Provision of Appropriate Links to Prospective Students After Submission of FAFSA.—The Secretary shall provide to each student who submits a Free Application for Federal Student Aid described in section 483(a) a link to the webpage of the College Dashboard website that contains the information required under paragraph (1) for each institution of higher education such student includes on such Application.
“(8) INTERAGENCY COORDINATION.—The Secretary, in consultation with each appropriate head of a department or agency of the Federal Government, shall ensure to the greatest extent practicable that any information related to higher education that is published by such department or agency is consistent with the information published on the College Dashboard website.

“(9) DATA COLLECTION.—The Commissioner for Education Statistics shall continue to update and improve the Integrated Postsecondary Education Data System, including by reducing institutional reporting burden and improving the timeliness of the data collected.

“(10) DATA PRIVACY.—The Secretary shall ensure any information made available under this section is made available in accordance with section 444 of the General Education Provisions Act (commonly known as the ‘Family Educational Rights and Privacy Act of 1974’).

(b) CONFORMING AMENDMENTS.—The Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), as amended by subsection (a) of this section, is further amended, by striking “College Navigator” each place it appears and inserting “College Dashboard”.

60
(c) REFERENCES.—Any reference in any law (other than this Act), regulation, document, record, or other paper of the United States to the College Navigator website shall be considered to be a reference to the College Dashboard website.

(d) DEVELOPMENT.—The Secretary of Education shall develop and publish the College Dashboard website required under section 132 (20 U.S.C. 1015a), as amended by this section, not later than one year after the date of the enactment of this Act.

(e) COLLEGE NAVIGATOR WEBSITE MAINTENANCE.—The Secretary shall maintain the College Navigator website required under section 132 (20 U.S.C. 1015a), as in effect the day before the date of the enactment of this Act, in the manner required under the Higher Education Act of 1965, as in effect on such day, until the College Dashboard website referred to in subsection (d) is complete and publicly available on the Internet.

SEC. 122. NET PRICE CALCULATORS.

Subsection (c) of section 132 (20 U.S.C. 1015a), as so redesignated by section 121(a)(4) of this Act, is amended—

(1) by redesignating paragraph (4) as paragraph (6); and
(2) by inserting after paragraph (3) the follow-

lowing new paragraphs:

“(4) MINIMUM REQUIREMENTS FOR NET PRICE 
CALCULATORS.—Not later than 1 year after the date 
of the enactment of the PROSPER Act, a net price 
calculator for an institution of higher education shall 
meet the following requirements:

“(A) The link for the calculator shall—

“(i) be clearly labeled as a net price 
calculator and prominently, clearly, and 
conspicuously posted in locations on the 
website of such institution where informa-
tion on costs and aid is provided and any 
other location that the institution considers 
appropriate; and

“(ii) match in size and font to the 
other prominent links on the webpage 
where the link for the calculator is dis-
played.

“(B) The webpage displaying the results 
for the calculator shall specify at least the fol-
lowing information:

“(i) The net price (as calculated 
under subsection (a)(3)) for such institu-
tion, which shall be the most visually prominent figure on the results screen.

“(ii) Cost of attendance, including—

“(I) tuition and fees;

“(II) average annual cost of room and board for the institution for a full-time undergraduate student enrolled in the institution;

“(III) average annual cost of books and supplies for a full-time undergraduate student enrolled in the institution; and

“(IV) estimated cost of other expenses (including personal expenses and transportation) for a full-time undergraduate student enrolled in the institution.

“(iii) Estimated total need-based grant aid and merit-based grant aid from Federal, State, and institutional sources that may be available to a full-time undergraduate student.

“(iv) Percentage of the full-time undergraduate students enrolled in the insti-
tuition that received any type of grant aid described in clause (iii).

“(v) The disclaimer described in paragraph (6).

“(vi) In the case of a calculator that—

“(I) includes questions to estimate the eligibility of a student or prospective student for veterans’ education benefits (as defined in section 480) or educational benefits for active duty service members, such benefits are displayed on the results screen in a manner that clearly distinguishes such benefits from the grant aid described in clause (iii); or

“(II) does not include questions to estimate eligibility for the benefits described in subclause (I), the results screen indicates that certain students (or prospective students) may qualify for such benefits and includes a link to information about such benefits.

“(C) The institution shall populate the calculator with data from an academic year that
is not more than 2 academic years prior to the
most recent academic year.

“(5) PROHIBITION ON USE OF DATA COL-
LECTED BY THE NET PRICE CALCULATOR.—A net
price calculator for an institution of higher edu-
cation shall—

“(A) clearly indicate which questions are
required to be completed for an estimate of the
net price from the calculator;

“(B) in the case of a calculator that re-
quests contact information from users, clearly
mark such requests as optional and provide for
an estimate of the net price from the calculator
without requiring users to enter such informa-
tion; and

“(C) prohibit any personally identifiable in-
formation provided by users from being sold or
made available to third parties.”.

SEC. 123. TEXT BOOK INFORMATION.

Section 133(b)(5) (20 U.S.C. 1015b(b)(5)) is amend-
ed by striking “section 102” and inserting “section 101
or 102”.

December 11, 2017 (8:26 a.m.)
SEC. 124. REVIEW OF CURRENT DATA COLLECTION AND FEASIBILITY STUDY OF IMPROVED DATA COLLECTION.

Part C of title I (20 U.S.C. 1015 et seq.) is amended by adding at the end the following:

“SEC. 138. REVIEW OF CURRENT DATA COLLECTION AND FEASIBILITY STUDY OF IMPROVED DATA COLLECTION.

“(a) IN GENERAL.—Not later than 2 years after the date of the enactment of the PROSPER Act, the Secretary shall, in order to help improve the information available to students and families and to eliminate significant and burdensome data collection requirements placed on institutions under this Act—

“(1) complete a review of all data reporting requirements on institutions under this Act;

“(2) determine which requirements are duplicative or no longer necessary to provide meaningful information for compliance, accountability, or transparency in decision making; and

“(3) examine the best way to collect data that includes all students from institutions that will—

“(A) eliminate or reduce the burden and duplication of data reporting; and

“(B) capture the data necessary to ensure compliance, accountability, and transparency in
decision making which shall include, at a minimum—

“(i) enrollment;
“(ii) retention;
“(iii) transfer;
“(iv) completion; and
“(v) post-collegiate earnings; and
“(4) implement the changes necessary to improve the data reporting process for institutions, and submit a report to the authorizing committees on any legislative changes necessary to make such improvements.

“(b) CONSULTATION.—In conducting the review under subsection (a)(1), the Secretary shall consult with—
“(1) all applicable offices within the Department to ensure the review captures all data reporting requirements under this Act; and
“(2) relevant stakeholders, including students, parents, institutions of higher education, and privacy experts.

“(c) DATA COLLECTION AND REPORTING.—In examining the best way to collect data under subsection (a)(3), the Secretary shall explore the feasibility of working with the National Student Clearinghouse to establish a third-party method to collect and produce institution and pro-
gram-level analysis of the data determined necessary to report, and how such data reported to the clearinghouse could be secured, while considering the following:

“(1) Whether data reported to the clearinghouse can accurately reflect institutional and program-level enrollment, retention, transfer, and completion rates.

“(2) How much duplication of reporting can be eliminated and if such reporting can replace the reporting to the Integrated Postsecondary Education Data System (IPEDS), including whether the data quality will be maintained or improved from the current data provided to the Department through IPEDS.

“(3) Whether such reporting to the clearinghouse can protect the confidentiality of the reported data, while providing more accurate institutional performance measures.

“(4) Whether such reporting can be made compatible with systems that include post-graduation outcomes including employment and earnings data.

“(5) Whether the use of the clearinghouse for such data reporting will change the current interaction between institutions and the clearinghouse.
“(6) Whether the clearinghouse can meet the requirements of such reporting without transferring any disaggregated data that would be personally identifiable to the Department of Education.

“(7) Whether the clearinghouse can ensure the Department of Education would never have access to any health data, student discipline records or data, elementary and secondary education data, or information relating to citizenship or national origin status, course grades, individual postsecondary entrance examination results, political affiliation, or religion, as a result of producing information for program level analysis of the data received from institutions of higher education.

“(8) Whether the clearinghouse can provide the analysis under this subsection without maintaining or transferring, publishing, or submitting any data containing the information described in paragraph (7) to any entity, including any Federal or State agency.

“(d) INTERIM REPORT.—Not later than 1 year after the date of the enactment of the PROSPER Act, the Secretary shall submit to the authorizing committees a report on the Secretary’s progress in carrying out this section.
“(e) Rule of Construction.—Nothing in this section shall be construed to authorize the development of a nationwide database of personally identifiable information on individuals involved in studies or other collections of data under this Act.”

PART D—ADMINISTRATIVE PROVISIONS FOR DELIVERY OF STUDENT FINANCIAL ASSISTANCE

SEC. 131. PERFORMANCE-BASED ORGANIZATION FOR THE DELIVERY OF FEDERAL STUDENT FINANCIAL ASSISTANCE.

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

(1) in subsection (a)(2)—

(A) by redesignating subparagraphs (F) and (G) as subparagraphs (H) and (I), respectively; and

(B) by inserting after subparagraph (E) the following:

“(F) to maximize transparency in the operation of Federal student financial assistance programs;

“(G) to maximize stakeholder engagement in the operation of and accountability for such programs;”;

(2) in subsection (b)—

(A) in paragraph (1)(C)—
(i) in clause (i), by striking “and” at the end;

(ii) in clause (ii), by striking the period at the end and inserting “; and”;

(iii) by adding at the end the following:

“(iii) acquiring senior managers and other personnel with demonstrated management ability and expertise in consumer lending.”;

(B) in paragraph (2) by adding at the end the following:

“(C) Collecting input from stakeholders on the operation of all Federal student assistance programs and accountability practices relating to such programs, and ensuring that such input informs operation of the PBO and is provided to the Secretary to inform policy creation related to Federal student financial assistance programs.”;

(C) in paragraph (6)—

(i) in subparagraph (A), by striking “The Secretary” and inserting “Not less frequently than once annually, the Secretary”;
(ii) by redesignating subparagraph (B) as subparagraph (C); and
(iii) by inserting after subparagraph (A) the following:

“(B) REPORT.—On an annual basis, after carrying out the consultation required under subparagraph (A), the Secretary and the Chief Operating Officer shall jointly submit to the authorizing committees a report that includes—

“(i) a summary of the consultation; and

“(ii) a description of any actions taken as a result of the consultation.”.

(3) in subsection (c)—

(A) in paragraph (1)—

(i) in subparagraph (A)—

(I) by striking “Each year,” and inserting “Not less frequently than once every three years”; and

(II) by striking “succeeding 5” and inserting “succeeding 3”; and

(ii) by amending subparagraph (B) to read as follows:

“(B) CONSULTATION.—
“(i) PLAN DEVELOPMENT.—Beginning not later than 12 months before issuing each 3-year performance plan under subparagraph (A), the Secretary and the Chief Operating Officer shall consult with students, institutions of higher education, Congress, lenders, and other interested parties regarding the development of the plan. In carrying out such consultation, the Secretary shall seek public comment consistent with the requirements of subchapter II of chapter 5 of title 5, United States Code (commonly known as the ‘Administrative Procedure Act’).

“(ii) REVISION.—Not later than 90 days before implementing any revision to the performance plan described in subparagraph (A), the Secretary shall consult with students, institutions of higher education, Congress, lenders, and other interested parties regarding such revision.”;

(iii) in subparagraph (C)—

(I) in the matter preceding clause (i), by inserting “and target dates upon which such action steps will be
taken and such goals will be achieved’’

(II) by redesignating clause (v)

as clause (vi);

(III) by inserting after clause (iv)

the following:

“(v) Ensuring Transparency.—

Maximizing the transparency in the oper-

ations of the PBO, including complying

with the data reporting requirements

under section 144.”;

(B) in paragraph (2)—

(i) by striking “5-year” and inserting

“3-year”;

(ii) in subparagraph (C), by inserting

“, including an explanation of the specific

steps the Secretary and the Chief Oper-

ating Officer will take to address any such

goals that were not achieved” before the

period;

(iii) in subparagraph (D), by inserting

“, in the aggregate and per individual” be-

fore the period;
(iv) in subparagraph (E), by striking “Recommendations” and inserting “Specific recommendations”;

(v) by redesignating subparagraph (F) as subparagraph (G); and

(vi) by inserting after subparagraph (E), the following:

“(F) A description of the performance evaluation system developed under subsection (d)(6).”.

(C) in paragraph (3)—

(i) in the matter preceding subparagraph (A), by striking “establish appropriate means to”;

(ii) in subparagraph (A), by striking “; and” and inserting “and the PBO;”;

(iii) in subparagraph (B), by striking the period at the end and inserting “and the PBO; and”; and

(iv) by adding at the end the following:

“(C) through a nationally-representative survey, that at a minimum shall evaluate the degree of satisfaction with the delivery system and the PBO.”;
(4) in subsection (d)—

(A) in paragraph (2), by striking “The Secretary may reappoint” and inserting “Except as provided in paragraph (4)(C),”

(B) in paragraph (4)—

(i) in subparagraph (A)—

(I) by inserting “specific, measurable” after “set forth”; and

(II) by inserting “and metrics used to measure progress toward such goals” before the period;

(ii) by amending subparagraph (B) to read as follows:

“(B) TRANSMITTAL AND PUBLIC AVAIL-
ABILITY.—The Secretary shall—

“(i) transmit to the authorizing com-
mittees the final version of, and any subse-
quently revisions to, the agreement entered
into under subparagraph (A); and

“(ii) before the expiration of the pe-
riod of 5 business days beginning after the
date on which the agreement is trans-
mitted under clause (i), make such agree-
ment publicly available on a publicly acces-
sible website of the Department of Edu-
cation.”.

(iii) by adding at the end the fol-
lowing:

“(C) LOSS OF ELIGIBILITY.—If the agree-
ment under subparagraph (A) is not made pub-
licly available before the expiration of the period
described in subparagraph (B)(ii), the Chief
Operating Officer shall not be eligible for re-
appointment under paragraph (2).”; and

(C) in paragraph (5), by amending sub-
paragraph (B) to read as follows:

“(B) BONUS.—In addition, the Chief Op-
erating Officer may receive a bonus in the fol-
lowing amounts:

“(i) For a period covered by a per-
formance agreement entered into under
paragraph (4) before the date of the enact-
ment of the PROSPER Act, an amount
that does not exceed 50 percent of the an-
nual rate basic pay of the Chief Operating
Officer, based upon the Secretary’s evalua-
tion of the Chief Operating Officer’s per-
formance in relation to the goals set forth
in the performance agreement.
“(ii) For a period covered by a performance agreement entered into under paragraph (4) on or after the date of the enactment of the PROSPER Act, an amount that does not exceed 40 percent of the annual rate basic pay of the Chief Operating Officer, based upon the Secretary’s evaluation of the Chief Operating Officer’s performance in relation to the goals set forth in the performance agreement.”.

(D) by adding at the end the following:

“(6) PERFORMANCE EVALUATION SYSTEM.—

The Secretary shall develop a system to evaluate the performance of the Chief Operating Officer and any senior managers appointed by such Officer under subsection (e). Such system shall—

“(A) take into account the extent to which each individual attains the specific, measurable organizational and individual goals set forth in the performance agreement described in paragraph (4)(A) and subsection (e)(2) (as the case may be); and

“(B) evaluate each individual using a rating system that accounts for the full spectrum of performance levels, from the failure of an in-
individual to meet the goals described in clause
(i) to an individual’s success in meeting or exceed-
ing such goals.”;

(5) in subsection (e)—

(A) in paragraph (2), by striking “organiza-
tion and individual goals” and inserting “spe-
cific, measurable organization and individual
goals and the metrics used to measure progress
toward such goals”;

(B) in paragraph (3), by amending sub-
paragraph (B) to read as follows:

“(B) Bonus.—In addition, a senior man-
ger may receive a bonus in the following
amounts:

“(i) For a period covered by a per-
formance agreement entered into under
paragraph (2) before the date of the enact-
ment of the PROSPER Act, an amount
such that the manager’s total annual com-
pensation does not exceed 125 percent of
the maximum rate of basic pay for the
Senior Executive Service, including any ap-
licable locality-based comparability pay-
ment, based upon the Chief Operating Of-
licer’s evaluation of the manager’s per-
formance in relation to the goals set forth in the performance agreement.

“(ii) For a period covered by a performance agreement entered into under paragraph (2) on or after the date of the enactment of the PROSPER Act, an amount such that the manager’s total annual compensation does not exceed 120 percent of the maximum rate of basic pay for the Senior Executive Service, including any applicable locality-based comparability payment, based upon the Chief Operating Officer’s evaluation of the manager’s performance in relation to the goals set forth in the performance agreement.”.

(6) by redesignating subsections (f), (g), (h), and (i) as subsections (g), (h), (i), (j); and

(7) by inserting after subsection (e) the following:

“(f) ADVISORY BOARD.—

“(1) ESTABLISHMENT AND PURPOSE.—Not later than one year after the date of the enactment of the PROSPER Act, the Secretary shall establish an Advisory Board (referred to in this subsection as the ‘Board’) for the PBO. The purpose of such
Board shall be to conduct oversight over the PBO and the Chief Operating Officer and senior managers described under subsection (e) to ensure that the PBO is meeting the purposes described in this section and the goals in the performance plan described under such section.

“(2) Membership.—

“(A) Board members.—The Board shall consist of 7 members, one of whom shall be the Secretary.

“(B) Chairman.—A Chairman of the Board shall be elected by the Board from among its members for a 2-year term.

“(C) Secretary as an ex officio member.—The Secretary, ex officio—

“(i) shall—

“(I) serve as a member of the Board;

“(II) be a voting member of the Board; and

“(III) be eligible to be elected by the Board to serve as chairman or vice chairman of the Board; and

“(ii) shall not be subject to the terms or compensation requirements described in
this paragraph that are applicable to the other members of the Board.

“(D) ADDITIONAL BOARD MEMBERS.—

Each member of the Board (excluding the Secretary) shall be appointed by the Secretary.

“(E) TERMS.—

“(i) IN GENERAL.—Each Board member, except for the Secretary and the Board members described in clause (ii)(II), shall serve 5-year terms.

“(ii) INITIAL MEMBERS.—

“(I) FIRST 3 MEMBERS.—The first 3 members confirmed to serve on the Board after the date of enactment of the PROSPER Act shall serve for 5-year terms.

“(II) OTHER MEMBERS.—The fourth, fifth, and sixth members confirmed to serve on the Board after such date of enactment shall serve for 3-year terms.

“(iii) REAPPOINTMENT.—The Secretary may reappoint a Board member for one additional 5-year term.

“(iv) VACANCIES.—
“(I) IN GENERAL.—Not later than 30 days after a vacancy of the Board occurs, the Secretary shall publish a Federal Register notice soliciting nominations for the position.

“(II) FILLING VACANCY.—Not later than 90 days after such vacancy occurs, such vacancy shall be filled in the same manner as the original appointment was made, except that—

“(aa) the appointment shall be for the remainder of the uncompleted term; and

“(bb) such member may be reappointed under clause (iii).

“(F) MEMBERSHIP QUALIFICATIONS AND PROHIBITIONS.—

“(i) QUALIFICATIONS.—The members of the board, other than the Secretary, shall be appointed without regard to political affiliation and solely on the basis of their professional experience and expertise in—

“(I) the management of large and financially significant organiza-
tions, including banks and commercial
lending companies; or

“(II) Federal student financial
assistance programs.

“(ii) CONFLICTS OF INTEREST AMONG
BOARD MEMBERS.—Before appointing
members of the Board, the Secretary shall
establish rules and procedures to address
any potential conflict of interest between a
member of the Board and responsibilities
of the Board, including prohibiting mem-
bership for individuals with a pecuniary in-
terest in the activities of the PBO.

“(G) NO COMPENSATION.—Board mem-
bers shall serve without pay.

“(H) EXPENSES OF BOARD MEMBERS.—
Each member of the Board shall receive travel
expenses and other permissible expenses, in-
cluding per diem in lieu of subsistence, in ac-
cordance with applicable provisions under title
5, United States Code.

“(3) BOARD RESPONSIBILITIES.—The Board
shall have the following responsibilities:
“(A) Conducting general oversight over the functioning and operation of the PBO, including—

“(i) ensuring that the reporting and planning requirements of this section are fulfilled by the PBO; and

“(ii) ensuring that the Chief Operating Officer acquires senior managers with demonstrated management ability and expertise in consumer lending (as described in subsection (b)(1)(C)(iii)).

“(B) Approving the appointment or reappointment of a Chief Operating Officer, except that the board shall have no authority to approve or disapprove the reappointment of the Chief Operating Officer who holds such position on the date of enactment of the PROSPER Act.

“(C) Making recommendations with respect to the suitability of any bonuses proposed to be provided to the Chief Operating Officer or senior managers described under subsections (d) and (e), to ensure that a bonus is not awarded to the Officer or a senior manager in a case in which such Officer or manager has
failed to meet goals set for them under the relevant performance plan under subsections (d)(4) and (e)(2), respectively.

“(D) Approving any performance plan established for the PBO.

“(4) BOARD OPERATIONS.—

“(A) MEETINGS.—The Board shall meet at least twice per year and at such other times as the chairperson determines appropriate.

“(B) POWERS OF CHAIRPERSON.—Except as otherwise provided by a majority vote of the Board, the powers of the chairperson shall include—

“(i) establishing committees;

“(ii) setting meeting places and times;

“(iii) establishing meeting agendas;

and

“(iv) developing rules for the conduct of business.

“(C) QUORUM.—Four members of the Board shall constitute a quorum. A majority of members present and voting shall be required for the Board to take action.

“(D) ADMINISTRATION.—The Federal Advisory Committee Act shall not apply with re-
pect to the Board, other than sections 10, 11
and 12 of such Act.

“(5) **ANNUAL REPORT.—**

“(A) **IN GENERAL.—** Not less frequently
than once annually, the Board shall submit to
the authorizing committees a report on the re-

results of the work conducted by the PBO.

“(B) **CONTENTS.—** Each report under
clause (i) shall include—

“(i) a description of the oversight
work of the Board and the results of such
work;

“(ii) a description of statutory re-
quirements of this section and section 144
where the PBO is not in compliance;

“(iii) recommendations on the ap-
pointment or reappointment of a Chief Op-
erating Officer;

“(iv) recommendations regarding
bonus payments for the Chief Operating
Officer and senior managers; and

“(v) recommendations for the author-
izing Committees and the Appropriations
Committees on—
“(I) any statutory changes needed that would enhance the ability of the PBO to meet the purposes of this section; and

“(II) any recommendations for the Secretary or the Chief Operating Officer that will improve the operations of the PBO.

“(vi) Issuance and Public Release.—Each report under clause (i) shall be posted on the publicly accessible website of the Department of Education.

“(vii) PBO Recommendations.—Not later than 180 days after the submission of each report under clause (i), the Chief Operating Officer shall respond to each recommendation individually, which shall include a description of such actions that the Officer is undertaking to address such recommendation.

“(C) Staff.—

“(i) In General.—The Secretary may appoint to the Board not more than 7 employees to assist in carrying out the duties of the Board under this section.
“(ii) TECHNICAL EMPLOYEES.—Such appointments may include, for terms not to exceed 3 years and without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, not more than 3 technical employees who may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but no individual so appointed shall be paid in excess of the rate authorized for GS–18 of the General Schedule.

“(iii) DETAILLES.—The Secretary may detail, on a reimbursable basis, any of the personnel of the Department for the purposes described in clause (i). Such employees shall serve without additional pay, allowances, or benefits.

“(iv) STATUTORY CONSTRUCTION.—Nothing in this subparagraph shall be construed to provide for an increase in the total number of permanent full-time equivalent positions in the Department or any
other department or agency of the Federal

Government.

“(6) Briefing on Activities of the Oversight Board.—The Secretary shall, upon request, provide a briefing to the authorizing committees on the steps the Board has taken to carry out its responsibilities under this subsection.”.

SEC. 132. ADMINISTRATIVE DATA TRANSPARENCY.

Part D of title I (20 U.S.C. 1018 et seq.) is amended by adding at the end the following:

“SEC. 144. ADMINISTRATIVE DATA TRANSPARENCY.

“(a) In General.—To improve the transparency of the student aid delivery system, the Secretary and the Chief Operating Officer shall collect and publish information on the performance of student loan programs under title IV in accordance with this section.

“(b) Disclosures.—

“(1) In General.—The Secretary and the Chief Operating Officer shall publish on a publicly accessible website of the Department of Education the following aggregate statistics with respect to the performance of student loans under title IV:

“(A) The number of borrowers who paid off the total outstanding balance of principal and interest on their loans before the end of the
10-year or consolidated loan repayment schedule.

“(B) The number of loans under each type of deferment and forbearance.

“(C) The average length of time a loan stays in default.

“(D) The percentage of loans in default among borrowers who completed the program of study for which the loans were made.

“(E) The number of borrowers enrolled in an income-based repayment plan who make monthly payments of $0 and the average student loan debt of such borrowers.

“(F) The number of students whose loan balances are growing because such students are not paying the full amount of interest accruing on the loans.

“(G) The number of borrowers entering income-based repayment plans to get out of default.

“(H) The number of borrowers in income-based repayment plans who have outstanding student loans from graduate school, and the average balance of such loans.
“(I) With respect to the public service loan forgiveness program under section 455(m)—

“(i) the number of applications submitted and processed;

“(ii) the number of borrowers granted loan forgiveness;

“(iii) the amount of loan debt forgiven; and

“(iv) the number of borrowers granted loan forgiveness, and the amount of the loan debt forgiven, disaggregated by each category of employer that employs individuals in public service jobs (as defined in section 455(m)(3)(B), including—

“(I) the Federal Government, or a State or local government;

“(II) an organization that is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; and

“(III) a non-profit organization not described in subclause (II).

“(J) Any other aggregate statistics the Secretary and the Chief Operating Officer de-
termine to be necessary to adequately inform
the public of the performance of the student
loan programs under title IV.

“(2) Disaggregation.—The statistics de-
dcribed in clauses (i) through (iii) of paragraph
(1)(I) shall be disaggregated—

“(A) by the number or amount for most
recent quarter;

“(B) by the total number or amount as of
the date of publication;

“(C) by repayment plan;

“(D) by borrowers seeking loan forgiveness
for loans made for an undergraduate course of
study; and

“(E) by borrowers seeking loan forgiveness
for loans made for a graduate course of study.

“(3) Quarterly Updates.—The statistics
published under paragraph (1) shall be updated not
less frequently than once each fiscal quarter.

“(c) Information Collection.—

“(1) In General.—The Secretary and the
Chief Operating Officer shall collect information on
the performance of student loans under title IV over
time, including—
“(A) measurement of the cash flow generated by such loans as determined by assessing monthly payments on the loans over time;

“(B) the income level and employment status of borrowers during repayment;

“(C) the loan repayment history of borrowers prior to default;

“(D) the progress of borrowers in making monthly payments on loans after defaulting on the loans; and

“(E) such other information as the Secretary and the Chief Operating Officer determine to be appropriate.

“(2) AVAILABILITY.—

“(A) IN GENERAL.—The information collected under paragraph (1) shall be made available biannually to organizations and researchers that—

“(i) submit to the Secretary and the Chief Operating officer a request for such information; and

“(ii) enter into an agreement with the National Center for Education Statistics under which the organization or researcher (as the case may be) agrees to use the in-
formation in accordance with the privacy laws described in subparagraph (B).

“(B) PRIVACY PROTECTIONS.—The privacy laws described in this subparagraph are the following:


“(C) FORMAT.—The information described in subparagraph (A) shall be made available in the format of a data file that contains an statistically accurate, representative sample of all borrowers of loans under title IV.

“(d) DATA SHARING.—The Secretary and the Chief Operating Officer may enter into cooperative data sharing agreements with other Federal or State agencies to ensure
the accuracy of information collected and published under this section.

“(e) Privacy.—The Secretary and the Chief Operating Officer shall ensure that any information collected, published, or otherwise made available under this section does not reveal personally identifiable information.”.

PART E—LENDER AND INSTITUTION REQUIREMENTS RELATING TO EDUCATION LOANS

SEC. 141. MODIFICATION OF PREFERRED LENDER ARRANGEMENTS.

(a) In General.—Part E of title I (20 U.S.C. 1019 et seq.) is amended—

(1) in section 151 (20 U.S.C. 1019(2))—

(A) in paragraph (2), by striking “section 102” and inserting “section 101 or 102”;

(B) in paragraph (3)—

(i) by striking “or” at the end of subparagraph (B);

(ii) by redesignating subparagraph (C) as subparagraph (D); and

(iii) by inserting after subparagraph (B), the following:

“(C) any loan made under part E of title IV after the date of enactment of the PROSPER Act; or”;}
(C) in paragraph (6)(A)—

(i) by striking “and” at the end of clause (ii);

(ii) by redesignating clause (iii) as clause (iv); and

(iii) by inserting after clause (ii), the following:

“(iii) in the case of a loan issued or provided to a student under part E of title IV on or after the date of enactment of the PROSPER Act;”;

(D) in paragraph (8)(B)(ii)—

(i) by striking “or” at the end of clause (i);

(ii) by redesignating clause (ii) as clause (iii); and

(iii) by inserting after clause (i), the following:

“(ii) arrangements or agreements with respect to loans under part E of title IV; or”;

(2) in section 152 (20 U.S.C. 1019)—

(A) in subsection (a)(1)—

(i) in subparagraph (B), by amending clause (i) to read as follows:
“(i) make available to the prospective borrower on a website or with informational material, the information the Board of Governors of the Federal Reserve System requires the lender to provide to the covered institution under section 128(e)(11) of the Truth in Lending Act (15 U.S.C. 1638(e)(11)) for such loan;”;

and

(ii) by adding at the end the following:

“(D) SPECIAL RULE.—Notwithstanding any other provision of law, a covered institution, or an institution-affiliated organization of such covered institution, shall not be required to provide any information regarding private education loans to prospective borrowers except for the information described in subparagraph (B).”; and

(B) in subsection (b)(1)(A)(i), by striking “part B or D” and inserting “part B, D, or E”;
(I) in clause (i), by adding “and” at the end;

(II) in clause (ii), by striking “; and” at the end and inserting a period; and

(III) by striking clause (iii); and

(ii) in paragraph (2), by amending subparagraph (C) to read as follows:

“(C) update such model disclosure form not later than 180 after the date of enactment of the PROSPER Act, and periodically thereafter, as necessary.”; and

(B) by amending subsection (c) to read as follows:

“(c) DUTIES OF COVERED INSTITUTIONS AND INSTITUTION-AFFILIATED ORGANIZATIONS.—

“(1) CODE OF CONDUCT.—Each covered institution, and each institution-affiliated organization of such covered institution, that has a preferred lender arrangement, shall comply with the code of conduct requirements of subparagraphs (A) through (C) of section 487(a)(22).

“(2) APPLICABLE CODE OF CONDUCT.—For purposes of subparagraph (A), an institution-affiliated organization of a covered institution shall—
“(A) comply with the code of conduct developed and published by such covered institution under subparagraphs (A) and (B) of section 487(a)(22);

“(B) if such institution-affiliated organization has a website, publish such code of conduct prominently on the website; and

“(C) administer and enforce such code of conduct by, at a minimum, requiring that all of such organization’s agents with responsibilities with respect to education loans be annually informed of the provisions of such code of conduct.”; and

(4) in section 154 (20 U.S.C. 1019e)—

(A) in the subsection heading, by inserting before the period the following: “OR THE FEDERAL ONE LOAN PROGRAM”;

(B) by striking “William D. Ford Direct Loan Program” each place it appears and inserting “William D. Ford Direct Loan Program or the Federal ONE Loan Program”

(C) by striking “part D” each place it appears and inserting “part D or E”; and

(D) in subsection (a)—
(i) by striking “the development” and inserting “the first update”;  
(ii) by striking “section 153(a)(2)(B)” and inserting “section 153(a)(2)(C)”; and  
(iii) by striking “Federal Direct Stafford Loans, Federal Direct Unsubsidized Stafford Loans, and Federal Direct PLUS” and inserting “undergraduate, graduate, and parent”.

(b) LIMITATION.—The Secretary of Education shall not impose, administer, or enforce any requirements on a covered institution or an institution-affiliated organization of a covered institution relating to preferred lender lists or arrangements unless explicitly authorized by sections 152(a)(1)(B), 153(c), or 487(h)(1) of the Higher Education Act of 1965 (20 U.S.C. 1019a(a)(1)(B), 1019b(e), or 1094(h), respectively) as amended by this Act.

PART F—ADDRESSING SEXUAL ASSAULT

SEC. 151. ADDRESSING SEXUAL ASSAULT.

Title I (20 U.S.C. 1001 et seq.) is amended by adding at the end the following new part:
“PART F—ADDRESSING SEXUAL ASSAULT

“SEC. 161. APPLICATION.

“The requirements of this part shall apply to any institution of higher education receiving Federal financial assistance under this Act, including financial assistance provided to students under title IV, other than—

“(1) an institution outside the United States; or

“(2) an institution that provides instruction primarily through online courses.

“SEC. 162. CAMPUS CLIMATE SURVEYS.

“(a) Surveys to Measure Campus Attitudes and Climate Regarding Sexual Assault and Misconduct on Campus.—Each institution of higher education that is subject to this part shall conduct surveys of its students to measure campus attitudes towards sexual assault and the general climate of the campus regarding the institution’s treatment of sexual assault on campus, and shall use the results of the survey to improve the institution’s ability to prevent and respond appropriately to incidents of sexual assault.

“(b) Contents.—The institution’s survey under this section shall consist of such questions as the institution considers appropriate, which may (at the option of the institution) include any of the following:

“(1) Questions on the incidence and prevalence of sexual assault experienced by students.
“(2) Questions on whether students who experience sexual assault report such incidents to campus officials or law enforcement agencies.

“(3) Questions on whether the alleged perpetrators are students of the institution.

“(4) Questions to test the students’ knowledge and understanding of institutional policies regarding sexual assault and available campus support services for victims of sexual assault.

“(5) Questions to test the students’ knowledge, understanding, and retention of campus sexual assault prevention and awareness programming.

“(6) Questions related to dating violence, domestic violence, and stalking.

“(c) OTHER ISSUES RELATING TO THE ADMINISTRATION OF SURVEYS.—

“(1) MANDATORY CONFIDENTIALITY OF RESPONSES.—The institution shall ensure that all responses to surveys under this section are kept confidential and do not require the respondents to provide personally identifiable information.

“(2) ENCOURAGING USE OF BEST PRACTICES AND APPROPRIATE LANGUAGE.—The institution is encouraged to administer the surveys under this section in accordance with best practices derived from
peer-reviewed research, and to use language that is sensitive to potential respondents who may have been victims of sexual assault.

“(3) ENCOURAGING RESPONSES.—The institution shall make a good faith effort to encourage students to respond to the surveys.

“(d) ROLE OF SECRETARY.—

“(1) DEVELOPMENT OF SAMPLE SURVEYS.—
The Secretary, in consultation with relevant stakeholders, shall develop sample surveys that an institution may elect to use under this section, and shall post such surveys on a publicly accessible website of the Department of Education. The Secretary shall develop sample surveys that are suitable for the various populations who will participate in the surveys.

“(2) LIMIT ON OTHER ACTIVITIES.—In carrying out this section, the Secretary—

“(A) may not regulate or otherwise impose conditions on the contents of an institution’s surveys under this section, except as may be necessary to ensure that the institution meets the confidentiality requirements of subsection (e)(1); and
“(B) may not use the results of the surveys to make comparisons between institutions of higher education.

“(e) FREQUENCY.—An institution of higher education that is subject to this part shall conduct a survey under this section not less frequently than once every 3 academic years.

“SEC. 163. SURVIVORS’ COUNSELORS.

“(a) REQUIRING INSTITUTIONS TO MAKE COUNSELOR AVAILABLE.—

“(1) IN GENERAL.—Each institution of higher education that is subject to this part shall retain the services of qualified sexual assault survivors’ counselors to counsel and support students who are victims of sexual assault.

“(2) USE OF CONTRACTORS PERMITTED.—At the option of the institution, the institution may retain the services of counselors who are employees of the institution or may enter into agreements with other institutions of higher education, victim advocacy organizations, or other appropriate sources to provide counselors for purposes of this section.

“(3) NUMBER.—The institution shall retain such number of counselors under this section as the institution considers appropriate based on a reason-
able determination of the anticipated demand for
such counselors’ services, so long as the institution
retains the services of at least one such counselor at
all times.

“(b) QUALIFICATIONS.—A counselor is qualified for
purposes of this section if the counselor has completed
education specifically designed to enable the counselor to
provide support to victims of sexual assault, and is famil-
iar with relevant laws on sexual assault as well as the in-
stitution’s own policies regarding sexual assault.

“(c) INFORMING VICTIMS OF AVAILABLE OPTIONS
AND SERVICES.—In providing services pursuant to this
section, a counselor shall—

“(1) inform the victim of sexual assault of op-
tions available to victims, including the procedures
the victim may follow to report the assault to the in-
stitution or to a law enforcement agency; and

“(2) inform the victim of interim measures that
may be taken pending the resolution of institutional
disciplinary proceedings or the conclusion of criminal
justice proceedings.

“(d) CONFIDENTIALITY.—

“(1) MAINTAINING CONFIDENTIALITY OF IN-
FORMATION.—In providing services pursuant to this
section, a counselor shall—
“(A) maintain confidentiality with respect to any information provided by a victim of sexual assault to the greatest extent permitted under applicable law; and

“(B) notify the victim of any circumstances under which the counselor is required to report information to others (including a law enforcement agency) notwithstanding the general requirement to maintain confidentiality under subparagraph (A).

“(2) MAINTAINING PRIVACY OF RECORDS.—A counselor providing services pursuant to this section shall be considered a recognized professional for purposes of section 444(a)(4)(B)(iv) of the General Education Provisions Act (commonly known as the ‘Family Educational Rights and Privacy Act of 1974’) (20 U.S.C. 1232g(a)(4)(B)(iv)).

“(e) LIMITATIONS.—

“(1) NO REPORTING OF INCIDENTS UNDER CLERY ACT OR OTHER AUTHORITY.—A counselor providing services pursuant to this section is not required to report incidents of sexual assault that are reported to the counselor for inclusion in any report on campus crime statistics, and shall not be consid-
ere part of a campus police or security department
for purposes of section 485(f).

“(2) No Coverage of Counselors as Responsible Employees Under Title IX.—A counselor providing services pursuant to this section on behalf of an institution of higher education shall not be considered a responsible employee of the institution for purposes of title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.) or the regulations promulgated pursuant to such title.

“(f) Notifications to Students.—Each institution of higher education that is subject to this part shall make a good faith effort to notify its students of the availability of the services of counselors pursuant to this section through the statement of policy described in section 485(f)(8)(B)(vi) and any other methods as the institution considers appropriate, including disseminating information through the institution’s website, posting notices throughout the campus, and including information as part of programs to educate students on sexual assault prevention and awareness.

“SEC. 164. FORM TO DISTRIBUTE TO VICTIMS OF SEXUAL ASSAULT.

“(a) Requirement to Develop and Distribute Form.—Each institution of higher education that is sub-
ject to this part shall develop a one-page form containing information to provide guidance and assistance to students who may be victims of sexual assault, and shall make the form widely available to students.

“(b) CONTENTS OF FORM.—The form developed under this section shall contain such information as the institution considers appropriate, and may include the following:

“(1) Information about the services of counselors which are available pursuant to section 163, including a statement that the counselor will provide the maximum degree of confidentiality permitted under law, and a brief description of the circumstances under which the counselor may be required to report information notwithstanding the victim’s desire to keep the information confidential.

“(2) Information about other appropriate campus resources and resources in the local community, including contact information.

“(3) Information about where to obtain medical treatment, and information about transportation services to such medical treatment facilities, if available.

“(4) Information about the importance of preserving evidence after a sexual assault.
“(5) Information about how to file a report with local law enforcement agencies.

“(6) Information about the victim’s right to request accommodations, and examples of accommodations that may be provided.

“(7) Information about the victim’s right to request that the institution begin an investigation of an allegation of sexual assault and initiate an institutional disciplinary proceeding if the alleged perpetrator of the assault is another student or a member of the faculty or staff of the institution.

“(8) A statement that an institutional disciplinary proceeding is not a substitute for a criminal justice proceeding.

“(9) Information about how to report a sexual assault to the institution, including the designated official or office responsible for receiving these reports.

“(c) DEVELOPMENT OF MODEL FORMS.—The Secretary, in consultation with relevant stakeholders, shall develop model forms that an institution may use to meet the requirements of this section, and shall include in such model forms language which may accommodate a variety of State and local laws and institutional policies. Nothing in this subsection may be construed to require an institu-
tion to use any of the model forms developed under this subsection.

“SEC. 165. MEMORANDA OF UNDERSTANDING WITH LOCAL LAW ENFORCEMENT AGENCIES.

“(a) FINDINGS; PURPOSE.—

“(1) FINDINGS.—Because sexual assault is a serious crime, coordination and cooperation between institutions of higher education and law enforcement agencies are critical in ensuring that reports of sexual assaults on campus are handled in an appropriate and effective manner. A memorandum of understanding entered into between an institution and the law enforcement agency with primary jurisdiction for responding to reports of sexual assault on the institution’s campus is a useful tool to promote this coordination and cooperation.

“(2) PURPOSE.—It is the purpose of this section to encourage each institution of higher education that is subject to this part to enter into a memorandum of understanding with the law enforcement agency with primary jurisdiction for responding to reports of sexual assault on the institution’s campus so that reports of sexual assault on the institution’s campus may be handled in an appropriate and effective manner.
“(b) CONTENTS OF MEMORANDUM.—An institution of higher education and a law enforcement agency entering into a memorandum of understanding described in this section are encouraged to include in the memorandum provisions addressing the following:

“(1) An outline of the protocols and a delineation of responsibilities for responding to a report of sexual assault occurring on campus.

“(2) A clarification of each party’s responsibilities under existing Federal, State, and local law or policies.

“(3) The need for the law enforcement agency to know about institutional policies and resources so that the agency can direct student-victims of sexual assault to such resources.

“(4) The need for the institution to know about resources available within the criminal justice system to assist survivors, including the presence of special prosecutor or police units specifically designated to handle sexual assault cases.

“(5) If the institution has a campus police or security department with law enforcement authority, the need to clarify the relationship and delineate the responsibilities between such department and the
law enforcement agency with respect to handling incidents of sexual assaults occurring on campus.

“(c) ROLE OF SECRETARY.—The Secretary, in consultation with the Attorney General, shall develop best practices for memoranda of understanding described in this section, and shall disseminate such best practices on a publicly accessible website of the Department of Education.

“SEC. 166. DEFINITIONS.

“In this part:

“(1) The term ‘sexual assault’ has the meaning given such term in section 485(f)(6)(A)(v).

“(2) The terms ‘dating violence’, ‘domestic violence’, and ‘stalking’, have the meaning given such terms in section 485(f)(6)(A)(i).”.

TITLE II—EXPANDING ACCESS TO IN-DEMAND APPRENTICESHIPS

SEC. 201. REPEAL.

(a) REPEAL.—Title II (20 U.S.C. 1021 et seq.) is repealed.

(b) PART A TRANSITION.—Part A of title II (20 U.S.C. 1022 et seq.), as in effect on the day before the date of the enactment of this Act, may be carried out
using funds that have been appropriated for such part
until September 30, 2018.

SEC. 202. GRANTS FOR ACCESS TO HIGH-DEMAND CA-
REERS.

et seq.) is amended by inserting after title I the following:

“TITLE II—EXPANDING ACCESS
TO IN-DEMAND APPRENTICE-
SHIPS

“SEC. 201. APPRENTICESHIP GRANT PROGRAM.

“(a) PURPOSE.—The purpose of this section is to ex-
pand student access to, and participation in, new industry-
led earn-and-learn programs leading to high-wage, high-
skill, and high-demand careers.

“(b) AUTHORIZATION OF APPRENTICESHIP GRANT
PROGRAM.—

“(1) IN GENERAL.—From the amounts authori-
ized under subsection (j), the Secretary shall award
grants, on a competitive basis, to eligible partner-
ships for the purpose described in subsection (a).

“(2) DURATION.—The Secretary shall award
grants under this section for a period of—

“(A) not less than 1 year; and

“(B) not more than 4 years.

“(3) LIMITATIONS.—
“(A) AMOUNT.—A grant awarded under this section may not be in an amount greater than $1,500,000.

“(B) NUMBER OF AWARDS.—An eligible partnership or member of such partnership may not be awarded more than one grant under this section.

“(C) ADMINISTRATION COSTS.—An eligible partnership awarded a grant under this section may not use more than 5 percent of the grant funds to pay administrative costs associated with activities funded by the grant.

“(c) MATCHING FUNDS.—To receive a grant under this section, an eligible partnership shall, through cash or in-kind contributions, provide matching funds from non-Federal sources in an amount equal to or greater than 50 percent of the amount of such grant.

“(d) APPLICATIONS.—

“(1) IN GENERAL.—To receive a grant under this section, an eligible partnership shall submit to the Secretary at such a time as the Secretary may require, an application that—

“(A) identifies and designates the business or institution of higher education responsible for the administration and supervision of the
earn-and-learn program for which such grant funds would be used;

“(B) identifies the businesses and institutions of higher education that comprise the eligible partnership;

“(C) identifies the source and amount of the matching funds required under subsection (e);

“(D) identifies the number of students who will participate and complete the relevant earn-and-learn program within 1 year of the expiration of the grant;

“(E) identifies the amount of time, not to exceed 2 years, required for students to complete the program;

“(F) identifies the relevant recognized postsecondary credential to be awarded to students who complete the program;

“(G) identifies the anticipated earnings of students—

“(i) 1 year after program completion;

and

“(ii) 3 years after program completion;
“(H) describes the specific project for which the application is submitted, including a summary of the relevant classroom and paid structured on-the-job training students will receive;

“(I) describes how the eligible partnership will finance the program after the end of the grant period;

“(J) describes how the eligible partnership will support the collection of information and data for purposes of the program evaluation required under subsection (h); and

“(K) describes the alignment of the program with State identified in-demand industry sectors.

“(2) APPLICATION REVIEW PROCESS.—

“(A) REVIEW PANEL.—Applications submitted under paragraph (1) shall be read by a panel of readers composed of individuals selected by the Secretary. The Secretary shall assure that an individual assigned under this paragraph does not have a conflict of interest with respect to the applications reviewed by such individual.
“(B) Composition of review panel.—
The panel of reviewers selected by the Secretary under subparagraph (A) shall be comprised as follows:

“(i) A majority of the panel shall be individuals who are representative of businesses, which may include owners, executives with optimum hiring authority, or individuals representing business organizations or business trade associations.

“(ii) The remainder of the panel shall be equally divided between individuals who are—

“(I) representatives of institutions of higher education that offer programs of two years or less; and

“(II) representatives of State workforce development boards established under section 101 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3111).

“(C) Review of applications.—The Secretary shall instruct the review panel selected by the Secretary under paragraph (2)(A) to evaluate applications using only the criteria
specified in paragraph (1) and make recommendations with respect to—

“(i) the quality of the applications;
“(ii) whether a grant should be awarded for a project under this title; and
“(iii) the amount and duration of such grant.

“(D) NOTIFICATION.—Not later than June 30 of each year, the Secretary shall notify each eligible partnership submitting an application under this section of—

“(i) the scores given the applicant by the panel pursuant to this section;
“(ii) the recommendations of the panel with respect to such application; and
“(iii) the reasons for the decision of the Secretary in awarding or refusing to award a grant under this section; and
“(iv) modifications, if any, in the recommendations of the panel made to the Secretary.

“(e) AWARD BASIS.—The Secretary shall award grants under this section on the following basis—

“(1) the number of participants to be served by the grant;
“(2) the anticipated income of program participants in relation to the regional median income;

“(3) the alignment of the program with State-identified in-demand industry sectors; and

“(4) the recommendations of the readers under subsection (d)(2)(C).

“(f) USE OF FUNDS.—Grant funds provided under this section may be used for—

“(1) the purchase of appropriate equipment, technology, or instructional material, aligned with business and industry needs, including machinery, testing equipment, hardware and software;

“(2) student books, supplies, and equipment required for enrollment;

“(3) the reimbursement of up to 50 percent of the wages of a student participating in an earn-and-learn program receiving a grant under this section;

“(4) the development of industry-specific programming;

“(5) supporting the transition of industry-based professionals from an industry setting to an academic setting;

“(6) industry-recognized certification exams or other assessments leading to a recognized postsec-
ondary credential associated with the earn-and-learn program; and

“(7) any fees associated with the certifications or assessments described in paragraph (6).

“(g) TECHNICAL ASSISTANCE.—The Secretary may provide technical assistance to eligible partnerships awarded under this section throughout the grant period for purposes of grant management.

“(h) EVALUATION.—

“(1) IN GENERAL.—From the amounts made available under subsection (j), the Secretary, acting through the Director of the Institute for Education Sciences, shall provide for the independent evaluation of the grant program established under this section that includes the following:

“(A) An assessment of the effectiveness of the grant program in expanding earn-and-learn program opportunities offered by employers in conjunction with institutions of higher education.

“(B) The number of students who participated in programs assisted under this section.

“(C) The percentage of students participating in programs assisted under this section
who successfully completed the program in the
time described in subsection (d)(1)(E).

“(D) The median earnings of program par-
ticipants—

“(i) 1 year after exiting the program;

and

“(ii) 3 years after exiting the pro-
gram.

“(E) The percentage of students partici-
pating in programs assisted under this section
who successfully receive a recognized postsec-
ondary credential.

“(F) The number of students served by
programs receiving funding under this sec-
tion—

“(i) 2 years after the end of the grant
period;

“(ii) 4 years after the end of the
grant period.

“(2) PROHIBITION.—Notwithstanding any other
provision of law, the evaluation required by this sub-
section shall not be subject to any review outside the
Institute for Education Sciences before such reports
are submitted to Congress and the Secretary.
“(3) PUBLICATION.—The evaluation required by this subsection shall be made publicly available on the website of the Department.

“(i) DEFINITIONS.—In this section:

“(1) EARN-AND-LEARN PROGRAM.—The term ‘earn-and-learn program’ means an education program, including an apprenticeship program, that provides students with structured, sustained, and paid on-the-job training and accompanying, for credit, classroom instruction that—

“(A) is for a period of between 3 months and 2 years; and

“(B) leads to, on completion of the program, a recognized postsecondary credential.

“(2) ELIGIBLE PARTNERSHIP.—The term ‘eligible partnership’ shall mean a consortium that includes—

“(A) 1 or more businesses; and

“(B) 1 or more institutions of higher education.

“(3) IN-DEMAND INDUSTRY SECTOR OR OCCUPATION.—The term ‘in-demand industry sector or occupation’ has the meaning given the term in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).
“(4) **ON-THE-JOB TRAINING.**—The term ‘on-the-job training’ has the meaning given the term in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).

“(5) **RECOGNIZED POSTSECONDARY CREDENTIAL.**—The term ‘recognized postsecondary credential’ has the meaning given the term in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).

“(j) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this section $183,204,000 for fiscal year 2019 and each of the 5 succeeding fiscal years.”.

**TITLE III—INSTITUTIONAL AID**

**SEC. 301. STRENGTHENING INSTITUTIONS.**

Part A of title III (20 U.S.C. 1057 et seq.) is amended—

(1) in the part heading for part A, by inserting “MINORITY-SERVING” after “STRENGTHENING”;

(2) in section 311—

(A) by striking subsection (b) and redesignating subsections (c) and (d) as subsections (b) and (e), respectively;

(B) in subsection (b) (as so redesignated)—
(i) by striking paragraph (6) and inserting the following:

“(6) Tutoring, counseling, advising, and student service programs designed to improve academic success, including innovative and customized instructional courses (which may include remedial education and English language instruction) designed to help retain students and move the students rapidly into core courses and through program completion.”;

(ii) in paragraph (8), by striking “acquisition of equipment for use in strengthening funds management” and inserting “acquisition of technology, services, and equipment for use in strengthening funds and administrative management”;

(iii) in paragraph (12), by striking “Creating” and all that follows through “technologies,” and inserting “Innovative learning models and creating or improving facilities for Internet or other innovative technologies,”;

(iv) by redesignating paragraph (13) as paragraph (18); and

(v) by inserting after paragraph (12) the following:
“(13) Establishing community outreach programs that will encourage elementary school and secondary school students to develop the academic skills and the interest to pursue postsecondary education.


“(15) Alignment and integration of career and technical education programs with programs of study leading to a bachelor’s degree, graduate degree, or professional degree.

“(16) Developing or expanding access to dual or concurrent enrollment programs and early college high school programs.

“(17) Pay for success initiatives that improve time to completion and increase graduation rates.”;

and

(C) in subsection (e) (as so redesignated), by adding at the end the following:

“(4) SCHOLARSHIP.—An institution that uses grant funds provided under this part to establish or increase an endowment fund may use the income
from such endowment fund to provide scholarships to students for the purposes of attending such institution, subject to the limitation in section 331(e)(3)(B)(i).”;

(3) in section 312—

(A) in subsection (a), by striking “transfers which the institution” and inserting “transfers that the institution”;

(B) in subsection (b)(1)—

(i) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (E), respectively;

(ii) in subparagraph (E) (as so redesignated), by inserting “(as defined in section 103(20)(A))” after “State”; and

(iii) in subparagraph (F) (as so redesignated), by striking “and” at the end; and

(C) in subsection (b)—

(i) by striking the period at the end of paragraph (2) and inserting “; and”; and

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

“(3) except as provided in section 392(b), an institution that has a completion rate of at least 25
percent that is calculated by counting a student as completed if that student—

“(A) graduates within 150 percent of the normal time for completion; or

“(B) enrolled into another program at an institution for which the previous program provided substantial preparation within 150 percent of the normal time for completion.”;

(4) in section 313—

(A) in subsection (a)—

(i) by striking “for 5 years” and inserting “for a period of 5 years”; and

(ii) by adding at the end the following: “Any funds awarded under this section that are not expended or used for the purposes for which the funds were paid within 10 years following the date on which the grant was awarded, shall be repaid to the Treasury.”; and

(B) by striking subsection (d);

(5) in section 316—

(A) in subsection (e)—

(i) in paragraph (2)—

(I) by striking subparagraph (A) and inserting the following:
“(A) the activities described in paragraphs (1) through (12) and (14) through (17) of section 311(b);”;

(II) by striking subparagraphs (E) through (J);

(III) by redesignating subparagraphs (K) and (L) as subparagraphs (E) and (F), respectively;

(IV) by striking subparagraph (M); and

(V) by redesignating subparagraph (N) as subparagraph (G); and

(VI) in subparagraph (G) (as so redesignated), by striking “(M)” and inserting “(F)”;

(ii) by striking paragraph (3) and inserting the following:

“(3) ENDOWMENT FUND.—A Tribal College or University seeking to establish or increase an endowment fund shall abide by the requirements in section 311(c).”;

(B) in subsection (d)—

(i) by striking paragraph (2) and inserting the following:
“(2) APPLICATION.—A Tribal College or University desiring to receive assistance under this section shall submit an application to the Secretary pursuant to section 391.”; and

(ii) in paragraph (4)—

(I) in subparagraph (A), by striking “part A of”; and

(II) in subparagraph (B), by striking “313(d)” and inserting “312(b)(3)”;

(6) in section 317—

(A) in subsection (c)—

(i) by striking paragraph (2) and inserting the following:

“(2) EXAMPLES OF AUTHORIZED ACTIVITIES.—Such programs may include—

“(A) the activities described in paragraphs (1) through (17) of section 311(b); and

“(B) other activities proposed in the application submitted pursuant to subsection (d) that—

“(i) contribute to carrying out the purpose of this section; and

“(ii) are approved by the Secretary as part of the review and approval of an ap-
application submitted under subsection (d).”;

and

(ii) by adding at the end the following:

“(3) ENDOWMENT FUND.—An Alaska Native-serving institution and Native Hawaiian-serving institution seeking to establish or increase an endowment fund shall abide by the requirements in section 311(e).”; and

(B) in subsection (d)—

(i) by striking paragraph (1) and redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(ii) in paragraph (1) (as so redesignated)—

(I) in the first sentence, by inserting “pursuant to section 391” after “to the Secretary”; and

(II) by striking the remaining sentences; and

(iii) in paragraph (2) (as so redesignated)—

(I) in subparagraph (A), by striking “this part or part B.” and insert-
ing “this part, part B, or title V.”;

and

(II) by striking subparagraph (B)

and redesignating subparagraph (C)

as subparagraph (B);

(7) in section 318—

(A) in subsection (b)—

(i) in paragraph (1)—

(I) in subparagraph (E), by

striking “and” at the end;

(II) in subparagraph (F)(ii), by

striking “part A of”;

(III) in subparagraph (F)(iii), by

striking the period at the end and in-
serting “; and”; and

(IV) by adding at the end the fol-
lowing;

“(G) is an eligible institution under section

312(b).”; and

(ii) by striking paragraph (7);

(B) in subsection (d)—

(i) in paragraph (2)—

(I) in subparagraph (A), by strik-
ing “through (12)” and inserting

“through (17) of section 311(b)”;}
(II) by striking subparagraph (D); and

(III) by redesignating subparagraph (E) as subparagraph (D); and

(ii) by striking paragraph (3) and inserting the following:

“(3) ENDOWMENT FUND.—A Predominantly Black Institution seeking to establish or increase an endowment fund shall abide by the requirements in section 311(c).”;

(C) in subsection (f), by striking all after “Secretary” the first place such term appears and inserting “pursuant to section 391.”;

(D) by striking subsections (g) and (h);

(E) by redesignating subsection (i) as subsection (g); and

(F) in subsection (g) (as so redesignated), by striking “part A of”;

(8) in section 319—

(A) in subsection (e)—

(i) by striking paragraph (2) and inserting the following:

“(2) EXAMPLES OF AUTHORIZED ACTIVITIES.— Such programs may include—
“(A) the activities described in paragraphs (1) through (17) of section 311(b); and

“(B) other activities proposed in the application submitted pursuant to subsection (d) that—

“(i) contribute to carrying out the purpose of this section; and

“(ii) are approved by the Secretary as part of the review and approval of an application submitted under subsection (d).”;

and

(ii) by adding at the end the following:

“(3) ENDOWMENT FUND.—A Native American-serving, nontribal institution seeking to establish or increase an endowment fund shall abide by the requirements in section 311(c).”;

and

(B) in subsection (d)—

(i) by striking paragraph (1) and inserting the following:

“(1) APPLICATION.—A Native American-serving, nontribal institution desiring to receive assistance under this section shall submit an application to the Secretary pursuant to section 391.”;
(ii) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2); and

(iii) in paragraph (2) (as so redesignated)—

(I) in subparagraph (A), by striking “part A of”;

(II) by striking subparagraph (B); and

(III) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively; and

(9) in section 320—

(A) in subsection (c)—

(i) by striking paragraph (2) and inserting the following:

“(2) EXAMPLES OF AUTHORIZED ACTIVITIES.—

Such programs may include—

“(A) the activities described in paragraphs (1) through (17) of section 311(b);

“(B) academic instruction in disciplines in which Asian Americans and Native American Pacific Islanders are underrepresented;

“(C) conducting research and data collection for Asian American and Native American
Pacific Islander populations and subpopulations;

“(D) establishing partnerships with community-based organizations serving Asian Americans and Native American Pacific Islanders; and

“(E) other activities proposed in the application submitted pursuant to subsection (d) that—

“(i) contribute to carrying out the purpose of this section; and

“(ii) are approved by the Secretary as part of the review and approval of an application submitted under subsection (d).”;

and

(ii) by adding at the end the following:

“(3) ENDOWMENT FUND.—An Asian American and Native American Pacific Islander-serving institution seeking to establish or increase an endowment fund shall abide by the requirements in section 311(c).”; and

(B) in subsection (d)—

(i) by striking paragraph (1) and inserting the following:
“(1) APPLICATION.—Each Asian American and
Native American Pacific Islander-serving institution
desiring to receive assistance under this section shall
submit an application to the Secretary pursuant to
section 391.”;

(ii) by striking paragraph (2) and re-
 redesignating paragraph (3) as paragraph
 (2); and

(iii) in paragraph (2) (as so redesig-
nated), by striking subparagraph (B) and
 redesignating subparagraph (C) as sub-
paragraph (B).

SEC. 302. STRENGTHENING HISTORICALLY BLACK COL-
LEGES AND UNIVERSITIES.

Part B of title III (20 U.S.C. 1060 et seq.) is amend-
ed—

(1) in section 323—

(A) by striking subsection (a) and insert-
ing the following :

“(a) AUTHORIZED ACTIVITIES.—From amounts
available under section 399(a)(2) for any fiscal year, the
Secretary shall make grants (under section 324) to insti-
tutions which have applications approved by the Secretary
(under section 325) for any of the following uses:
“(1) The activities described in paragraphs (1) through (17) of section 311(b).

“(2) Academic instruction in disciplines in which Black Americans are underrepresented.

“(3) Initiatives to improve the educational outcomes of African American males.

“(4) Establishing or enhancing a program of teacher education designed to qualify students to teach in a public elementary or secondary school in the State that shall include, as part of such program, preparation for teacher certification.

“(5) Acquisition of real property in connection with the construction, renovation, or addition to or improvement of campus facilities.

“(6) Services necessary for the implementation of projects or activities that are described in the grant application and that are approved, in advance, by the Secretary, except that not more than two percent of the grant amount may be used for this purpose.

“(7) Other activities proposed in the application submitted pursuant to section 325 that—

“(A) contribute to carrying out the purposes of this part; and
“(B) are approved by the Secretary as part of the review and acceptance of such application.”; and

(B) by striking subsection (b) and inserting the following:

“(b) ENDOWMENT FUND.—An institution seeking to establish or increase an endowment shall abide by the requirements in section 311(c).”;

(2) in section 325(a), by striking “(C), (D), and (E)” and inserting “(C) through (F)”;

(3) in section 326—

(A) by striking subsection (b) and inserting the following:

“(b) DURATION.—The Secretary may award a grant to an eligible institution under this part for a period of 5 years. Any funds awarded under this section that are not expended or used for the purposes for which the funds were paid within 10 years following the date on which the grant was awarded, shall be repaid to the Treasury.”;

(B) by striking subsection (e) and inserting the following:

“(c) AUTHORIZED ACTIVITIES.—A grant under this section may be used for—
“(1) the activities described in paragraphs (1) through (12), (14) through (15), and (17) of section 311(b);

“(2) scholarships, fellowships, and other financial assistance for needy graduate and professional students to permit the enrollment of the students in and completion of the doctoral degree in medicine, dentistry, pharmacy, veterinary medicine, law, and the doctorate degree in the physical or natural sciences, engineering, mathematics, or other scientific disciplines in which African Americans are underrepresented;

“(3) acquisition of real property that is adjacent to the campus in connection with the construction, renovation, or addition to or improvement of campus facilities;

“(4) services necessary for the implementation of projects or activities that are described in the grant application and that are approved, in advance, by the Secretary, except that not more than two percent of the grant amount may be used for this purpose; and

“(5) other activities proposed in the application submitted under subsection (d) that—
“(A) contribute to carrying out the purposes of this part; and

“(B) are approved by the Secretary as part of the review and acceptance of such application.”;

(C) in subsection (e)(1)—

(i) in subparagraph (W), by striking “and” at the end;

(ii) in subparagraph (X), by striking the period at the end and inserting “; and”;

(iii) by adding at the end the following:

“(Y) University of the Virgin Islands School of Medicine.”;

(iv) in each of paragraphs (2) and (3) of subsection (f), by striking “(X)” and inserting “(Y)”;

(v) in subsection (g), by striking “2008” each place such term appears and inserting “2018”; and

(4) in section 327—

(A) by striking the designation and heading for subsection (a); and

(B) by striking subsection (b).
SEC. 303. HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING.

Part D of title III (20 U.S.C. 1066 et seq.) is amended—

(1) in section 343—

(A) in subsection (b)—

(i) in paragraph (1), by striking “an escrow account” and inserting “a bond insurance fund”; and

(ii) in paragraph (8)—

(I) in the matter preceding subparagraph (A), by striking “establish an escrow account” and inserting “subject to subsection (f), establish a bond insurance fund”; and

(II) in subparagraph (A), by striking “the escrow account” and inserting “the bond insurance fund”; and

(iii) in paragraph (9)—

(I) by striking “the escrow account” and inserting “the bond insurance fund or the escrow account described in subsection (f)(1)(B)” and
(II) by striking “such escrow account” and inserting “such bond insurance fund or escrow account”; 

(iv) in subsection (e)—

(I) in paragraph (2), by striking “the escrow account described in subsection (b)(8)” and inserting “the bond insurance fund described in subsection (b)(8) and the escrow account described in subsection (f)(1)(B)”;

(II) in paragraph (4), by striking “and the escrow account” and inserting “, the bond insurance fund, and the escrow account described in subsection (f)(1)(B)”; and

(III) in paragraph (5)(B), by striking “and the escrow account” and inserting “, the bond insurance fund, and the escrow account described in subsection (f)(1)(B)”;

(v) by adding at the end the following:

“(f) APPLICABILITY OF BOND INSURANCE FUND AND ESCROW ACCOUNT AND SPECIAL RULES.—
“(1) Ap plicability of bond insurance fund and escrow account.—Except as provided in paragraph (2)—

“(A) the bond insurance fund established under subsection (b)(8) on the date of enactment of the PROSPER Act shall be made available with respect to loans made under this part on or after such date; and

“(B) the escrow account established under subsection (b)(8) before the date of enactment of the PROSPER Act and as in effect on the day before such date of enactment shall be made available with respect to loans made under this part before the date of enactment of the PROSPER Act.

“(2) Special rules.—Notwithstanding paragraph (1)—

“(A) in a case in which the amount in the bond insurance fund described in paragraph (1)(A) is insufficient to make payments of principal and interest on bonds under subsection (b)(8)(B)(i) in the event of delinquency in loan repayment on loans made under this part on or after the date of enactment of the PROSPER Act, amounts in the escrow fund described in
paragraph (1)(B) shall be made available to the Secretary to make such payments;

“(B) in a case in which the amount in the escrow account described in paragraph (1)(B) is insufficient to make payments of principal and interest on bonds under subsection (b)(8)(B)(i) in the event of delinquency in loan repayment on loans made under this part before the date of enactment of the PROSPER Act, amounts in the bond insurance fund described in paragraph (1)(A) shall be made available to the Secretary to make such payments; and

“(C) in a case in which an institution is required to return an amount equal to any remaining portion of such institution’s 5 percent deposit of loan proceeds under subsection (b)(8)(B)(ii), the institution shall return to the escrow account and the bond insurance fund an amount that is proportionate to the amount that was withdrawn from the escrow account and the bond insurance fund, respectively, by such institution.”;

(2) in section 345, by striking paragraph (9) and inserting the following:
“(9) may, directly or by grant or contract, provide financial counseling and technical assistance to eligible institutions to prepare the institutions to qualify, apply for, and maintain a capital improvement loan, including a loan under this part; and”;

and

(3) in section 347(c), by striking paragraph (2) and inserting the following:

“(2) REPORT.—On an annual basis, the Advisory Board shall prepare and submit to the authorizing committees a report on the status of the historically Black colleges and universities described in paragraph (1)(A) and an overview of all loans in the capital financing program, including the most recent loans awarded in the fiscal year in which the report is submitted. The report shall include administrative and legislative recommendations, as needed, for addressing the issues related to construction financing facing historically Black colleges and universities.”.

SEC. 304. MINORITY SCIENCE AND ENGINEERING IMPROVEMENT PROGRAM.

Part E of title III (20 U.S.C. 1067 et seq.) is amended—

(1) in section 353(a)—
(A) in paragraph (1), by striking “365(6)” and inserting “359(6)”; 
(B) in paragraph (2), by striking “365(7)” and inserting “359(7)”; 
(C) in paragraph (3), by striking “365(8)” and inserting “359(8)” and 
(D) in paragraph (5), by striking “365(9)” and inserting “359(9)”;
(2) by striking subpart 2;
(3) by redesignating subpart 3 as subpart 2 and redesignating sections 361 through 365 as sections 355 through 359, respectively;
(4) in section 355 (as so redesignated), by striking paragraph (5);
(5) in section 356(a) (as so redesignated), by striking “determined under section 361)” and inserting “determined under section 355)”; and
(6) in section 359(2) (as so redesignated)—
(A) by inserting “American” after “Black”; and
(B) by striking “Hispanic (including” and inserting “Hispanic American (including”.
SEC. 305. STRENGTHENING HISTORICALLY BLACK COLLEGES AND UNIVERSITIES AND OTHER MINORITY-SERVING INSTITUTIONS.

Section 371 (20 U.S.C. 1067q) is amended—

(1) in subsection (b)(2)(D)(iii), by striking “section 311(c)” and inserting “section 311(b)”;

and

(2) in subsection (c)(9)(F)(ii), by striking “part A of”.

SEC. 306. GENERAL PROVISIONS.

Part G of title III (20 U.S.C. 1068 et seq.) is amended—

(1) in section 391(b)—

(A) in paragraph (1), by striking “institutional management” and all that follows through the semicolon at the end and inserting “institutional management, and use the grant to provide for, and lead to, institutional self-sustainability and growth (including measurable objectives for the institution and the Secretary to use in monitoring the effectiveness of activities under this title);”;

(B) in paragraph (7)—

(i) by striking subparagraph (C) and redesignating subparagraphs (D) and (E)
as subparagraphs (C) and (D), respectively; and

(ii) in subparagraph (D) (as so redesignated), strike “and” at the end;

(C) by striking paragraph (8) and inserting the following:

“(8) set forth a 5-year plan for improving the assistance provided by the institution; and”; and

(D) by adding at the end the following:

“(9) submit such enrollment data as may be necessary to demonstrate that the institution is a minority-serving institution.”;

(2) in section 392—

(A) in subsection (b)—

(i) in the subsection heading, after “EXPENDITURES” insert “; COMPLETION RATES”;

(ii) in paragraph (1), insert “or 312(b)(3)” after “312(b)(1)(B)”; and

(iii) in paragraph (2)—

(I) in the matter preceding sub-paragraph (A)—

(aa) by inserting “or 312(b)(3)” after “312(b)(1)(B)”;

and
(bb) by inserting “American” after “Hispanic”; and

(II) in subparagraph (A), by inserting “or section 312(b)(3)” after “312(b)(1)”;

(B) by striking subsection (c) and inserting the following:

“(c) WAIVER AUTHORITY WITH RESPECT TO INSTITUTIONS LOCATED IN AN AREA AFFECTED BY A MAJOR DISASTER.—

“(1) WAIVER AUTHORITY.—Notwithstanding any other provision of law, unless enacted with specific reference to this section, in the case of a major disaster, the Secretary may waive for affected institutions—

“(A) the eligibility data requirements set forth in section 391(d) and section 521(e);

“(B) the allotment requirements under section 324; and

“(C) the use of the funding formula developed pursuant to section 326(f)(3);

“(2) DEFINITIONS.—In this subsection:

“(A) AFFECTED INSTITUTION.—The term ‘affected institution’ means an institution of higher education that—
“(i) is—

“(I) a part A institution (which term shall have the meaning given the term ‘eligible institution’ under section 312(b) or section 502(a)(6)); or

“(II) a part B institution, as such term is defined in section 322(2), or as identified in section 326(e);

“(ii) is located in an area affected by a major disaster; and

“(iii) is able to demonstrate that, as a result of the impact of a major disaster, the institution—

“(I) incurred physical damage;

“(II) has pursued collateral source compensation from insurance, the Federal Emergency Management Agency, and the Small Business Administration, as appropriate; and

“(III) was not able to fully reopen in existing facilities or to fully reopen to the pre-disaster enrollment levels.
“(B) MAJOR DISASTER.—The term ‘major disaster’ has the meaning given such term in section 102(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(2)).”; and

(3) in section 399, by striking subsection (a) and inserting the following:

“(a) AUTHORIZATIONS.—

“(1) PART A.—(A) There are authorized to be appropriated to carry out section 316, $27,599,000 for each of fiscal years 2019 through 2024.

“(B) There are authorized to be appropriated to carry out section 317, $13,802,000 for each of fiscal years 2019 through 2024.

“(C) There are authorized to be appropriated to carry out section 318, $9,942,000 for each of fiscal years 2019 through 2024.

“(D) There are authorized to be appropriated to carry out section 319, $3,348,000 for each of fiscal years 2019 through 2024.

“(E) There are authorized to be appropriated to carry out section 320, $3,348,000 for each of fiscal years 2019 through 2024.

“(2) PART B.—(A) There are authorized to be appropriated to carry out part B (other than section
326), $244,694,000 for each of fiscal years 2019 through 2024.

“(B) There are authorized to be appropriated to carry out section 326, $63,281,000 for each of fiscal years 2019 through 2024.

“(3) PART D.—There are authorized to be appropriated to carry out part D, $20,484,000 for each of fiscal years 2019 through 2024. Of the amount authorized, 1.63 percent shall be reserved for administrative expenses.

“(4) PART E.—There are authorized to be appropriated to carry out subpart 1 of part E, $9,648,000 for each of fiscal years 2019 through 2024.”.

TITLE IV—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS IN ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION

SEC. 401. FEDERAL PELL GRANTS.

(a) REAUTHORIZATION.—Section 401(a) (20 U.S.C. 1070a(a)) is amended—

(1) by striking “fiscal year 2017” and inserting “fiscal year 2024”; and

(2) by inserting “an eligible program at” after “attendance at”.

(b) FEDERAL PELL GRANT BONUS.—
(1) **AMENDMENTS.—** Section 401(b) (20 U.S.C. 1070a(b)) is amended—

(A) in paragraph (7)(A)(iii)—

(i) by inserting “and paragraph (9)” after “this paragraph”; and

(ii) by inserting before the semicolon at the end the following: “and to provide the additional amount required by paragraph (9)”;

(B) by adding at the end the following:

“(9) **FEDERAL PELL GRANT BONUS.—**

“(A) **IN GENERAL.—** Notwithstanding any other provision of this subsection and from the amounts made available pursuant to paragraph (7)(A)(iii) for the purposes of this paragraph, an eligible student who is receiving a Federal Pell Grant for an award year shall receive an amount in addition to such Federal Pell Grant for each payment period of such award year for which the student—

“(i) is receiving such Federal Pell Grant as long as the amount of such Federal Pell Grant does not exceed the maximum amount of a Federal Pell Grant...
award determined under paragraph (2)(A) for such award year; and

“(ii) is carrying a work load that—

“(I) is greater than the normal full-time work load for the course of study the student is pursuing, as determined by the institution of higher education; and

“(II) will lead to the completion of not less than 30 credit hours (or the equivalent coursework) upon the completion of the final payment period for which the student is receiving the Federal Pell Grant described in clause (i).

“(B) AMOUNT OF BONUS.—The amount provided to an eligible student under subparagraph (A) for an award year may not exceed $300, which shall be equally divided among each payment period of such award year described in clauses (i) and (ii) of subparagraph (A).”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect with respect to
award year 2018–2019 and each succeeding award

year.

(c) Period of Eligibility for Grants.—Section 401(c) (20 U.S.C. 1070a(c)) is amended by adding at the end the following:

“(6)(A) The Secretary shall issue to each student receiving a Federal Pell Grant, an annual status report which shall—

“(i) inform the student of the remaining period during which the student may receive Federal Pell Grants in accordance with paragraph (5), and provide access to a calculator to assist the student in making such determination;

“(ii) include an estimate of the Federal Pell Grant amounts which may be awarded for such remaining period based on the student’s award amount determined under subsection (b)(2)(A) for the most recent award year;

“(iii) explain how the estimate was calculated and any assumptions underlying the estimate;

“(iv) explain that the estimate may be affected if there is a change—
“(I) in the student’s financial circumstances; or

“(II) the availability of Federal funding; and

“(v) describe how the remaining period during which the student may receive Federal Pell Grants will be affected by whether the student is enrolled as a full-time student.

“(B) Nothing in this paragraph shall be construed to prohibit an institution from offering additional counseling to a student with respect to Federal Pell Grants, but such counseling shall not delay or impede disbursement of a Federal Pell Grant award to the student.”.

(d) DISTRIBUTION OF GRANTS TO STUDENTS.—Section 401(e) (20 U.S.C. 1070a(e)) is amended by striking the first sentence and inserting “Payments under this section shall be made in the same manner as disbursements under section 465(a).”.

(e) INSTITUTIONAL INELIGIBILITY BASED ON DEFAULT RATES.—Section 401(j) of such Act (20 U.S.C. 1070a(j)) is amended by adding at the end the following:

“(3) SUNSET.—The provisions of this subsection shall not apply after the transition period described in section 481B(e)(3).”.
(f) **Prevention of Fraud.**—Section 401 (20 U.S.C. 1070a) is amended by adding at the end the following:

“(k) **Prevention of Fraud.**—

“(1) **Prohibition of Awards.**—

“(A) In general.—No Federal Pell Grant shall be awarded under this subpart to any student who—

“(i) received a Federal Pell Grant for 3 award years; and

“(ii) for each such award year, was enrolled in an institution of higher education and did not earn any academic credit for which the Federal Pell Grant was provided.

“(B) Waiver.—The student financial aid administrator at an institution of higher education may waive the requirement of subparagraph (A) for a student, if the financial aid administrator—

“(i) determines that the student was unable to earn any academic credit as described in subparagraph (A)(ii) due to circumstances beyond the student’s control; and
“(ii) makes and documents such a determination on an individual student basis.

“(C) Definition of circumstances beyond a student’s control.—For purposes of this paragraph, the term ‘circumstances beyond the student’s control’, when used with respect to an individual student—

“(i) may include the student withdrawing from an institution of higher education due to illness; and

“(ii) shall not include the student withdrawing from an institution of higher education to avoid a particular grade.

“(2) Secretarial discretion to stop awards.—With respect to a student who receives a disbursement of a Federal Pell Grant for a payment period of an award year and whom the Secretary determines has had an unusual enrollment history, the Secretary may prevent such student from receiving any additional disbursements of such Federal Pell Grant for such award year until the student financial aid administrator at the student’s institution of higher education determines that the student’s enrollment history should not be considered an unusual enrollment history.”.
(g) Report on Costs of Federal Pell Grant Program.—Section 401 (20 U.S.C. 1070a) is further amended, as amended by subsections (a) through (f), by adding at the end the following:

“(l) Report on Costs of Federal Pell Grant Program.—Not later than October 31 of each year, the Secretary shall prepare and submit a report to the authorizing committees that includes the following information with respect to spending for the Federal Pell Grant program for the preceding fiscal year:

“(1) The total obligations and expenditures for the program for such fiscal year.

“(2) A comparison of the total obligations and expenditures for the program for such fiscal year—

“(A) to the most recently available Congressional Budget Office baseline for the program; and

“(B) in the case in which such fiscal year is fiscal year 2019, 2020, 2021, 2022, 2023, or 2024, to the Congressional Budget Office cost estimate for the program included in the report of the Committee on Education and the Workforce of the House of Representatives accompanying the PROSPER Act, as approved by the Committee.
“(3) The total obligations and expenditures for the maximum Federal Pell Grant for which a student is eligible, as specified in the last enacted appropriation Act applicable to such fiscal year.

“(4) A comparison of the total obligations and expenditures for the maximum Federal Pell Grant for which a student is eligible, as specified in the last enacted appropriation Act applicable to such fiscal year—

“(A) to the most recently available Congressional Budget Office baseline for such maximum Federal Pell Grant; and

“(B) in the case in which such fiscal year is fiscal year 2019, 2020, 2021, 2022, 2023, or 2024, to the Congressional Budget Office cost estimate for such maximum Federal Pell Grant included in the report of the Committee on Education and the Workforce of the House of Representatives accompanying the PROSPER Act, as approved by the Committee.

“(5) The total mandatory obligations and expenditures for the amount of the increase in such maximum Federal Pell Grant required by subsection (b)(7)(B) for such fiscal year.
“(6) A comparison of the total mandatory obligations and expenditures for the amount of the increase in such maximum Federal Pell Grant required by subsection (b)(7)(B)—

“(A) to the most recently available Congressional Budget Office baseline for the increase; and

“(B) in the case in which such fiscal year is fiscal year 2019, 2020, 2021, 2022, 2023, or 2024, to the Congressional Budget Office cost estimate for the increase included in the report of the Committee on Education and the Workforce of the House of Representatives accompanying the PROSPER Act, as approved by the Committee.

“(7) The total mandatory obligations and expenditures for the Federal Pell Grant Bonus required by subsection (b)(9) for such fiscal year.

“(8) A comparison of the total mandatory obligations and expenditures for the Federal Pell Grant Bonus required by subsection (b)(9) for such fiscal year—

“(A) to the most recently available Congressional Budget Office baseline for such bonus; and
“(B) in the case in which such fiscal year is fiscal year 2019, 2020, 2021, 2022, 2023, or 2024, to the Congressional Budget Office cost estimate for such bonus included in the report of the Committee on Education and the Workforce of the House of Representatives accompanying the PROSPER Act, as approved by the Committee.”.”

SEC. 402. FEDERAL TRIO PROGRAMS.

(a) Program Authority; Authorization of Appropriations.—Section 402A (20 U.S.C. 1070a–11) is amended—

(1) in subsection (c)—

(A) by amending subparagraph (A) of paragraph (2) to read as follows:

“(A) Accountability for Outcomes.—In making grants under this chapter, the Secretary shall comply with the following requirements:

“(i) The Secretary shall consider each applicant’s prior success in achieving high quality service delivery, as determined under subsection (f), under the particular program for which funds are sought. The level of consideration given the factor of
prior success in achieving high quality service delivery shall not vary from the level of consideration given such factor during fiscal years 1994 through 1997, except that grants made under section 402H shall not be given such consideration.

“(ii) The Secretary shall not give points for prior success in achieving high quality service delivery to any current grantee that, during the then most recent period for which funds were provided, did not meet or exceed two or more objectives established in the eligible entity’s application based on the performance measures described in subsection (f).

“(iii) From the amounts awarded under subsection (g) for a program under this chapter (other than a program under section 402G and 402H) for any fiscal year in which the Secretary conducts a competition for the award of grants or contracts under such programs, the Secretary shall reserve not less than 10 percent of such available amount to award grants or contracts to applicants who have not pre-
viously received a grant or contract under this chapter. If the Secretary determines that there are an insufficient number of qualified applicants to use the full amount reserved under the preceding sentence, the Secretary shall use the remainder of such amount to award grants or contracts to applicants who have previously received a grant or contract under this chapter.”;

(B) in paragraph (3)—

(i) in subparagraph (A)—

(I) by striking “as provided in subparagraph (B)” and inserting “as provided in subparagraph (C)”;

(II) by striking “experience” and inserting “success in achieving high quality service delivery’’;

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

(iii) by inserting after subparagraph (A) the following new subparagraph:

“(B) To ensure that congressional priorities in conducting competitions for grants and contracts under this chapter are implemented, the Secretary shall not impose additional criteria for the
prioritization of applications for such grants or contracts (including additional competitive, absolute, or other criteria) beyond the criteria described in this chapter.”;

(C) in paragraph (6)—

(i) by striking the period at the end of the second sentence and inserting “, as long as the program is serving a different population or a different campus.”;

(ii) by striking “the programs authorized by” and inserting “sections 402B, 402C, 402D, and 402F of”;

(iii) by striking “The Secretary shall encourage” and inserting the following: “(A) The Secretary shall encourage”;

(iv) by striking “The Secretary shall permit” and inserting the following: “(B) The Secretary shall permit”;

(D) in paragraph (7), by striking “8 months” each place it appears and inserting “90 days”;

(E) in paragraph (8)—

(i) in subparagraph (A)—

(I) in the matter preceding clause (i), by striking “Not later than 180
days after the date of enactment of the Higher Education Opportunity Act,” and inserting “Not later than 90 days before the commencement of each competition for a grant under this chapter;”;

(II) in clause (iii), by striking “prior experience points for high quality service delivery are awarded” and inserting “application scores are adjusted for prior success in achieving high quality service delivery”; and

(III) in clause (v), by striking “prior experience points for” and inserting “the adjustment in scores for prior success in achieving”;

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

(iii) in subparagraph (B), as so redesignated—

(I) in clause (iii)—

(aa) in the matter preceding subclause (I), by striking “prior experience points for” and insert-
ing “points for prior success in achieving”; and

(bb) in subclause (II), by striking “prior experience points” and inserting “points for prior success in achieving high quality service delivery”; and

(II) in clause (vi), by inserting before the period at the end the following: “from funds reserved under subsection (g)”;

(F) by adding at the end the following:

“(9) MATCHING REQUIREMENT.—

“(A) IN GENERAL.—The Secretary shall not approve an application submitted under section 402B, 402C, 402D, 402E, or 402F unless such application—

“(i) provides that the eligible entity will provide, from State, local, institutional, or private funds, not less than 20 percent of the cost of the program, which matching funds may be provided in cash or in kind and may be accrued over the full duration of the grant award period, except that the eligible entity shall make substan-
tial progress towards meeting the matching requirement in each year of the grant award period;

“(ii) specifies the methods by which matching funds will be paid; and

“(iii) includes provisions designed to ensure that funds provided under this chapter shall supplement and not supplant funds expended for existing programs.

“(B) SPECIAL RULE.—Notwithstanding the matching requirement described in subparagraph (A), the Secretary may by regulation modify the percentage requirement described in subparagraph (A). The Secretary may approve an eligible entity’s request for a reduced match percentage—

“(i) at the time of application if the eligible entity demonstrates significant economic hardship that precludes the eligible entity from meeting the matching requirement; or

“(ii) in response to a petition by an eligible entity subsequent to a grant award under section 402B, 402C, 402D, 402E, or 402F if the eligible entity demonstrates...
that the matching funds described in its application are no longer available and the eligible entity has exhausted all revenues for replacing such matching funds.”.

(2) in subsection (d)(3), by adding at the end the following new sentence: “In addition, the Secretary shall host at least one virtual, interactive education session using telecommunications technology to ensure that any interested applicants have access to technical assistance.”;

(3) in subsection (e)—

(A) in paragraph (1)—

(i) in subparagraph (C), by striking “or” at the end;

(ii) in subparagraph (D), by striking the period at the end and inserting “; or”;

and

(iii) by adding at the end the following new subparagraph:

“(E) documentation that the student has been determined to be eligible for a Federal Pell Grant under section 401.”; and

(B) in paragraph (2)—

(i) in subparagraph (C), by striking “or” at the end;
(ii) in subparagraph (D), by striking the period at the end and inserting “; or”;

and

(iii) by adding at the end the following new subparagraph:

“(E) documentation that the student has been determined to be eligible for a Federal Pell Grant under section 401.”;

(4) in subsection (f)—

(A) in the heading of paragraph (1), by striking “PRIOR EXPERIENCE” and inserting “ACCOUNTABILITY FOR OUTCOMES”;

(B) in paragraph (1) by striking “experience of” and inserting “success in achieving”;

(C) in paragraph (3)—

(i) in subparagraph (A)—

(I) in clause (iv) by striking “rigorous secondary school program of study that will make such students eligible for programs such as the Academic Competitiveness Grants Program” and inserting “secondary school program of study that will prepare such students to enter postsec-
(III) by inserting after clause (iv) the following new clause:

“(v) the completion of financial aid applications, including the Free Application for Federal Student Aid described in section 483(a) and college admission applications;”;

(ii) in subparagraph (B)—

(I) by redesignating clauses (i), (ii), (iii), (iv), (v), (vi), (vii) as subclauses (I), (II), (III), (IV), (VI), (VIII), and (IX), respectively;

(II) by inserting after subclause (IV), as so redesignated, the following:

“(V) the enrollment of such students into a general educational development (commonly known as a ‘GED’) program;”.
(III) in subclause (VI), as so redesignated, by striking “rigorous secondary school program of study that will make such students eligible for programs such as the Academic Competitiveness Grants Program” and inserting “secondary school program of study that will prepare such students to enter postsecondary education without the need for remedial education”;

(IV) by inserting after subclause (VI), as so redesignated, the following new subclause:

“(VII) the completion of financial aid applications, including the Free Application for Federal Student Aid described in section 483(a) and college admission applications;”;

(V) by striking “(B) For programs authorized under section 402C,” and inserting “(B)(i) For programs authorized under section 402C, except in the case of projects that specifically target veterans,”; and
(VI) by adding at the end the following new clauses:

“(ii) For programs authorized under section 402C that specifically target veterans, the extent to which the eligible entity met or exceeded the entity’s objectives for such program with respect to—

“(I) the delivery of service to a total number of students served by the program, as agreed upon by the entity and the Secretary for the period;

“(II) such students’ academic performance, as measured by standardized tests;

“(III) the retention and completion of participants in the project;

“(IV) the provision of assistance to students served by the program in completing financial aid applications, including the Free Application for Federal Student Aid described in section 483(a) and college admission applications;

“(V) the enrollment of such students in an institution of higher education; and
“(VI) to the extent practicable, the postsecondary education completion rate of such students.”;

(iii) in subparagraph (C)(ii)—

(I) in subclause (I), by striking “in which such students were enrolled” and inserting “within six years of the initial enrollment of such students in the program”;

(II) in subclause (II);

(aa) in the matter preceding item (aa), by striking “offer a baccalaureate degree” and inserting “primarily offer baccalaureate degrees”; and

(bb) in item (aa), by striking “students; and” and inserting “students within 4 years of the initial enrollment of such students in the program; or”;

(iv) in subparagraph (D)—

(I) in clause (iii), by striking “; and” and inserting “within two years of receiving a baccalaureate degree;”;

20
(II) in clause (iv), by striking “study and” and all that follows through the period and inserting “study; and”; and

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

“(v) the attainment of doctoral degrees by former program participants within 10 years of receiving a baccalaureate degree.”; and

(v) in subparagraph (E)(ii), by inserting “, or re-enrollment,” after “enrollment”;

(5) in subsection (g)—

(A) in the first sentence, by striking “$900,000,000 for fiscal year 2009 and such sums as may be necessary for” and inserting “$900,000,000 for fiscal year 2019 and”;  

(B) in the second sentence—

(i) by striking “no more than ½ of 1” and inserting “not more than 1”;  

(ii) by striking “and to provide technical” and inserting “to provide technical”;

and
(iii) by inserting before the period at the end the following: “, and to support applications funded under the process outlined in subsection (e)(8)(B)”; and

(C) by striking the last sentence; and

(6) in subsection (h)—

(A) by striking “(5) VETERAN ELIGIBILITY.—No veteran” and inserting the following:

“(i) VETERAN ELIGIBILITY.—(1) No Veteran”;

(B) in paragraph (6), by striking “of paragraph (5)” and inserting “of paragraph (1)”;

(C) by striking “(6) WAIVER.—The Secretary” and inserting the following:

“(2) The Secretary”.

(b) TALENT SEARCH.—Section 402B (20 U.S.C. 1070a–12) is amended—

(1) in subsection (a)—

(A) in paragraph (2), by striking “and” at the end;

(B) by redesignating paragraph (3) as paragraph (4); and

(C) by inserting after paragraph (2) the following new paragraph:
“(3) to advise such youths on the postsecondary institution selection process, including consideration of the financial aid awards offered and the potential loan burden required; and”;

(2) in subsection (b)—

(A) in paragraph (1), by inserting “and, where necessary, remedial education services” after “academic tutoring services”; and

(B) by striking paragraph (6) and inserting the following:

“(6) connections to education or counseling services designed to—

“(A) improve the financial literacy and economic literacy of students or the students’ parents in order to aid them in making informed decisions about how to best finance their postsecondary education; and

“(B) assist students and families regarding career choice.”;

(3) in subsection (c)(2), by striking “career” and inserting “academic”; and

(4) in subsection (d)—

(A) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively;
(B) by inserting after paragraph (1) the following new paragraph:
“(2) require an assurance that the remaining youths participating in the project proposed to be carried out in any application be low-income individuals, first generation college students, or students who have a high risk for academic failure;”;

(C) in paragraph (4), as so redesignated—
(i) by inserting “, section 402C,” after “under this section”; and
(ii) by striking “and” at the end;

(D) in paragraph (5), as so redesignated, by striking the period at the end and inserting “; and”; and

(E) by adding at the end the following:
“(6) require the grantee to maintain, to the extent practicable, a record of any services participants receive during the project year from another program under this chapter or other federally funded programs serving similar populations to minimize the duplication of services.”.

(c) UPWARD BOUND.—Section 402C (20 U.S.C. 1070a–13) is amended—

(1) in subsection (b)—
(A) by striking paragraph (1) and inserting:

“(1) academic tutoring, which may include instruction in reading, writing, study skills, mathematics, science, and other subjects and, where necessary, remedial education services, to enable students to complete secondary or postsecondary courses;”.

(B) in paragraph (4), by adding “and” at the end; and

(C) by striking paragraphs (5) and (6) and inserting the following:

“(5) education or counseling services designed to—

“(A) improve the financial literacy and economic literacy of students or the students’ parents in order to aid them in making informed decisions about how to best finance their postsecondary education; and

“(B) assist students and their families regarding career choice.”;

(2) in subsection (d)—

(A) in paragraph (1), by striking “youth” and inserting “participants”;}
(B) in paragraph (2), by striking “youth participating in the project” and inserting “project participants”; and

(C) in paragraph (5), by striking “youth participating in the project” and inserting “project participants”;

(3) in subsection (e)—

(A) in paragraph (4), by striking “and” at the end;

(B) by redesignating paragraph (5) as paragraph (6); and

(C) by inserting after paragraph (4) the following:

“(5) require an assurance that individuals participating in the project proposed in any application do not have access to services from another project funded under this section, section 402B, or section 402F;;”;

(D) in paragraph (6), as so redesignated, by striking the period at the end and inserting “; and”; and

(E) by adding at the end the following:

“(6) for purposes of minimizing the duplication of services, require that the grantee maintain, to the extent practicable, a record of any services received
by participants during the program year from another program funded under this chapter, or any other Federally funded program that serves populations similar to the populations served by programs under this chapter.”.

(4) by striking subsection (g) and redesignating subsection (h) as subsection (g).

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

(1) in subsection (a)(3), by inserting “low-income and first generation college students, including” after “success of”; and

(2) in subsection (b)(4)—

(A) by striking “, including financial” and inserting “, including—

“(A) financial”; and

(B) by adding at the end the following:

“(B) basic personal income, household money management, and financial planning skills; and

“(C) basic economic decisionmaking skills;”; and

(C) in subsection (e)—

(i) in paragraph (5), by striking “and” at the end;
(ii) by redesignating paragraph (6) as paragraph (7);

(iii) by inserting after paragraph (5) the following:

“(6) require the grantee to maintain, to the extent practicable, a record of any services participants receive during the project year from another program under this chapter or other federally funded programs serving similar populations to minimize the duplication of services; and”.

(e) POSTBACCAULAUREATE ACHIEVEMENT PROGRAM AUTHORITY.—Section 402E (20 U.S.C. 1070a–15) is amended—

(1) in subsection (b)(2), by striking “summer internships” and inserting “internships and faculty-led research experiences”; and

(2) in subsection (d)—

(A) in paragraph (3), by striking “and” at the end;

(B) in paragraph (4)—

(i) by striking “summer”; 

(ii) by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:
“(5) the grantee to maintain, to the extent practicable, a record of any services participants receive during the project year from another program under this chapter or other federally funded program serving similar populations to minimize the duplication of services.”; and

(3) in subsection (g), by striking “2009 through 2014” and inserting “2019 through 2024”.

(f) Educational Opportunity Centers.—Section 402F (20 U.S.C. 1070a–16) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by inserting “or re-enter” after “pursue”; and

(B) in paragraph (3), by striking “of students” and inserting “of such persons”;

(2) in subsection (b)(5), by striking “students;” and inserting the following: “students, including—

“(A) financial planning for postsecondary education;

“(B) basic personal income, household money management, and financial planning skills; and

“(C) basic economic decisionmaking skills”; and
(3) in subsection (c)—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(B) by inserting after paragraph (1) the following new paragraph:

“(2) require an assurance that the remaining persons participating in the project proposed to be carried out under any application be low-income individuals or first generation college students;”;

(C) in paragraph (3), as so redesignated, by striking “and” at the end;

(D) in paragraph (4), as so redesignated, by striking the period at the end and inserting “; and”; and

(E) by adding at the end the following:

“(5) require the grantee to maintain, to the extent practicable, a record of any services participants receive during the project year from another program under this chapter or other federally funded program serving similar populations to minimize the duplication of services.”.

(g) STAFF DEVELOPMENT ACTIVITIES.—Section 402G(b) (20 U.S.C. 1070a–17(b)) is amended—

(1) in the matter preceding paragraph (1)—
(A) by inserting “webinars and online classes,” after “seminars, workshops,”; and

(B) by striking “directors” and inserting “staff”; and

(2) in paragraph (3), by inserting “and innovative” after “model”.

(h) REPORTS, EVALUATIONS, AND GRANTS FOR PROJECT IMPROVEMENT AND DISSEMINATION.—Subsection (b) of section 402H (20 U.S.C. 1070a–18) is amended to read as follows:

“(b) EVALUATIONS.—

“(1) IN GENERAL.—For the purpose of improving the effectiveness of the programs assisted under this chapter, the Secretary shall make grants to or enter into contracts with one or more organizations to—

“(A) evaluate the effectiveness of the programs assisted under this chapter; and

“(B) disseminate information on the impact of the programs in increasing the education level of participants, as well as other appropriate measures.

“(2) ISSUES TO BE EVALUATED.—The evaluations described in paragraph (1) shall measure the
effectiveness of programs funded under this chapter in—

“(A) meeting or exceeding the stated objectives regarding the outcome criteria under subsection (f) of section 402A;

“(B) enhancing the access of low-income individuals and first-generation college students to postsecondary education;

“(C) preparing individuals for postsecondary education;

“(D) comparing the level of education completed by students who participate in the programs funded under this chapter with the level of education completed by students of similar backgrounds who do not participate in such programs;

“(E) comparing the retention rates, dropout rates, graduation rates, and college admission and completion rates of students who participate in the programs funded under this chapter with the rates of students of similar backgrounds who do not participate in such programs; and
“(F) such other issues as the Secretary considers appropriate for inclusion in the evaluation.

“(3) PROGRAM METHODS.—Such evaluations shall also investigate the effectiveness of alternative and innovative methods within programs funded under this chapter of increasing access to, and retention of, students in postsecondary education.

“(4) RESULTS.—The Secretary shall submit to the authorizing committees—

“(A) an interim report on the progress and preliminary results of the evaluation of each program funded under this chapter not later than 2 years following the date of enactment of the PROSPER Act; and

“(B) a final report not later than 3 years following the date of enactment of such Act.

“(5) PUBLIC AVAILABILITY.—All reports and underlying data gathered pursuant to this subsection shall be made available to the public upon request, in a timely manner following submission of the applicable reports under this subsection, except that any personally identifiable information with respect to a student participating in a program or project
assisted under this chapter shall not be disclosed or
made available to the public.”.

(i) IMPACT GRANTS.—Part A of title IV (20 U.S.C.
1070 et seq.) is amended by inserting after section 402H
(20 U.S.C. 1070a–28) the following:

“SEC. 402I. IMPACT GRANTS.

“(a) IN GENERAL.—From funds reserved under sub-
section (e), the Secretary shall make grants to improve
postsecondary access and completion rates for qualified in-
dividuals from disadvantaged backgrounds. These grants
shall be known as innovative measures promoting postsec-
ondary access and completion grants or ‘IMPACT Grants’
and allow eligible entities to—

“(1) create, develop, implement, replicate, or
take to scale evidence-based, field-initiated innova-
tions, including through pay-for-success initiatives,
to serve qualified individuals from disadvantaged
backgrounds and improve student outcomes; and

“(2) rigorously evaluate such innovations, in ac-
cordance with subsection (d).

“(b) DESCRIPTION OF GRANTS.—The grants de-
scribed in subsection (a) shall include—

“(1) early-phase grants to fund the develop-
ment, implementation, and feasibility testing of a
program, which prior research suggests has a prom-
ise, for the purpose of determining whether the program can successfully improve postsecondary access and completion rates;

“(2) mid-phase grants to fund implementation and a rigorous evaluation of a program that has been successfully implemented under an early-phase grant described in paragraph (1); and

“(3) expansion grants to fund implementation and a rigorous replication evaluation of a program that has been found to produce sizable, important impacts under a mid-phase grant described in paragraph (2) for the purposes of—

“(A) determining whether such outcomes can be successfully reproduced and sustained over time; and

“(B) identifying the conditions in which the project is most effective.

“(c) REQUIREMENTS FOR APPROVAL OF APPLICATIONS.—To receive a grant under this section, an eligible entity shall submit an application to the Secretary at such time, and in such manner as the Secretary may require, which shall include—

“(1) an assurance that not less than two-thirds of the individuals who will participate in the pro-
gram proposed to be carried out with the grant will be—

“(A) low-income individuals who are first generation college students; or

“(B) individuals with disabilities;

“(2) an assurance that any other individuals (not described in paragraph (1)) who will participate in such proposed program will be—

“(A) low-income individuals;

“(B) first generation college students; or

“(C) individuals with disabilities;

“(3) a detailed description of the proposed program, including how such program will directly benefit students;

“(4) the number of projected students to be served by the program;

“(5) how the program will be evaluated; and

“(6) an assurance that the individuals participating in the project proposed are individuals who do not have access to services from another programs funded under this section.

“(d) EVALUATION.—Each eligible entity receiving a grant under this section shall conduct an independent evaluation of the effectiveness of the program carried out
with such grant and shall submit to the Secretary, on an annual basis, a report that includes—

“(1) a description of how funds received under this section were used;

“(2) the number of students served by the project carried out under this section; and

“(3) a quantitative analysis of the effectiveness of the project.

“(e) FUNDING.—From amounts appropriated under section 402A(g), the Secretary shall reserve not less than 10 percent of such funds to carry out this section.”.

SEC. 403. GAINING EARLY AWARENESS AND READINESS FOR UNDERGRADUATE PROGRAMS.

(a) EARLY INTERVENTION AND COLLEGE AWARENESS PROGRAM.—Section 404A (20 U.S.C. 1070a–21) is amended—

(1) in subsection (a)(1), by striking “academic support” and inserting “academic support for college readiness”;

(2) in subsection (b)—

(A) in paragraph (1), by inserting “new” before “awards”; and

(B) in paragraph (3)—

(i) by amending subparagraph (A) to read as follows:
“(A) give priority to eligible entities that have a prior, demonstrated commitment to early intervention leading to college access and readiness through collaboration and replication of successful strategies; and”;

(ii) in subparagraph (B), by striking “the Higher Education Opportunity Act” and inserting “the PROSPER Act”; and

(C) by adding at the end the following:

“(4) MULTIPLE AWARD PROHIBITION.—Eligible entities described in subsection (c)(1) that receive a grant under this chapter shall not be eligible to receive an additional grant under this chapter until after the date on which the initial grant period expires.”.

(3) in subsection (e)(2)(B), by striking “institutions or agencies sponsoring programs authorized under subpart 4,.”.

(b) APPLICATIONS.—Section 404C (20 U.S.C. 1070a–23) is amended—

(1) in subsection (a)—

(A) in paragraph (2)—

(i) in the matter preceding subpara-
(I) by striking ‘‘, contain or be accompanied by such information or assurances,’’; and

(II) by striking ‘‘, at a minimum’’;

(ii) by amending subparagraph (B) to read as follows:

“(B) describe, in the case of an eligible entity described in section 404A(c)(2) that chooses to provide scholarships, or an eligible entity described in section 404A(c)(1)—

“(i) the eligible entity’s plan to establish or maintain a financial assistance program in accordance with the requirements of section 404E, including any eligibility criteria other than the criteria described in section 404E(g), such as—

“(I) demonstrating financial need;

“(II) meeting and maintaining satisfactory academic progress; and

“(III) other criteria aligned with State and local goals to increase post-secondary readiness, access, and completion; and
“(ii) how the eligible entity will meet
the other requirements of section 404E;”;

(iii) by striking subparagraph (H);

and

(iv) by redesignating subparagraphs
(I) and (J) as subparagraphs (H) and (I),
respectively; and

(2) in subsection (b), by striking paragraph (2)
and inserting the following:

“(2) SPECIAL RULE.—Notwithstanding the
matching requirement described in paragraph
(1)(A), the Secretary may—

“(A) at the time of application—

“(i) approve a Partnership applicant’s
request for a waiver of up to 75 percent of
the matching requirement for up to two
years if the applicant demonstrates in its
application a significant economic hardship
that stems from a specific, exceptional, or
uncontrollable event, such as a natural dis-
aster, that has a devastating effect on the
members of the Partnership and the com-

“(ii)(I) approve a Partnership appli-
cant’s request to waive up to 50 percent of
the matching requirement for up to two years if the applicant demonstrates in its application a pre-existing and an on-going significant economic hardship that precludes the applicant from meeting its matching requirement; and

“(II) provide tentative approval of an applicant’s request for a waiver under subclause (I) for all remaining years of the project period;

“(iii) approve a Partnership applicant’s request in its application to match its contributions to its scholarship fund, established under section 404E, on the basis of two non-Federal dollars for every one dollar of Federal funds provided under this chapter; or

“(iv) approve a request by a Partnership applicant that has three or fewer institutions of higher education as members to waive up to 70 percent of the matching requirement if the Partnership applicant includes—

“(I) a fiscal agent that is eligible to receive funds under title V, or part
B of title III, or section 316 or 317, or a local educational agency;

“(II) only participating schools with a 7th grade cohort in which at least 75 percent of the students are eligible for free or reduced-price lunch under the Richard B. Russell National School Lunch Act; and

“(III) only local educational agencies in which at least 50 percent of the students enrolled are eligible for free or reduced-price lunch under the Richard B. Russell National School Lunch Act; and

“(B) after a grant is awarded, approve a Partnership grantee’s written request for a waiver of up to——

“(i) 50 percent of the matching requirement for up to two years if the grantee demonstrates that——

“(I) the matching contributions described for those two years in the grantee’s approved application are no longer available; and
“(II) the grantee has exhausted all funds and sources of potential contributions for replacing the matching funds; or

“(ii) 75 percent of the matching requirement for up to two years if the grantee demonstrates that matching contributions from the original application are no longer available due to an uncontrollable event, such as a natural disaster, that has a devastating economic effect on members of the Partnership and the community in which the project would operate.

“(3) ADDITIONAL TERMS.—

“(A) ON-GOING ECONOMIC HARDSHIP.—In determining whether a Partnership applicant is experiencing an on-going economic hardship that is significant enough to justify a waiver under subparagraphs (A)(i) and (A)(ii)(I) of paragraph (2), the Secretary may consider documentation of the following:

“(i) Severe distress in the local economy of the community to be served by the grant (e.g., there are few employers in the local area, large employers have left the
local area, or significant reductions in em-
ployment in the local area).

“(ii) Local unemployment rates that
are higher than the national average.

“(iii) Low or decreasing revenues for
State and County governments in the area
to be served by the grant.

“(iv) Significant reductions in the
budgets of institutions of higher education
that are participating in the grant.

“(v) Other data that reflect a signifi-
cant economic hardship for the geo-
ographical area served by the applicant.

“(B) EXHAUSTION OF FUNDS.—In deter-
mining whether a Partnership grantee has ex-
hausted all funds and sources of potential con-
tributions for replacing matching funds under
paragraph (2)(B), the secretary may consider
the grantee’s documentation of key factors that
have had a direct impact on the grantee such
as the following:

“(i) A reduction of revenues from
State government, County government, or
the local educational agency.
“(ii) An increase in local unemployment rates.

“(iii) Significant reductions in the operating budgets of institutions of higher education that are participating in the grant.

“(iv) A reduction of business activity in the local area (e.g., large employers have left the local area).

“(v) Other data that reflect a significant decrease in resources available to the grantee in the local geographical area served by the grantee.

“(C) RENEWAL OF WAIVER.—A Partnership applicant that receives a tentative approval of a waiver under subparagraph (A)(ii)(II) of paragraph (2) for more than two years under this paragraph must submit to the Secretary every two years by such time as the Secretary may direct documentation that demonstrates that—

“(i) the significant economic hardship upon which the waiver was granted still exists; and
“(ii) the grantee tried diligently, but
unsuccessfully, to obtain contributions
needed to meet the matching requirement.

“(D) MULTIPLE WAIVERS.—If a grantee
has received one or more waivers under para-
graph (2), the grantee may request an addi-
tional waiver of the matching requirement
under this subsection not earlier than 60 days
before the expiration of the grantee’s existing
waiver.”.

(c) ACTIVITIES.—Section 404D (20 U.S.C. 1070a–
24) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “finan-
cial aid for” and inserting “financial aid, in-
cluding loans, grants, scholarships, and institu-
tional aid for”;

(B) in paragraph (2) by striking “rigorous
and challenging curricula and coursework, in
order to” and inserting “curricula and
coursework designed to”;

(C) by redesignating paragraphs (3) and
(4) as paragraphs (5) and (6), respectively;

(D) by inserting after paragraph (2) the
following:
“(3) Providing information to students and families about the advantages of obtaining a postsecondary education.

“(4) Providing tutors and mentors, who may include adults or former participants of a program under this chapter, for use by eligible students in need.”;

(E) in paragraph (5), as so redesignated, by striking “Improving” and inserting “Providing supportive services to improve”; and

(2) in subsection (b)—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) through (15) as paragraphs (1) through (14), respectively;

(C) in paragraph (3), as so redesignated, by striking “rigorous” each place it appears;

(D) in paragraph (9), as so redesignated—

(i) by redesignating subparagraphs (E) through (K) as subparagraphs (F) through (L), respectively;

(ii) by inserting after subparagraph (D) the following:

(D) the following:
“(E) providing counseling or referral services to address the behavioral, social-emotional, and mental health needs of at-risk students;”;

(iii) in subparagraph (I), as so redesignated, by striking “skills assessments” and inserting “skills, cognitive, non-cognitive, and credit-by-examination assessments”; 

(iv) in subparagraph (K), as so redesignated, by striking “and” at the end;

(v) in subparagraph (L), as so redesignated, by striking the period at the end and inserting “; and”; and

(vi) by adding at the end the following:

“(M) capacity building activities that create college-going cultures in participating schools and local education agencies.”; and

(E) by adding at the end the following:

“(15) Creating or expanding drop-out recovery programs that allow individuals who drop out of school to complete a regular secondary school diploma and begin college-level work.”;

(F) in subsection (c)—
(i) in paragraph (3), by inserting “and technical assistance” after “administrative support”; and
(ii) by striking paragraph (9); and
(3) in subsection (e), by striking “institutions and agencies sponsoring programs authorized under subpart 4,”.

(d) Scholarship Requirements.—Section 404E (20 U.S.C. 1070a–25) is amended—

(1) in subsection (a)(1), by inserting “described in section 404C(a)(2)(B)(i)” after “financial assistance program”; and

(2) in subsection (e)(1), by striking “an amount” and all that follows through the period at the end and inserting the following: “an estimated amount that is based on the requirements of the financial assistance program of the eligible entity described in section 404C(a)(2)(B)(i).”

(e) Evaluation and Report.—Section 404G(b) (20 U.S.C. 1070a–27(b)) is amended—

(1) in paragraph (1), by striking “and” at the end;

(2) in paragraph (2), by striking the period at the end and inserting “; and”

(3) by adding after paragraph (2) the following:
“(3) include the following metrics:

“(A) the number of students completing the Free Application for Federal Student Aid;

“(B) the enrollment of participating students in curricula and coursework designed to reduce the need for remedial coursework at the postsecondary level;

“(C) if applicable, the number of students receiving a scholarship;

“(D) the graduation rate of participating students from high school;

“(E) the enrollment of participating students into postsecondary education; and

“(F) such other information as the Secretary may require.”.

(f) AUTHORIZATION OF APPROPRIATIONS.—Section 404H (20 U.S.C. 1070a–28) is amended by striking “$400,000,000 for fiscal year 2009 and such sums as may be necessary for each of the five succeeding fiscal years” and inserting “$339,754,000 for fiscal year 2019 and each of the five succeeding fiscal years”.

SEC. 404. SPECIAL PROGRAMS FOR STUDENTS WHOSE FAMILIES ARE ENGAGED IN MIGRANT AND SEASONAL FARMWORK.

Section 418A(i) (20 U.S.C. 1070d—2(i)) is amended by striking “$75,000,000” and all that follows through the period at the end and inserting “$44,623,000 for each of fiscal years 2019 through 2024.”.

SEC. 405. CHILD CARE ACCESS MEANS PARENTS IN SCHOOL.

Section 419N (20 U.S.C. 1070e) is amended—

(1) in the heading of paragraph (6) of subsection (b), by striking “CONSTRUCTION” and inserting “RULE OF CONSTRUCTION”; and

(2) in subsection (c)—

(A) in paragraph (4), by striking “assisted” and inserting “funded”;

(B) in paragraph (5)—

(i) by striking “resources, including technical expertise” and inserting “resources, including non-Federal resources, technical expertise,”;

(ii) by striking “the use of the” and inserting “these”; and

(C) in paragraph (9)—

(i) by inserting “provisional status,” after “approval,”; and
(ii) by striking ‘‘; and’’ and inserting
“prior to serving children and families;
and’’;
(3) in subsection (d)—
(A) in paragraph (1)—
(i) by striking ‘‘local’’ and inserting
“non-Federal, local,’’; and
(ii) by striking ‘‘and’’ at the end;
(B) in paragraph (2), by striking the pe-
period at the end and inserting ‘‘; and’’; and
(C) by adding at the end the following:
“(3) coordinate with other community programs
where appropriate to improve the quality and limit
cost of the campus-based program.’’;
(4) by amending subsection (e) to read as fol-
lows:
“(e) REPORTING REQUIREMENTS; CONTINUING ELI-
GIBILITY.—
“(1) REPORTING REQUIREMENTS.—
“(A) REPORTS.—Each institution of high-
er education receiving a grant under this sec-
tion shall report to the Secretary annually. The
Secretary shall annually publish such reports on
a publicly accessible website of the Department
of Education.
“(B) CONTENTS.—Each report shall include—

“(i) data on the population served under this section, including the total number of children and families served;

“(ii) information on sources of campus and community resources and the amount of non-Federal funding used to help low-income students access child care services on campus;

“(iii) documentation that the program meets applicable licensing, certification, approval, or registration requirements; and

“(iv) a description of how funding was used to pursue the goals of this section determined by the institution under subsection (c).

“(2) CONTINUING ELIGIBILITY.—The Secretary shall make continuation awards under this section to an institution of higher education only if the Secretary determines, on the basis of the reports submitted under paragraph (1) and the application from the institution, that the institution is—

“(A) using funds only for authorized purposes;
“(B) providing low-income students at the institution with priority access to affordable, quality child care services as provided under this section; and
“(C) documenting a continued need for Federal funding under this section, while demonstrating how non-federal sources will be leveraged to support a continuation award.”; and

(5) in subsection (g), by striking “such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years” and inserting “$15,134,000 for each of fiscal years 2019 through 2024”.

SEC. 406. REPEALS.

(a) ACADEMIC COMPETITIVENESS GRANTS.—Section 401A (20 U.S.C. 1070a–1) is repealed.

(b) FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS.—

(1) REPEAL.—Subpart 3 of part A of title IV (20 U.S.C. 1070b et seq.) is repealed.

(2) EFFECTIVE DATE.—The repeal made by paragraph (1) shall take effect on June 30, 2018.

(3) APPROPRIATIONS.—Notwithstanding paragraphs (1) and (2), sums appropriated under section 413A for fiscal year 2018 shall be available for pay-
ments to institutions of higher education under such
section (as in effect on June 29, 2018) until the end
of fiscal year 2019.
(e) LEVERAGING EDUCATIONAL ASSISTANCE PART-
NERSHIP PROGRAM.—Subpart 4 of part A of title IV (20
U.S.C. 1070c et seq.) is repealed.
(d) ROBERT C. BYRD HONORS SCHOLARSHIP PRO-
GRAM.—Subpart 6 of part A of title IV (20 U.S.C. 1070d–
31 et seq.) is repealed.

SEC. 407. SUNSET OF TEACH GRANTS.

Subpart 9 of part A of title IV (20 U.S.C. 1070g)
is amended—
(1) in section 420L(1) (20 U.S.C. 1070g(1), by
striking “section 102” and inserting “section 102
(as in effect on the day before the date of enactment
of the PROSPER Act)”;
(2) in section 420N (20 U.S.C. 1070g–2)—
(A) by amending subparagraph (B) of sub-
section (b)(1) to read as follows:
“(B) teach—
“(i) in a public or other nonprofit pri-
ivate elementary school or secondary school,
which, for the purpose of this paragraph
and for that year—
“(I) has been determined by the Secretary (pursuant to regulations of the Secretary and after consultation with the State educational agency of the State in which the school is located) to be a school in which the number of children meeting a measure of poverty under section 1113(a)(5) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6313(a)(5)), exceeds 30 percent of the total number of children enrolled in such school; and

“(II) is in the school district of a local educational agency which is eligible in such year for assistance pursuant to part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.); or

“(ii) in one or more public, or non-profit private, elementary schools or secondary schools or locations operated by an educational service agency that have been determined by the Secretary (pursuant to regulations of the Secretary and after con-
consultation with the State educational agency
of the State in which the educational serv-
vice agency operates) to be a school or loca-
tion at which the number of children
taught who meet a measure of poverty
under section 1113(a)(5) of the Elementary
and Secondary Education Act of 1965
(20 U.S.C. 6313(a)(5)), exceeds 30 per-
cent of the total number of children taught
at such school or location;”; and

(B) in subsection (c), by inserting “(as in
effect on the day before the date of the enact-
ment of the PROSPER Act)” after “part D of
title IV”;

(3) in section 420M(a) (20 U.S.C. 1070g–1),
by adding at the end the following:

“(3) TERMINATION.—

“(A) TERMINATION OF PROGRAM AUTHORITY.—Except as provided in paragraph (4), no
new grants may be made under this subpart
after June 30, 2018.

“(B) LIMITATION ON FUNDS.—

“(i) IN GENERAL.—No funds are au-
thorized to be appropriated, and no funds
may be obligated or expended under this
Act or any other Act, to make a grant to a new recipient under this subpart.

“(ii) NEW RECIPIENT DEFINED.—For purposes of this subparagraph, the term ‘new recipient’ means a teacher candidate who has not received a grant under this subpart for which the first disbursement was on or before June 30, 2018.

“(4) STUDENT ELIGIBILITY BEGINNING WITH AWARD YEAR 2018.—With respect to a recipient of a grant under this subpart for which the first disbursement was made on or before June 30, 2018, such recipient may receive additional grants under this subpart until the earlier of—

“(A) the date on which the recipient completes the course of study for which the recipient received the grant for which the first disbursement was made on or before June 30, 2018; or

“(B) the date on which the recipient receives the total amount that the recipient may receive under this subpart in accordance with subsection (d).”; and

(4) in section 420O (20 U.S.C. 1070g–3)—
(A) by striking “2008” and inserting “2008, and ending on June 30, 2018”; and

(B) by adding at the end the following:

“Except as provided in section 420M(a)(4), no funds shall be available to the Secretary to carry out this subpart after June 30, 2018.”

PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM

SEC. 421. FEDERAL DIRECT CONSOLIDATION LOANS.

Section 428C (20 U.S.C. 1078–3) is amended—

(1) in subsection (a)(4)(B), by inserting before the semicolon at the end “, as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act”; and

(2) in subsection (b)(1)(F)(ii)—

(A) in the matter preceding subclause (I), by inserting “, as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act” after “part E”; 

(B) in subclause (I), in the matter preceding item (aa), by inserting “, as so in effect,” after “part E”; 

(C) in subclause (I)(bb), by inserting “, as so in effect” after “section 464(c)(1)(A)”;

...
(D) in subclause (II), by inserting ‘‘, as so in effect’’ after ‘‘section 465(a)’’; and

(E) in subclause (III)—

(i) by inserting ‘‘, as so in effect’’ after ‘‘section 465’’; and

(ii) by inserting ‘‘, as so in effect’’ after ‘‘465(a)’’.

SEC. 422. LOAN REHABILITATION.

Section 428F(a)(5) (20 U.S.C. 1078–6) is amended by striking ‘‘one time’’ and inserting ‘‘two times’’.

SEC. 423. LOAN FORGIVENESS FOR TEACHERS.

Section 428J(b)(1)(A) (20 U.S.C. 1078–10(b)(1)(A)) is amended by striking ‘‘that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such schools or locations’’ and inserting ‘‘described in section 420N(b)(1)(B)’’.

SEC. 424. LOAN FORGIVENESS FOR SERVICE IN AREAS OF NATIONAL NEED.

Section 428K (20 U.S.C. 1078–11) is amended—

(1) in subsection (b)—

(A) in paragraph (4)(B), by striking ‘‘that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such a school’’ and inserting ‘‘described in section 420N(b)(1)(B)’’;
(B) in paragraph (5)(B)(ii), by striking “that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such a school” and inserting “described in section 420N(b)(1)(B)”;

(C) in paragraph (7)(A), by striking “that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such a school” and inserting “described in section 420N(b)(1)(B)”;

(D) in paragraph (8), by striking “that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such a school” and inserting “described in section 420N(b)(1)(B)”;

(E) in paragraph (16), by striking “that qualify under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such a school” and inserting “described in section 420N(b)(1)(B)”;

(2) in subsection (g)(6)(B), by striking “that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such a school” and inserting “described in section 420N(b)(1)(B)”.

216
SEC. 425. LOAN REPAYMENT FOR CIVIL LEGAL ASSISTANCE ATTORNEYS.

Section 428L(b)(2)(A) (20 U.S.C. 1078–12(b)(2)(A)) is amended—

(1) in clause (i), by inserting before the semi-colon at the end “, as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act”; and

(2) in clause (ii)(III), by inserting “, as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act” after “part E”;

SEC. 426. SUNSET OF COHORT DEFAULT RATE AND OTHER CONFORMING CHANGES.

(a) REQUIREMENTS FOR THE SECRETARY.—Section 430(e) (20 U.S.C. 1080(e)) is amended by adding at the end the following:

“(4) SUNSET.—The Secretary shall not be subject to the requirements of this subsection after the transition period described in section 481B(e)(3).”.

(b) ELIGIBLE INSTITUTION DEFINED.—Section 435 (20 U.S.C. 1085) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “section 102” and inserting “section 101 and 102”; and

(B) by adding at the end the following:
“(9) SUNSET.—No institution shall be subject to paragraph (2) after the transition period described in section 481B(e)(3).”;

(2) in subsection (m), by adding at the end the following:

“(5) TRANSITION PERIOD; SUNSET.—

“(A) TRANSITION PERIOD.—During the transition period, the cohort default rate for an institution shall be calculated in the manner described in section 481B(e)(1).

“(B) SUNSET.—The Secretary shall not be subject, and no institution shall be subject, to the requirements of this subsection after the transition period.

“(C) DEFINITION.—In this paragraph, the term ‘transition period’ has the meaning given the term in section 481B(e)(3).”; and

(3) in subsection (o)(1), by inserting “, as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act” after “part E”.

SEC. 427. CLOSED SCHOOL AND OTHER DISCHARGES.

Section 437(c) (20 U.S.C. 1087) is amended—

(1) in paragraph (1), by inserting “and the borrower meets the applicable requirements of para-
graphs (6) through (8),” after “such student’s lender,”;

(2) in paragraph (4), by inserting before the period at the end “, as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act”; and

(3) by adding at the end the following:

“(6) BORROWER QUALIFICATIONS FOR A CLOSED SCHOOL DISCHARGE.—

“(A) IN GENERAL.—In order to qualify for the discharge of a loan under this subsection due to the closure of the institution in which the borrower was enrolled, a borrower shall submit to the Secretary a written request and sworn statement—

“(i) that contains true factual assertions;

“(ii) that is made by the borrower under penalty of perjury, and that may or may not be notarized;

“(iii) under which the borrower (or the student on whose behalf a parent borrowed) states—

“(I) that the borrower or the student—
“(aa) received, on or after January 1, 1986, the proceeds of a loan made, insured, or guaranteed under this title to attend a program of study at an institution of higher education;

“(bb)(AA) did not complete the program of study because the institution closed while the student was enrolled; or

“(BB) the student withdrew from the institution not more than 120 days before the institution closed, or in the case of exceptional circumstances described in subparagraph (B), not more than the period by which such 120-day period is extended under such subparagraph; and

“(cc) attempted but was unable to complete the program of study through a teach-out at another institution or by transferring academic credits or hours
earned at the closed institution to another institution;

“(II) whether the borrower (or the student) has made a claim with respect to the institution’s closing with any third party, such as the holder of a performance bond or a tuition recovery program, and, if so, the amount of any payment received by the borrower (or the student) or credited to the borrower’s loan obligation; and

“(III) that the borrower (or the student)—

“(aa) agrees to provide to the Secretary or the holder of the loan upon request other documentation reasonably available to the borrower that demonstrates that the borrower meets the qualifications for discharge under this subsection; and

“(bb) agrees to cooperate with the Secretary in enforcement actions in accordance with
subparagraph (C) and to transfer any right to recovery against a third party to the Secretary in accordance with subparagraph (D).

“(B) Exceptional circumstances.—

“(i) In general.—The Secretary may extend the 120-day period described in subparagraph (A)(iii)(I)(bb)(BB) if the Secretary determines that exceptional circumstances related to an institution’s closing justify an extension.

“(ii) Definition.—For purposes of this subsection, the term ‘exceptional circumstances’, when used with respect to an institution that closed, includes the loss of accreditation of institution, the institution’s discontinuation of the majority of its academic programs, action by the State to revoke the institution’s license to operate or award academic credentials in the State, or a finding by a State or Federal Government agency that the institution violated State or Federal law.
“(C) Cooperation by borrower in enforcement actions.—

“(i) In general.—In order to obtain a discharge described in subparagraph (A), a borrower shall cooperate with the Secretary in any judicial or administrative proceeding brought by the Secretary to recover amounts discharged or to take other enforcement action with respect to the conduct on which the discharge was based. At the request of the Secretary and upon the Secretary’s tendering to the borrower the fees and costs that are customarily provided in litigation to reimburse witnesses, the borrower shall—

“(I) provide testimony regarding any representation made by the borrower to support a request for discharge;

“(II) produce any documents reasonably available to the borrower with respect to those representations; and

“(III) if required by the Secretary, provide a sworn statement re-
garding those documents and rep-resentations.

“(ii) Denial of request for dis-
charge.—The Secretary shall deny the re-
quest for such a discharge or revoke the
discharge of a borrower who—

“(I) fails to provide the testi-
mony, documents, or a sworn state-
ment required under clause (i); or

“(II) provides testimony, docu-
ments, or a sworn statement that does not support the material representa-
tions made by the borrower to obtain
the discharge.

“(D) Transfer to the Secretary of
borrower’s right of recovery against
third parties.—

“(i) In general.—Upon receiving a
discharge described in subparagraph (A) of
a loan, the borrower shall be deemed to
have assigned to and relinquished in favor
of the Secretary any right to a loan refund
for such loan (up to the amount dis-
charged) that the borrower (or student)
may have by contract or applicable law
with respect to the loan or the enrollment agreement for the program for which the loan was received, against the institution, its principals, its affiliates and their successors, its sureties, and any private fund, including the portion of a public fund that represents funds received from a private party.

“(ii) APPLICATION.—The provisions of this subsection apply notwithstanding any provision of State law that would otherwise restrict transfer of such rights by the borrower (or student), limit, or prevent a transferee from exercising such rights, or establish procedures or a scheme of distribution that would prejudice the Secretary's ability to recover on such rights.

“(iii) RULE OF CONSTRUCTION.—Nothing in this subsection shall limit or foreclose the borrower’s (or student’s) right to pursue legal and equitable relief regarding disputes arising from matters unrelated to the discharged loan.

“(E) DISCHARGE PROCEDURES.—
“(i) IN GENERAL.—After confirming the date of an institution’s closure, the Secretary shall identify any borrower (or student on whose behalf a parent borrowed) who appears to have been enrolled at the institution on the closure date of the institution or to have withdrawn not more than 120 days prior to the closure date (or in the case of exceptional circumstances described in subparagraph (B), not more than the period by which such 120-day period is extended under such subparagraph. In the case of a loan made, insured, or guaranteed under this part, a guaranty agency shall notify the Secretary immediately whenever it becomes aware of reliable information indicating an institution may have closed.

“(ii) BORROWER ADDRESS.—

“(I) KNOWN.—If the borrower’s current address is known, the Secretary shall mail the borrower a discharge application and an explanation of the qualifications and procedures for obtaining a discharge. The Sec-
retary or the guaranty agency shall promptly suspend any efforts to collect from the borrower on any affected loan. The Secretary may continue to receive borrower payments of the loan for which the discharge application has been filed.

“(II) UNKNOWN.—If the borrower’s current address is unknown, the Secretary shall attempt to locate the borrower and determine the borrower’s potential eligibility for a discharge described in subparagraph (A) by consulting with representatives of the closed institution, the institution’s licensing agency, the institution’s accrediting agency, and other appropriate parties. If the Secretary learns the new address of a borrower, the Secretary shall mail to the borrower a discharge application and explanation, and shall suspend collection on the loan, as described in subclause (I).

“(iii) SWORN STATEMENT.—If a borrower fails to submit the written request
and sworn statement described subparagraph (A) not later than 60 days after date on which the Secretary mails the discharge application under clause (ii), the Secretary—

“(I) shall resume collection on the loan and grant forbearance of principal and interest for the period in which collection activity was suspended; and

“(II) may capitalize any interest accrued and not paid during such period.

“(iv) NOTIFICATION.—

“(I) QUALIFICATIONS MET.—If the Secretary determines that a borrower who requests a discharge described in subparagraph (A) meets the qualifications for such a discharge, the Secretary shall—

“(aa) notify the borrower in writing of that determination; and

“(bb) not regard a borrower who has defaulted on a loan that
has been so discharged as in de-
fault on the loan after such dis-
charge, and such a borrower shall
be eligible to receive assistance
under this title.

“(II) Qualifications Not
met.—If the Secretary determines
that a borrower who requests a dis-
charge described in subparagraph (A)
does not meet the qualifications for
such a discharge, the Secretary or
guaranty agency shall resume collec-
tion on the loan and notify the bor-
rower in writing of that determination
and the reasons for the determination.

“(7) Borrower Qualifications for a False
Certification Discharge.—

“(A) Application.—

“(i) In General.—In order to qualify
for false certification discharge under this
subsection, the borrower shall submit to
the Secretary, on a form approved by the
Secretary, an application for discharge
that—
“(I) does not need not be notarized, but shall be made by the borrower under penalty of perjury; and

“(II) demonstrates to the satisfaction of the Secretary that the requirements in subparagraphs (B) through (G) have been met.

“(ii) NOTIFICATION.—If the Secretary determines the application does not meet the requirements of clause (i), the Secretary shall notify the applicant and explain why the application does not meet the requirements.

“(B) HIGH SCHOOL DIPLOMA OR EQUIVALENT.—In the case of a borrower requesting a false certification discharge based on not having had a high school diploma and not having met the alternative to graduation from high school eligibility requirements under section 484(d) applicable at the time the loan was originated, and the institution or a third party to which the institution referred the borrower falsified the student’s high school diploma, the borrower shall state in the application that the borrower
(or the student on whose behalf a parent borrowed)—

“(i) reported not having a valid high school diploma or its equivalent at the time the loan was certified; and

“(ii) did not satisfy the alternative to graduation from high school statutory or regulatory eligibility requirements identified on the application form and applicable at the time the institution certified the loan.

“(C) DISQUALIFYING CONDITION.—In the case of a borrower requesting a false certification discharge based on a condition that would disqualify the borrower from employment in the occupation that the program for which the borrower received the loan was intended, the borrower shall state in the application that the borrower (or student on whose behalf the parent borrowed) did not meet State requirements for employment (in the student’s State of residence) in the occupation that the program for which the borrower received the loan was intended because of a physical or mental condi-
tion, age, criminal record, or other reason accepted by the Secretary.

“(D) Unauthorized Loan.—In the case of a borrower requesting a discharge under this subsection because the institution signed the borrower’s name on the loan application or promissory note without the borrower’s authorization, the borrower shall—

“(i) state that the borrower did not sign the document in question or authorize the institution to do so; and

“(ii) provide 5 different specimens of the borrower’s signature, 2 of which must be within one year before or after the date of the contested signature.

“(E) Unauthorized Payment.—In the case of a borrower requesting a false certification discharge because the institution, without the borrower’s authorization, endorsed the borrower’s loan check or signed the borrower’s authorization for electronic funds transfer, the borrower shall—

“(i) state that the borrower did not endorse the loan check or sign the author-
ization for electronic funds transfer or au-
thesize the institution to do so;

“(ii) provide 5 different specimens of
the borrower’s signature, 2 of which must
be within one year before or after the date
of the contested signature; and

“(iii) state that the proceeds of the
contested disbursement were not delivered
to the borrower or applied to charges owed
by the borrower to the institution.

“(F) IDENTITY THEFT.—

“(i) IN GENERAL.—In the case of an
individual whose eligibility to borrow was
falsely certified because the individual was
a victim of the crime of identity theft and
is requesting a discharge, the individual
shall—

“(I) certify that the individual
did not sign the promissory note, or
that any other means of identification
used to obtain the loan was used with-
out the authorization of the individual
claiming relief;

“(II) certify that the individual
did not receive or benefit from the
proceeds of the loan with knowledge that the loan had been made without the authorization of the individual;

“(III) provide a copy of a local, State, or Federal court verdict or judgment that conclusively determines that the individual who is named as the borrower of the loan was the victim of a crime of identity theft; and

“(IV) if the judicial determination of the crime does not expressly state that the loan was obtained as a result of the crime of identity theft, provide—

“(aa) authentic specimens of the signature of the individual, as described in subparagraph (D)(ii), or of other means of identification of the individual, as applicable, corresponding to the means of identification falsely used to obtain the loan; and

“(bb) statement of facts that demonstrate, to the satisfaction of the Secretary, that eligi-
bility for the loan in question was
falsely certified as a result of the
crime of identity theft committed
against that individual.

“(ii) DEFINITIONS.—For purposes of
this subparagraph:

“(I) IDENTITY THEFT.—The
term ‘identity theft’ means the unau-
thorized use of the identifying infor-
mation of another individual that is
punishable under section 1028,
1028A, 1029, or 1030 of title 18,
United States Code, or substantially
comparable State or local law.

“(II) IDENTIFYING INFORMATION.—The term ‘identifying informa-
tion’ includes—

“(aa) name, Social Security
number, date of birth, official
State or government issued driv-
er’s license or identification num-
ber, alien registration number,
government passport number,
and employer or taxpayer identi-
fication number;
“(bb) unique biometric data, such as fingerprints, voiceprint, retina or iris image, or unique physical representation;

“(cc) unique electronic identification number, address, or routing code; or

“(dd) telecommunication identifying information or access device (as defined in 18 U.S.C. 1029(e)) borrower qualifications for a false certification discharge

“(G) CLAIM TO THIRD PARTY.—The borrower shall state whether the borrower has made a claim with respect to the institution’s false certification or unauthorized payment with any third party, such as the holder of a performance bond or a tuition recovery program, and, if so, the amount of any payment received by the borrower or credited to the borrower’s loan obligation.

“(II) COOPERATION WITH THE SECRETARY.—The borrower shall state that the borrower—
“(i) agrees to provide to the Secretary upon request other documentation reasonably available to the borrower that demonstrates that the borrower meets the qualifications for discharge under this subsection; and

“(ii) agrees to cooperate with the Secretary in enforcement actions and to transfer any right to recovery against a third party to the Secretary.

“(8) BORROWER QUALIFICATIONS FOR AN UNPAID REFUND DISCHARGE.—To receive an unpaid refund discharge of a portion of a loan under this subsection, a borrower shall submit to the holder or guaranty agency a written application—

“(A) that requests the information required to calculate the amount of the discharge;

“(B) that the borrower signs for the purpose of swearing to the accuracy of the information;

“(C) that is made by the borrower under penalty of perjury, and that may or may not be notarized;

“(D) under which the borrower states—

“(i) that the borrower—
“(I) received, on or after January 1, 1986, the proceeds of a loan, in whole or in part, made, insured, or guaranteed under this title to attend an institution of higher education; 

“(II) did not attend, withdrew, or was terminated from the institution within a timeframe that entitled the borrower to a refund; and 

“(III) did not receive the benefit of a refund to which the borrower was entitled either from the institution or from a third party, such as the holder of a performance bond or a tuition recovery program; 

“(ii) whether the borrower has any other application for discharge pending for this loan; and 

“(iii) that the borrower— 

“(I) agrees to provide to the Secretary upon request other documentation reasonably available to the borrower that demonstrates that the borrower meets the qualifications for discharge under this subsection; and
“(II) agrees to cooperate with the Secretary in enforcement actions and to transfer any right to recovery against a third party to the Secretary.”.

PART C—FEDERAL WORK-STUDY PROGRAMS

SECTION 441. PURPOSE; AUTHORIZATION OF APPROPRIATIONS.

Section 441 (20 U.S.C. 1087–51) is amended—

(1) in subsection (a)—

(A) by striking “part-time” and inserting “paid”;

(B) by striking “, graduate, or professional”; and

(C) by striking “community service” and inserting “work-based learning”;  

(2) in subsection (b), by striking “part, such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.” and inserting “part, $1,722,858,000 for fiscal year 2019 and each of the 5 succeeding fiscal years.”; and

(3) by amending subsection (c) to read as follows:

“(c) WORK-BASED LEARNING.—For purposes of this part, the term ‘work-based learning’ means paid inter-
actions with industry or community professionals in real workplace settings that foster in-depth, first-hand engagement with the tasks required of a given career field, that are aligned to a student’s field of study.”.

SEC. 442. ALLOCATION FORMULA.

Section 442 (20 U.S.C. 1087–52) is amended to read as follows:

“SEC. 442. ALLOCATION OF FUNDS.

“(a) Reservations.—

“(1) Reservation for improved institutions.—

“(A) Amount of reservation for improved institutions.—For a fiscal year in which the amount appropriated under section 441(b) exceeds $700,000,000, the Secretary shall—

“(i) reserve the lesser of—

“(I) an amount equal to 20 percent of the amount by which the amount appropriated under section 441(b) exceeds $700,000,000; or

“(II) $150,000,000; and

“(ii) allocate the amount reserved under clause (i) to each improved institution in an amount—
“(I) that bears the same proportion to the amount reserved under clause (i) as the total amount of all Federal Pell Grant funds awarded at the improved institution for the second preceding fiscal year bears to the total amount of Federal Pell Grant funds awarded at improved institutions participating under this part for the second preceding fiscal year; and

“(II) is not—

“(aa) less than $10,000; or

“(bb) greater than $1,500,000.

“(B) IMPROVED INSTITUTION DESCRIBED.—For purposes of this paragraph, an improved institution is an institution that, on the date the Secretary makes an allocation under subparagraph (A)(ii) is, with respect to—

“(i) the completion rate or graduation rate of Federal Pell Grant recipients at the institution, in the top 10 percent of—

“(I) if the institution is an institution described in any of clauses (iv) through (ix) of section 132(d)(1)(B),
all such institutions participating under this part for the preceding fiscal year; or

“(II) if the institution is an institution described in any of clauses (i) through (iii) of section 132(d)(1)(B), all such institutions participating under this part for the preceding fiscal year; or

“(ii) the improvement of the completion rate or graduation rate between the preceding fiscal year and such date, in the top 10 percent of the institutions described in clause (i).

“(C) COMPLETION RATE OR GRADUATION RATE.—For purposes of determining the completion rate or graduation rate under this section, a Federal Pell Grant recipient shall be counted as a completor or graduate if, within the normal time for completion of or graduation from the program, the student has completed or graduated from the program, or enrolled in any program of an institution participating in any program under this title for which the prior program provides substantial preparation.
“(D) Reallocation of Returned Amount.—If an institution returns to the Secretary any portion of the sums allocated to such institution under this paragraph for any fiscal year, the Secretary shall reallocate such excess to improved institutions on the same basis as under subparagraph (A)(ii)(I).

“(2) Reservation for Work Colleges.—From the amounts appropriated under section 441(b), the Secretary shall reserve to carry out section 448 such amounts as may be necessary for fiscal year 2019 and each of the 5 succeeding fiscal years.

“(b) Allocation Formula for Fiscal Years 2019 Through 2023.—

“(1) In General.—From the amount appropriated under section 441(b) for a fiscal year and remaining after the Secretary reserves funds under subsection (a), the Secretary shall allocate to each institution—

“(A) for fiscal year 2019, an amount equal to the greater of—

“(i) 90 percent of the amount the institution received under this subsection and subsection (a) for fiscal year 2018, as
such subsections were in effect with re-
spect to such fiscal year (in this subpara-
graph referred to as the ‘2018 amount for
the institution’); or

“(ii) the fair share amount for the in-
stitution determined under subsection (d);

“(B) for fiscal year 2020, an amount equal
to the greater of—

“(i) 80 percent of the 2018 amount
for the institution; or

“(ii) the fair share amount for the in-
stitution determined under subsection (d);

“(C) for fiscal year 2021, an amount equal
to the greater of—

“(i) 60 percent of the 2018 amount
for the institution; or

“(ii) the fair share amount for the in-
stitution determined under subsection (d);

“(D) for fiscal year 2022, an amount equal
to the greater of—

“(i) 40 percent of the 2018 amount
for the institution; or

“(ii) the fair share amount for the in-
stitution determined under subsection (d);
“(E) for fiscal year 2023, an amount equal to the greater of—

“(i) 20 percent of the 2018 amount for the institution; or

“(ii) the fair share amount for the institution determined under subsection (d).

“(2) RATABLE REDUCTION.—

“(A) IN GENERAL.—If the amount appropriated under section 441(b) for a fiscal year and remaining after the Secretary reserves funds under subsection (a) is less than the amount required to be allocated to the institutions under this subsection, then the amount of the allocation to each institution shall be ratably reduced.

“(B) ADDITIONAL APPROPRIATIONS.—If the amounts allocated to each institution are ratably reduced under subparagraph (A) for a fiscal year and additional amounts are appropriated for such fiscal year, the amount allocated to each institution from the additional amounts shall be increased on the same basis as the amounts under subparagraph (A) were reduced (until each institution receives the
amount required to be allocated under this subsection).

“(c) ALLOCATION FORMULA FOR FISCAL YEAR 2024 AND EACH SUCCEEDING FISCAL YEAR.—From the amount appropriated under section 441(b) for fiscal year 2024 and each succeeding fiscal year and remaining after the Secretary reserves funds under subsection (a), the Secretary shall allocate to each institution the fair share amount for the institution determined under subsection (d).

“(d) DETERMINATION OF FAIR SHARE AMOUNT.—

“(1) IN GENERAL.—The fair share amount for an institution for a fiscal year shall be equal to the sum of the following:

“(A) An amount equal to 50 percent of the amount that bears the same proportion to the available appropriated amount for such fiscal year as the total amount of Federal Pell Grant funds disbursed at the institution for the preceding fiscal year bears to the total amount of Federal Pell Grant funds awarded at all institutions participating under this part for the preceding fiscal year.

“(B) An amount equal to 50 percent of the amount that bears the same proportion to the
available appropriated amount for such fiscal
year as the total amount of the undergraduate
student need at the institution for the preceding
fiscal year bears to the total amount of under-
graduate student need at all institutions partici-
pating under this part for the preceding fiscal
year.

“(2) DEFINITIONS.—In this subsection:

“(A) AVAILABLE APPROPRIATED
AMOUNT.—The term ‘available appropriated
amount’ means—

“(i) the amount appropriated under
section 441(b) for a fiscal year, minus

“(ii) the amounts reserved under sub-
section (a) for such fiscal year.

“(B) AVERAGE COST OF ATTENDANCE.—
The term ‘average cost of attendance’ means,

with respect to an institution, the average of
the attendance costs for a fiscal year for stu-
dents which shall include—

“(i) tuition and fees, computed on the
basis of information reported by the insti-
tution to the Secretary, which shall in-
clude—
“(I) total revenue received by the institution from undergraduate tuition and fees for the second year preceding the year for which it is applying for an allocation; and

“(II) the institution’s enrollment for such second preceding year;

“(ii) standard living expenses equal to 150 percent of the difference between the income protection allowance for a family of 5 with 1 in college and the income protection allowance for a family of 6 with 1 in college for a single independent student; and

“(iii) books and supplies, in an amount not exceeding $800.

“(C) UNDERGRADUATE STUDENT NEED.—

The term ‘undergraduate student need’ means, with respect to an undergraduate student for a fiscal year, the lesser of the following:

“(i) The total of the amount equal to (except the amount computed by this clause shall not be less than zero)—

“(I) the average cost of attendance for the fiscal year, minus
“(II) the total amount of each such undergraduate student’s expected family contribution (computed in accordance with part F of this title) for the preceding fiscal year.

“(ii) $12,500.

“(e) RETURN OF SURPLUS ALLOCATED FUNDS.—

“(1) AMOUNT RETURNED.—If an institution returns more than 10 percent of its allocation under subsection (d), the institution’s allocation for the next fiscal year shall be reduced by the amount returned.

“(2) WAIVER.—The Secretary may waive this paragraph for a specific institution if the Secretary finds that enforcing this paragraph would be contrary to the interest of the program.

“(f) FILING DEADLINES.—The Secretary shall, from time to time, set dates before which institutions must file applications for allocations under this part.”.

SEC. 443. GRANTS FOR FEDERAL WORK-STUDY PROGRAMS.

Section 443 (20 U.S.C. 1087–53) is amended—

(1) in subsection (b)—

(A) in paragraph (1), in the matter preceding subparagraph (A), by striking “part-time”;

“(II) the total amount of each such undergraduate student’s expected family contribution (computed in accordance with part F of this title) for the preceding fiscal year.

“(ii) $12,500.

“(e) RETURN OF SURPLUS ALLOCATED FUNDS.—

“(1) AMOUNT RETURNED.—If an institution returns more than 10 percent of its allocation under subsection (d), the institution’s allocation for the next fiscal year shall be reduced by the amount returned.

“(2) WAIVER.—The Secretary may waive this paragraph for a specific institution if the Secretary finds that enforcing this paragraph would be contrary to the interest of the program.

“(f) FILING DEADLINES.—The Secretary shall, from time to time, set dates before which institutions must file applications for allocations under this part.”.

SEC. 443. GRANTS FOR FEDERAL WORK-STUDY PROGRAMS.
(B) in paragraph (2), by striking “except that—” and all that follows through “an institution may use a portion” and inserting “except that an institution may use a portion”;

(C) in paragraph (3), by inserting “undergraduate” after “only”;

(D) in paragraph (4), by striking “300” and inserting “500”; and

(E) in paragraph (5)—

(i) by striking “shall not exceed 75 percent” and inserting “shall not exceed 75 percent in the first year after the date of the enactment of PROSPER Act, 65 percent in the first succeeding fiscal year, 60 percent in the second succeeding fiscal year, 55 percent in the third succeeding fiscal year, and 50 percent each succeeding fiscal year”;

(ii) by striking subparagraph (A);

(iii) in subparagraph (B)—

(I) by striking “75” and inserting “50”; and

(II) by striking the semicolon and inserting “; and”;
(iv) by redesignating subparagraph 

(B) as subparagraph (A); and 

(v) by adding at the end the following:

“(B) the Federal share may equal 100 per-

cent with respect to funds received under sec-

tion 442(a)(1)(A);”;

(F) in paragraph (8)—

(i) in subparagraph (A)(i), by striking 

“vocational” and inserting “career”; and

(ii) in subparagraph (B), by striking 

“community service” and inserting “work-

based learning”; 

(G) in paragraph (10), by striking “; and” 

and inserting a semicolon;

(H) in paragraph (11), by striking the pe-

riod at the end and inserting a semicolon; and 

(I) by adding at the end the following:

“(12) provide assurances that the institution 

will collect data from students and employers such 

that the employment made available from funds 

under this part will, to the maximum extent prac-

ticable, complement and reinforce the educational 

goals or career goals of each student receiving as-

sistance under this part; and
“(13) provide assurances that if the institution receives funds under section 442(a)(1)(A), such institution shall—

“(A) use such funds to compensate students participating in the work-study program; and

“(B) prioritize the awarding of such funds to students—

“(i) who demonstrate exceptional need; or

“(ii) who are employed in work-based learning opportunities through the work-study program.”;

(2) in subsection (c)—

(A) in paragraph (1)—

(i) by striking “program of part-time employment” and inserting the following:

“program—

“(A) of employment”; and

(ii) by inserting “or” after “subsection (b)(3);”; and

(iii) by adding at the end the following:

“(B) of full-time employment of its cooperative education students in work for a private
for-profit organization under an arrangement between the institution and such organization that complies with the requirements of subparagraphs (A) through (D) of subsection (b)(1) of this section and subsection (b)(4) of this section;”;

(B) by striking paragraph (2);

(C) in paragraph (4), by inserting “and complement and reinforce the educational goals or career goals of each student receiving assistance under this part” after “relevant”; and

(D) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively; and

(3) in subsection (d)—

(A) in paragraph (1)—

(i) by striking “In any academic year to which subsection (b)(2)(A) applies, an institution shall ensure that” and inserting “An institution may use the” ; and

(ii) by striking “are used”; and

(B) in paragraph (3), by striking “may exceed 75 percent” and inserting “shall not exceed 50 percent”. 
SEC. 444. FLEXIBLE USE OF FUNDS.

Section 445(a) (20 U.S.C. 1087–55(a)) is amended—

(1) in paragraph (2), by striking “in the same State” and inserting “described under section 442(a)(1)(B)”; and

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

“(3) In addition to the carry-over sums authorized under paragraph (1) of this section, an institution may permit a student who completed the previous award period to continue to earn unearned portions of the student’s work-study award from that previous year if—

“(A) any reduction in the student’s need upon which the award was based is accounted for in the remaining portion; and

“(B) the student is currently employed in a work-based learning position.”.

SEC. 445. JOB LOCATION AND DEVELOPMENT PROGRAMS.

Section 446 (20 U.S.C. 1087–56) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking “10 percent or $75,000” and inserting “20 percent or $150,000”; and

(ii) by striking “, including commu-

nity service jobs,”; and
(B) in paragraph (2), by striking “vocational” and inserting “career”; and
(2) in subsection (b)—
(A) by striking paragraph (2);
(B) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively; and
(C) by inserting before paragraph (4) the following:
“(2) provide satisfactory assurance that the institution will prioritize placing students with the lowest expected family contribution and Federal work-study recipients in jobs located and developed under this section;
“(3) provide a satisfactory assurance that the institution will locate and develop work-based learning opportunities through the job location development programs;”; and
(D) in paragraph (7), by striking the period and inserting “, including—
“(A) the number of students employed in work-based learning opportunities through such program;
“(B) the number of students demonstrating exceptional need and employed in a work-study program through such program; and

“(C) the number of students demonstrating exceptional need and employed in work-based learning opportunities through such program.”.

SEC. 446. COMMUNITY SERVICE.

Section 447 (20 U.S.C. 1087–57) is repealed.

SEC. 447. WORK COLLEGES.

Section 448 (20 U.S.C. 1087–58) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) by striking “and part E”; and

(ii) by striking “appropriated” and inserting “allocated”;

(B) in paragraph (2), by striking “appropriated pursuant to” and inserting “allocated under”; and

(2) in subsection (e), by striking “authorized by” and inserting “allocated under”;

(3) in subsection (e)(1)—

(A) in subparagraph (C), by striking “; and” and inserting a semicolon; and

(B) by adding at the end the following:
“(E) has administered Federal work-study for at least 2 years; and”;

(4) by amending subsection (f) to read as follows:

“(f) ALLOCATION OF RESERVED FUNDS.—

“(1) IN GENERAL.—Subject to paragraph (2), from the amount reserved under section 442(a)(2) for a fiscal year to carry out this section, the Secretary shall allocate to each work college that submits an application under subsection (c) an amount equal to the amount that bears the same proportion to the amount appropriated for such fiscal year as the number of students eligible for employment under a work-study program under this part who are enrolled at the work college bears to the total number of students eligible for employment under a work-study program under this part who are enrolled at all work colleges.

“(2) REALLOTMENT OF UNMATCHED FUNDS.—

If a work college is unable to match funds received under paragraph (1) in accordance with subsection (d), any unmatched funds shall be returned to the Secretary and the Secretary shall reallocate such funds on the same basis as funds are allocated under paragraph (1).”.

PART D—FEDERAL DIRECT STUDENT LOAN PROGRAM

SEC. 451. TERMINATION OF FEDERAL DIRECT LOAN PROGRAM UNDER PART D AND OTHER CONFORMING AMENDMENTS.

(a) Appropriations.—Section 451 (20 U.S.C. 1087a) is amended—

(1) in subsection (a), by adding at the end the following: “No sums may be expended after September 30, 2024, with respect to loans under this part for which the first disbursement is after such date.”; and

(2) by adding at the end, the following:

“(c) Termination of Authority to Make New Loans.—Notwithstanding subsection (a) or any other provision of law—

“(1) no new loans may be made under this part after September 30, 2024; and

“(2) no funds are authorized to be appropriated, or may be expended, under this Act, or any other Act to make loans under this part for which the first disbursement is after September 30, 2024, except as expressly authorized by an Act of Congress enacted after the date of enactment of the PROSPER Act.

“(d) Student Eligibility Beginning With Award Year 2019.—
“(1) NEW BORROWERS.—No loan may be made under this part to a new borrower for which the first disbursement is after June 30, 2019.

“(2) BORROWERS WITH OUTSTANDING BALANCES.—Subject to paragraph (3), with respect to a borrower who, as of July 1, 2019, has an outstanding balance of principal or interest owing on a loan made under this part, such borrower may—

“(A) in the case of such a loan made to the borrower for enrollment in a program of undergraduate education, borrow loans made under this part for any program of undergraduate education through the close of September 30, 2024;

“(B) in the case of such a loan made to the borrower for enrollment in a program of graduate or professional education, borrow loans made under this part for any program of graduate or professional education through the close of September 30, 2024; and

“(C) in the case of such a loan made to the borrower on behalf of a dependent student for the student’s enrollment in a program of undergraduate education, borrow loans made
under this part on behalf of such student through the close of September 30, 2024.

“(3) LOSS OF ELIGIBILITY.—A borrower described in paragraph (2) who borrows a loan made under part E for which the first disbursement is made on or after July 1, 2019, shall lose the borrower’s eligibility to borrow loans made under this part in accordance with paragraph (2).”.

(b) PERKINS LOAN CONFORMING AMENDMENT.—
Section 453(c)(2)(A) (20 U.S.C. 1087c(c)(2)(A)) is amended by inserting “, as in effect on the day before the date of enactment of the PROSPER Act and pursuant to subsection 461(a),” after “part E”;

(e) APPLICABLE INTEREST RATES AND OTHER TERMS AND CONDITIONS.—Section 455 (20 U.S.C. 1087e) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by inserting “, and first disbursed before October 1, 2024,” after “under this part”;

(B) in paragraph (2), by inserting “, and first disbursed before October 1, 2024,” after “under this part”;

(2) in subsection (b)(8)—
(A) in the section heading, by inserting “AND BEFORE OCTOBER 1, 2024” after “2013”; 

(B) in subparagraph (A), by inserting “and before October 1, 2024,” after “July 1, 2013,”; 

(C) in subparagraph (B), by inserting “and before October 1, 2024,” after “July 1, 2013,”; 

(D) in subparagraph (C), by inserting “and before October 1, 2024,” after “July 1, 2013,”; and 

(E) in subparagraph (D), by inserting “and before October 1, 2024,” after “July 1, 2013,”; 

(3) in subsection (e)(2)(E), by inserting “, and before October 1, 2024” after “July 1, 2010”; 

(4) in subsection (e)(7), in the matter preceding subparagraph (A), by inserting “, as in effect on the day before the date of enactment of the PROSPER Act and pursuant to subsection 461(a)” after “part E”; and 

(5) in subsection (g)— 

(A) by inserting “, and first disbursed be- 

fore October 1, 2024,” after “under this part”; 

and
(B) by adding at the end the following:

“The authority to make consolidation loans
under this subsection expires at the close of
September 30, 2024. No loan may be made
under this subsection for which the disburse-
ment is on or after October 1, 2024.”; and

(6) in subsection (o)—

(A) in paragraph (1), by inserting “, and
before October 1, 2024,” after “October 1,
2008”; and

(B) in paragraph (2)—

(i) by inserting “and before October
1, 2024,” after “October 1, 2008,”; and

(ii) by inserting “, and before October
1, 2024” after “October 1, 2008”.

SEC. 452. BORROWER DEFENSES.

Section 455(h) (20 U.S.C. 1087e(h)) is amended to
read as follows:

“(h) BORROWER DEFENSES.—

“(1) IN GENERAL.—In any proceeding to collect
on a loan made under this part on or after July 1,
2018 to a borrower, the Secretary shall abide by the
following:

“(A) In no event may the borrower recover
any amount previously collected or be freed of
amounts owed to the Secretary without submitting an individually-filed application for approval.

“(B) In no event may the borrower recover amounts previously collected by the Secretary, in any action arising from or relating to a loan made under this part, in an amount in excess of the amount that has been paid by the borrower on such loan.

“(C) In no event may the borrower recover amounts previously collected by the Secretary later than 3 years after the misconduct or breach of contract on behalf of the institution takes place that gives rise to the borrower to assert a defense to repayment of the loan.

“(D) In no event may anyone other than an administrative law judge or its equivalent preside over hearings of any kind related to applications submitted under this subsection.

“(E) In no event may the Secretary approve or disapprove the borrower’s application under this subsection without allowing for the equal consideration of evidence and arguments presented by a representative on behalf of the student or students and a representative on be-
half of the institution, if either such party makes a request.

“(F) In no event may the Secretary withhold from an institution any materials, facts, or evidence used when processing an application submitted by the borrower.

“(G) In no event may the borrower of a loan made, insured or guaranteed under this title (other than a loan made under this part or a Federal ONE Loan) submit an application under this subsection without consolidating the loans of the borrower into a Federal ONE Consolidation Loan.

“(2) BORROWER APPLICATION REQUIREMENTS.—

“(A) IN GENERAL.—An application submitted by a borrower under this subsection to the Secretary shall—

“(i) certify the borrower’s receipt of loan proceeds, in whole or in part, to attend the named institution of higher education;

“(ii) provide evidence described in subparagraph (B) that supports a bor-
rrow defense to repayment of the loan; and

“(iii) indicate whether the borrower has made a claim with respect to the information underlying the borrower defense with any third party and, if so, the amount of any payment received by the borrower or credited to the borrower’s loan obligation.

“(B) Evidence.—The borrower has a borrower defense if—

“(i) the borrower, whether as an individual or as a member of a class, or a governmental agency, has obtained against the institution of higher education a non-default, favorable contested judgment based on State or Federal law in a court or administrative tribunal of competent jurisdiction;

“(ii) the institution of higher education for which the borrower received the loan made under this part failed to perform its obligations under the terms of a contract with the student; or
“(iii) the institution of higher education described in clause (ii) or any of its representatives engaged directly in marketing, recruitment or admissions activities, or any other institution of higher education, organization, or person with whom such institution has an agreement to provide educational programs, or to provide marketing, advertising, recruiting, or admissions services, made a substantial misrepresentation within the meaning of section 487(c)(3)(B)(i)(II) that the borrower reasonably relied on when the borrower decided to attend, or to continue attending, such institution.

“(3) Secretarial notification requirements.—

“(A) Receipt of application.—Upon receipt of a borrower’s application, the Secretary—

“(i) if the borrower is not in default on the loan for which a borrower defense has been asserted, shall grant a forbearance and notify the borrower of the option
to decline the forbearance and to continue making payments on the loan;

“(ii) if the borrower is in default on the loan for which a borrower defense has been asserted—

“(I) shall suspend collection activity on the loan until the Secretary issues a decision on the borrower’s claim;

“(II) shall notify the borrower of the suspension of collection activity and explain that collection activity will resume if the Secretary determines that the borrower does not qualify for a full discharge; and

“(III) shall notify the borrower of the option to continue making payments under a rehabilitation agreement or other repayment agreement on the defaulted loan; and

“(iii) shall to the extent possible, notify the institutions against which the application is filed, which notification shall include—
“(I) the reasons that the application has been filed; and

“(II) the amount of relief requested.

“(B) APPROVED APPLICATION.—If a borrower’s application is approved in full or in part, the Secretary shall—

“(i) notify the borrower and the institution in writing of that determination and of the relief provided; and

“(ii) inform the institution of the opportunity to request a one-time reconsideration of the claim in the application if new evidence that was not previously provided can be identified.

“(C) APPLICATION NOT APPROVED.—If a borrower’s application is not approved in full or in part, the Secretary—

“(i) shall notify the borrower and the institution of the reasons for the denial, the evidence that was relied upon, any portion of the loan that is due and payable to the Secretary, whether the Secretary will reimburse any amounts previously collected, and inform the borrower that the
loan will return to its status prior to the borrower’s submission of the application; and

“(ii) shall inform the borrower of the opportunity to request a one-time reconsideration of the claim in the application if new evidence that was not previously provided can be identified.

“(D) CONSOLIDATION.—During a proceeding for an individual borrower, the Secretary may consolidate individually-filed applications that have common facts and claims and resolve the borrowers’ borrower defense claims for faster processing.

“(E) NEW EVIDENCE DEFINED.—For purposes of this paragraph, the term ‘new evidence’ means relevant evidence that the borrower or the institution did not previously provide and that was not identified in the final decision as evidence that was relied upon for the final decision. If accepted for reconsideration by the Secretary, the Secretary shall follow the procedure under this paragraph.

“(4) CALCULATION OF RELIEF.—The Secretary shall determine the appropriate method for calcul-
lating the amount of relief to be awarded to a borrow-
er as a result of a proceeding described in this subsec-
tion based on the materials, facts, and evi-
dence presented during the proceeding.

“(5) FURTHER RELIEF.—The Secretary may afford the borrower such further relief as the Sec-
retary determines is appropriate under the cir-
cumstances, but which shall not exceed the fol-
lowing:

“(A) Reimbursing the borrower for amounts paid toward the loan voluntarily or through enforced collection.

“(B) Restoring eligibility for assistance under this title after determining that theborrower is not in default on the loan.

“(C) Updating reports to consumer reporting agencies to which the Secretary previously made adverse credit reports with regard to a loan made under this part after July 1, 2018.

“(6) RECOVERY.—

“(A) IN GENERAL.—The Secretary may initiate an appropriate proceeding to require the institution of higher education whose act or omission resulted in the borrower’s successful defense against repayment of a loan made
under this part to pay to the Secretary the
amount of the loan to which the defense applies
not later than 3 years from the end of the last
award year in which the student attended the
institution.

“(B) NOTICE.—The Secretary may initiate
a proceeding to collect at any time if the insti-
tution received notice of the claim before the
end of the later of the periods described in sub-
paragraph (A). For purposes of this subpara-
graph, notice includes receipt of—

“(i) actual notice from the borrower,
from a representative of the borrower, or
from the Department;

“(ii) a class action complaint assert-
ing relief for a class that may include the
borrower; or

“(iii) written notice, including a civil
investigative demand or other written de-
mand for information, from a Federal or
State agency that has power to initiate an
investigation into conduct of the institution
of higher education relating to specific pro-
grams, periods, or practices that may have
affected the borrower.”
SEC. 453. ADMINISTRATIVE EXPENSES.

Section 458(a) (20 U.S.C. 1087h)—

(1) in paragraph (3)—

(A) by striking “2007” each place it appears and inserting “2019”;

(B) by striking “2014” each place it appears and inserting “2024”; and

(C) by striking “part and part B, including the costs of the direct student loan programs under this part” and inserting “title”;

(2) in paragraph (4), by striking “2017” and inserting “2024”; and

(3) in paragraph (6)—

(A) in subparagraph (B), by striking “2010” and inserting “2019”; and

(B) in subparagraph (C), by striking “training” and inserting “education”;

(4) by striking paragraph (7); and

(5) by redesignating paragraph (8) as paragraph (7).

SEC. 454. LOAN CANCELLATION FOR TEACHERS.

Section 460(b)(1)(A) (20 U.S.C. 1087j(b)(1)(A)) is amended by striking “that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such schools or locations” and inserting “described in section 420N(b)(1)(B)”. 
PART E—FEDERAL ONE LOANS

SEC. 461. WIND-DOWN OF FEDERAL PERKINS LOAN PROGRAM.

(a) In General.—Except as otherwise provided in this section and notwithstanding section 462, the provisions of part E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087aa et seq.), as in effect on the day before the date of enactment of this Act, are deemed to be incorporated in this subsection as though set forth fully in this subsection, and shall have the same force and effect as on such day.

(b) Close-out Audits.—

(1) In General.—In the case of an institution of higher education that desires to have a final audit of its participation under the program under part E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087aa et seq.), as in effect pursuant to subsection (a), at the same time as its annual financial and compliance audit under section 487(c) of such Act (20 U.S.C. 1094(c)), such institution shall submit to the Secretary a request, in writing, for such an arrangement not later than 60 days after the institution terminates its participation under such program.

(2) Termination of Participation.—For purposes of this subsection, an institution shall be
considered to have terminated its participation under
the program described in paragraph (1), if the insti-
tution—

(A)(i) has made a determination not to
service and collect student loans made available
from funds under part E of title IV of the
Higher Education Act of 1965 (20 U.S.C.
1087aa et seq.), as in effect pursuant to sub-
section (a); or

(ii) has completed the servicing and collect-
ion of such student loans; and

(B) has completed the asset distribution
required under section 466(b) of the Higher
Education Act of 1965 (20 U.S.C. 1087ff(b)),
as in effect pursuant to subsection (a).

(e) COLLECTION OF INTEREST ON CERTAIN STUD-
ENT LOANS.—In the case of an institution of higher edu-
cation that, on or after October 1, 2006, loaned an
amount to its student loan fund established under part
E of title IV of the Higher Education Act of 1965 (20
U.S.C. 1087aa et seq.), as in effect pursuant to subsection
(a), for the purpose of making student loans from such
fund, and that, before the date of enactment of this Act,
has repaid to itself the amount loaned to such student loan
fund, the institution shall collect any interest earned on
such student loans.

(d) ASSIGNMENT OF LOANS TO SECRETARY.—Not-
withstanding the requirements of section 463(a)(5) of the
Higher Education Act of 1965 (20 U.S.C. 1087cc(a)(5)),
as in effect pursuant to subsection (a), if an institution
of higher education determines not to service and collect
student loans made available from funds under part E of
such Act (20 U.S.C. 1087aa et seq.), as so in effect—

(1) the institution shall assign, during the re-
payment period, any notes or evidence of obligations
of student loans made from such funds to the Sec-
retary; and

(2) the Secretary shall deposit any sums col-
lected on such notes or obligations (less an amount
not to exceed 30 percent of any such sums collected
to cover that Secretary’s collection costs) into the
Treasury of the United States.

(e) CLOSED SCHOOL DISCHARGE.—The amendments
made by section 427 to section 437(e) of the Higher Edu-
cation Act of 1965 (20 U.S.C. 1087), relating to closed
school discharge, shall apply with respect to any loans dis-
charged on or after the date of enactment of this Act
under section 464(g) of such Act (20 U.S.C. 10877dd(g)),
as in effect pursuant to subsection (a)).
SEC. 462. FEDERAL ONE LOAN PROGRAM.

Part E of title IV (20 U.S.C. 1087aa et seq.) is amended to read as follows:

"SEC. 461. PROGRAM AUTHORITY.

"(a) IN GENERAL.—There are hereby made available, in accordance with the provisions of this part, such sums as may be necessary to make loans to all eligible students (and the eligible parents of such students) in attendance at participating institutions of higher education selected by the Secretary to enable such students to pursue their courses of study at such institutions during the period beginning July 1, 2019. Loans made under this part shall be made by participating institutions that have agreements with the Secretary to originate loans.

"(b) DESIGNATION.—The program established under this part shall be referred to as the ‘Federal ONE Loan Program’.

"(c) ONE LOANS.—Except as otherwise specified in this part, loans made to borrowers under this part shall be known as ‘Federal ONE Loans’.

"SEC. 462. FUNDS FOR THE ORIGINATION OF ONE LOANS.

"(a) IN GENERAL.—The Secretary shall provide, on the basis of eligibility of students at each participating institution, and parents of such students, for such loans, funds for student and Parent Loans under this part directly to an institution of higher education that has an
agreement with the Secretary under section 464(a) to par-
ticipate in the Federal ONE Loan Program under this part and that also has an agreement with the Secretary under section 464(b) to originate loans under this part.

“(b) PARALLEL TERMS.—Subsections (b), (c), and (d) of section 452 shall apply to the loan program under this part in the same manner that such subsections apply to the loan program under part D.

“SEC. 463. SELECTION OF INSTITUTIONS FOR PARTICIPATION AND ORIGINATION.

“(a) GENERAL AUTHORITY.—The Secretary shall enter into agreements pursuant to section 464(a) with institutions of higher education to participate in the Federal ONE Loan Program under this part, and agreements pursuant to section 464(b) with institutions of higher education, to originate loans in such program, for academic years beginning on or after July 1, 2019. Such agreements for the academic year 2019–2020 shall, to the extent feasible, be entered into not later than January 1, 2019.

“(b) SELECTION CRITERIA AND PROCEDURE.—The application and selection procedure for an institution of higher education desiring to participate in the loan program under this part shall be the application and selection procedure described in section 453(b) for an institution
of higher education desiring to participate in the loan program under part D.

“(c) ELIGIBLE INSTITUTIONS.—The Secretary may not select an institution of higher education for participation under this part unless such institution is an eligible institution under section 487(a).

“SEC. 464. AGREEMENTS WITH INSTITUTIONS.

“(a) PARTICIPATION AGREEMENTS.—An agreement with any institution of higher education for participation in the Federal ONE Loan Program under this part shall—

“(1) provide for the establishment and maintenance of a direct student loan program at the institution under which the institution will—

“(A) identify eligible students who seek student financial assistance at such institution in accordance with section 484;

“(B) provide a statement that certifies the eligibility of any student to receive a loan under this part that is not in excess of the annual or aggregate limit applicable to such loan, except that the institution may, in exceptional circumstances identified by the Secretary pursuant to section 454(a)(1)(C), refuse to certify a statement that permits a student to receive a
loan under this part, if the reason for such ac-

tion is documented and provided in written
form to such student;

“(C) set forth a schedule for disbursement

of the proceeds of the loan in installments, con-
sistent with the requirements of section 465(a);

and

“(D) provide timely and accurate informa-
tion, concerning the status of student borrowers
(and students on whose behalf parents borrow
under this part) while such students are in at-
tendance at the institution and concerning any
new information of which the institution be-
comes aware for such students (or their par-
ents) after such borrowers leave the institution,
to the Secretary for the servicing and collecting
of loans made under this part;

“(2) provide assurances that the institution will
comply with requirements established by the Sec-
retary relating to student loan information with re-
spect to loans made under this part;

“(3) provide that the institution accepts respon-
sibility and financial liability stemming from its fail-
ure to perform its functions pursuant to the agree-
ment;
“(4) provide for the implementation of a quality assurance system, as established by the Secretary and developed in consultation with institutions of higher education, to ensure that the institution is complying with program requirements and meeting program objectives; and

“(5) provide that the institution will not charge any fees of any kind, however described, to student or parent borrowers for origination activities or the provision of any information necessary for a student or parent to receive a loan under this part, or any benefits associated with such loan.

“(b) ORIGINATION.—An agreement with any institution of higher education for the origination of loans under this part shall—

“(1) supplement the agreement entered into in accordance with subsection (a);

“(2) include provisions established by the Secretary that are similar to the participation agreement provisions described in paragraphs (2), (3), (4), and (5) of subsection (a), as modified to relate to the origination of loans by the institution;

“(3) provide that the institution will originate loans to eligible students and parents in accordance with this part; and
“(4) provide that the note or evidence of obligation on the loan shall be the property of the Secretary.

“(c) Withdrawal Procedures.—

“(1) In general.—An institution of higher education participating in the Federal ONE Loan Program under this part may withdraw from the program by providing written notice to the Secretary of the intent to withdraw not less than 60 days before the intended date of withdrawal.

“(2) Date of withdrawal.—Except in cases in which the Secretary and an institution of higher education agree to an earlier date, the date of withdrawal from the Federal ONE Loan Program under this part of an institution of higher education shall be the later of—

“(A) 60 days after the institution submits the notice required under paragraph (1); or

“(B) a date designated by the institution.

“SEC. 465. DISBURSEMENT OF STUDENT LOANS, LOAN LIMITS, INTEREST RATES, AND LOAN FEES.

“(a) Requirements for Disbursement of Student Loans.—

“(1) Multiple disbursement required.—
“(A) REQUIRED DISBURSEMENTS.—The proceeds of any loan made under this part that is made for any period of enrollment shall be disbursed as follows:

“(i) The disbursement of the first installment of proceeds shall, with respect to any student other than a student described in subparagraph (B)(i), be made not more than 30 days prior to the beginning of the period of enrollment, and not later than 30 days after the beginning of such period of enrollment.

“(ii) The disbursement of an installment of proceeds shall be made in substantially equal monthly or weekly installments over the period of enrollment for which the loan was made, except that installments may be unequal as necessary to permit the institution to adjust for unequal costs (which may include upfront costs such as tuition and fees) incurred or estimated financial assistance received by the student.

“(B) DISBURSEMENT OF CREDIT BALANCES.—
“(i) Type of Disbursement.—The credit balances of any loan made under this part that is made for any period of enrollment shall be disbursed by—

“(I) an electronic transfer of funds to the borrower’s financial account;

“(II) a check for the amount payable to, and requiring the endorsement of, the borrower;

“(III) an access device in accordance with clause (ii); or

“(IV) a cash payment for which the institution obtains a receipt signed by the borrower.

“(ii) Usage of Access Device.—An institution may enter into an agreement with a third-party servicer for the delivery of funds awarded under this part in which the third-party servicer provides the borrower with an unvalidated access device for accessing credit balances of any loan if—

“(I) the agreement provides that the access device must bear a prominent disclosure informing the bor-
rower that the borrower is not re-
quired to use such access device and
open such an account in order to ac-
cess the student’s funds under this
part;

“(II) the agreement provides that
the consent of the borrower is ob-
tained before the access device is vali-
dated to enable the student to access
the account;

“(III) the agreement provides for
the protection of the borrower against
fraud; and

“(IV) the institution documents
that it has conducted a reasonable
due diligence review before entering
into the agreement, and will conduct
such a review at least every two years
to ensure that—

“(aa) the fees applicable to
such account are, considered as a
whole, below prevailing market
rates; and

“(bb) the terms and condi-
tions of such account are other-
wise consistent with prevailing market terms and conditions.

“(C) FIRST YEAR STUDENTS.—

“(i) IN GENERAL.—The first installment of the proceeds of any loan made under this part that is made to a student borrower who is entering the first year of a program of undergraduate education, and who has not previously obtained a loan under this part, shall not (regardless of the amount of such loan or the duration of the period of enrollment) be presented by the institution of higher education to the student for endorsement until 30 days after the borrower begins a course of study, but may be delivered to the eligible institution prior to the end of that 30-day period.

“(ii) EXEMPTION.—An institution of higher education in which each educational program has a loan repayment rate (as determined under section 481B(c)) for the most recent fiscal year for which data are available that is greater than 60 percent shall be exempt from the requirements of clause (i).
"(2) WITHDRAWING OF SUCCEEDING DISBURSEMENTS.—

"(A) WITHDRAWING STUDENTS.—In the case in which the Secretary is informed by the borrower or the institution that the borrower has ceased to be enrolled before the disbursement of the second or any succeeding installment, the Secretary shall withhold such disbursement. Any disbursement which is so withheld shall be credited to the borrower’s loan and treated as a prepayment on the principal of the loan.

"(B) STUDENTS RECEIVING OVERAWARDS.—If the sum of a disbursement for any borrower and the other financial aid obtained by borrower exceeds the amount of assistance for which the borrower is eligible under this title, the institution the borrower, or dependent student, in the case of a parent borrower, is attending shall withhold and return to the Secretary the portion (or all) of such installment that exceeds such eligible amount, except that overawards permitted pursuant to section 443(b)(4) shall not be construed to be overawards for purposes of this subparagraph. Any
portion (or all) of a disbursement installment which is so returned shall be credited to the borrower’s loan and treated as a prepayment on the principal of the loan.

“(3) Exclusion of Consolidation and Foreign Study Loans.—The provisions of this subsection shall not apply in the case of a Federal ONE Consolidation Loan, or a loan made to a student to cover the cost of attendance in a program of study abroad approved by the home eligible institution if each of the educational programs of such home eligible institution has a loan repayment rate (as calculated under section 481B(c)) for the most recent fiscal year for which data are available of greater than 70 percent.

“(4) Beginning of Period of Enrollment.—For purposes of this subsection, a period of enrollment begins on the first day that classes begin for the applicable period of enrollment.

“(b) Amount of Loan.—

“(1) In General.—The determination of the amount of a loan disbursed by an eligible institution under this section shall be the lesser of—
“(A) an amount that is equal to the estimated loan amount, as determined by the institution by calculating—

“(i) the estimated cost of attendance at the institution; minus

“(ii)(I) any estimated financial assistance reasonably available to such student, including assistance that the student will receive from a Federal grant, including a Federal Pell Grant, a State grant, an institutional grant, or a scholarship or grant from another source, that is known to the institution at the time the student’s determination of need is made; and

“(II) in the case of a loan to a parent, the amount of a loan awarded under this part to the parent’s child; or

“(B) the maximum Federal loan amount for which such borrower is eligible in accordance with paragraph (2).

“(2) Loan limits.—

“(A) Annual limits.—Except as provided under subparagraph (B), (C), or (D), the amount of loans made under this part that an
eligible student or parent borrower may borrow for an academic year shall be as follows:

“(i) Undergraduate students.—

With respect to enrollment in a program of undergraduate education at an eligible institution—

“(I) in the case of a dependent student—

“(aa) who has not successfully completed the first year of a program of undergraduate education, $7,500;

“(bb) who has successfully completed such first year but has not successfully completed the remainder of a program of undergraduate education, $8,500; and

“(cc) who has successfully completed the first and second years of a program of undergraduate education but has not successfully completed the remainder of such program, $9,500;
“(II) in the case of an independent student, or a dependent student whose parents are unable to borrow a loan under this part on behalf of such student—

“(aa) who has not successfully completed the first year of a program of undergraduate education, $11,500;

“(bb) who has successfully completed such first year but has not successfully completed the remainder of a program of undergraduate education, $12,500; and

“(cc) who has successfully completed the first and second years of a program of undergraduate education but has not successfully completed the remainder of such program, $14,500; and

“(III) in the case of a student who is enrolled in a program of undergraduate education that is less than one academic year, the maximum
annual loan amount that such student
may receive may not exceed the
amount that bears the same ratio to
the amount specified in subclause (I)
or (II), as applicable, as the length of
such program measured in semester,
trimester, quarter, or clock hours
bears to one academic year.

“(ii) GRADUATE OR PROFESSIONAL
STUDENTS.—In the case of a graduate or
professional student for enrollment in a
program of graduate or professional edu-
cation at an eligible institution, $28,500.

“(iii) PARENT BORROWERS.—In the
case of a parent borrowing a loan under
this part on behalf of a dependent student
for the student’s enrollment in a program
of undergraduate education at an eligible
institution, $12,500 per each such student.

“(iv) COURSEWORK FOR UNDER-
GRADUATE ENROLLMENT.—With respect
to enrollment in coursework specified in
section 484(b)(3)(B) necessary for enroll-
ment in an undergraduate degree or cer-
tificate program—
“(I) in the case of a dependent student, $2,625;

“(II) in the case of a parent borrowing a loan under this part on behalf of a dependent student for the student’s enrollment in such coursework, $6,000; and

“(III) in the case an independent student, or a dependent student whose parents are unable to borrow a loan under this part on behalf of such student, $8,625.

“(v) COURSEWORK FOR GRADUATE OR PROFESSIONAL ENROLLMENT OR TEACHER EMPLOYMENT.—With respect to the enrollment of a student who has obtained a baccalaureate degree in coursework specified in section 484(b)(3)(B) necessary for enrollment in a graduate or professional degree or certificate program, or coursework specified in section 484(b)(4)(B) necessary for a professional credential or certification from a State required for employment as a teacher in an elementary or secondary school, in the case of a student (without
regard to whether the student is a dependent student or dependent student), $12,500.

“(B) AGGREGATE LIMITS.—Except as provided under subparagraph (C), (D), or (E), the maximum aggregate amount of loans under this part and parts B and D that an eligible student or parent borrower may borrow shall be—

“(i) for enrollment in a program of undergraduate education at an eligible institution, including for enrollment in coursework described in clause (iv) or (v) of subparagraph (A)—

“(I) in the case of a dependent student, $39,000;

“(II) in the case of an independent student, or an independent student whose parents are unable to receive a loan under this part on behalf of such student, $60,250; and

“(III) in the case of a parent borrowing a loan under this part on behalf of a dependent student for the student’s enrollment in such a program, $56,250 per each such student.
“(ii) in the case of a graduate or professional student for enrollment in a program of graduate or professional education at an eligible institution, $150,000.

“(C) APPLICATION OF LIMITS TO BORROWERS WITH PART B OR D LOANS.—

“(i) GRADUATE OR PROFESSIONAL STUDENTS.—In the case of a graduate or professional student who is not described in subparagraph (E) and who has received loans made under part B or D for enrollment in a graduate or professional program at an eligible institution, the total amount of which equal or exceed $28,500 as of the time of disbursement, the student may continue to borrow the amount of loans under this part necessary to complete such program without regard to the aggregate limit under subparagraph (B)(ii), except that the—

“(I) amount of such loans shall not exceed the annual limits under subparagraph (A)(ii) for any academic year beginning after June 30, 2019; and
“(II) authority to borrow loans in accordance with this subclause shall terminate at the end of the academic year ending before September 30, 2024.

“(ii) PARENT BORROWERS.—In the case of a parent borrower who has received loans made under part B or D on behalf of a dependent student for the student’s enrollment in a program of undergraduate education at an eligible institution, the total amount of which equal or exceed $12,500 for such student as of the time of disbursement, the parent borrower may continue to borrow the amount of loans under this part necessary for such student to complete such program without regard to the aggregate limit under subparagraph (B)(i)(III), except that the—

“(I) amount of such loans shall not exceed the annual limits under subparagraph (A)(iii) for any academic year beginning after June 30, 2019; and
“(II) the authority to borrow loans in accordance with this sub-clause shall terminate at the end of the academic year ending before September 30, 2024.

“(D) INSTITUTIONAL DETERMINED LIMITS.—

“(i) IN GENERAL.—Notwithstanding any other provision of this subsection, an eligible institution (at the discretion of a financial aid administrator at the institution) may prorate or limit the amount of a loan any student enrolled in a program of study at that institution may borrow under this part for an academic year—

“(I) if the institution, using the most recently available data from the Bureau of Labor Statistics for the average starting salary in the region in which the institution is located for typical occupations pursued by graduates of such program, can reasonably demonstrate that student debt levels are or would be excessive for such program;
“(II) in a case in which the student is enrolled on a less than full-time basis or the student is enrolled for less than the period of enrollment to which the annual loan limit applies under this subsection, based on the student’s enrollment status;

“(III) based on the credential level (such as a degree, certificate, or other recognized educational credential) that the student would attain upon completion of such program; or

“(IV) based on the year of the program for which the student is seeking such loan.

“(ii) Application to all students.—Any proration or limiting of loan amounts under clause (i) shall be applied in the same manner to all students enrolled in the institution or program of study.

“(iii) Increases for individual students.—Upon the request of a student whose loan amount for an academic year has been prorated or limited under
clause (i), an eligible institution (at the discretion of the financial aid administrator at the institution) may increase such loan amount to an amount not exceeding the annual loan amount applicable to such student under this subparagraph for such academic year if such student demonstrates special circumstances or exceptional need.

“(E) Increases for certain graduate or professional students.—

“(i) Additional annual amounts.—Subject to clause (iii) of this subparagraph, in addition to the loan amount for an academic year described in subparagraph (A)(ii)—

“(I) a graduate or professional student who is enrolled in a program of study to become a doctor of allopathic medicine, doctor of osteopathic medicine, doctor of dentistry, doctor of veterinary medicine, doctor of optometry, doctor of podiatric medicine, doctor of naturopathic medicine,
or doctor of naturopathy may borrow
an additional—

“(aa) in the case of a pro-
gram with a 9-month academic
year, $20,000 for an academic
year; or

“(bb) in the case of a pro-
gram with a 12-month academic
year, $26,667 for an academic
year; and

“(II) a graduate or professional
student who is enrolled in a program
of study to become a doctor of phar-
armacy, doctor of chiropractic medicine,
or a physician’s assistant, or receive a
graduate degree in public health, doc-
toral degree in clinical psychology, or
a masters or doctoral degree in health
administration may borrow an addi-
tional—

“(aa) in the case of a pro-
gram with a 9-month academic
year, $12,500 for an academic
year; or
“(bb) in the case of a program with a 12-month academic year, $16,667 for an academic year.

“(ii) AGGREGATE LIMIT.—Subject to clause (iii) of this subparagraph, the maximum aggregate amount of loans under this part and parts B and D that a student described in clause (i) may borrow shall be $235,500.

“(iii) LIMITATION.—In the case of a graduate or professional student described in clause (i) of this subparagraph who has received loans made under part B or D for enrollment in a graduate or professional program at an eligible institution, the total amount of which equal or exceed $28,500 as of the time of disbursement, the student may continue to borrow the amount of loans under this part necessary to complete such program without regard to the aggregate limit under clause (ii) of this subparagraph, except that the—

“(I) amount of such loans shall not exceed the annual limits under
clause (i) of this subparagraph for any academic year beginning after June 30, 2019; and

“(II) authority to borrow loans in accordance with this subclause shall terminate at the end of the academic year ending before September 30, 2024.

“(c) INTEREST RATE PROVISIONS FOR FEDERAL ONE LOANS.—

“(1) UNDERGRADUATE ONE LOANS.—For Federal ONE Loans issued to undergraduate students, the applicable rate of interest shall, for loans disbursed during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to the lesser of—

“(A) a rate equal to the high yield of the 10-year Treasury note auctioned at the final auction held prior to such June 1 plus 2.05 percent; or

“(B) 8.25 percent.

“(2) GRADUATE AND PROFESSIONAL ONE LOANS.—For Federal ONE Loans issued to graduate or professional students, the applicable rate of interest shall, for loans disbursed during any 12-
 month period beginning on July 1 and ending on
June 30, be determined on the preceding June 1
and be equal to the lesser of—

“(A) a rate equal to the high yield of the
10-year Treasury note auctioned at the final
auction held prior to such June 1 plus 3.6 per-
cent; or

“(B) 9.5 percent.

“(3) PARENT ONE LOANS.—For Federal ONE
Parent Loans, the applicable rate of interest shall,
for loans disbursed during any 12-month period be-
ning on July 1 and ending on June 30, be deter-
mined on the preceding June 1 and be equal to the
lesser of—

“(A) a rate equal to the high yield of the
10-year Treasury note auctioned at the final
auction held prior to such June 1 plus 4.6 per-
cent; or

“(B) 10.5 percent.

“(4) CONSOLIDATION LOANS.—Any Federal
ONE Consolidation Loan for which the application
is received on or after July 1, 2019, shall bear inter-
est at an annual rate on the unpaid principal bal-
ance of the loan that is equal to the weighted aver-
age of the interest rates on the loans consolidated,
rounded to the nearest higher one-eighth of one per-
cent.

“(5) Publication.—The Secretary shall deter-
mine the applicable rates of interest under this sub-
section after consultation with the Secretary of the
Treasury and shall publish such rate in the Federal
Register as soon as practicable after the date of de-
termination.

“(6) Rate.—The applicable rate of interest de-
termined under this subsection for a loan under this
part shall be fixed for the period of the loan.

“(d) Prohibition on Certain Repayment Incen-
tives.—Notwithstanding any other provision of this part,
the Secretary is prohibited from authorizing or providing
any repayment incentive or subsidy not otherwise author-
ized under this part to encourage on-time repayment of
a loan under this part, including any reduction in the in-
terest paid by a borrower of such a loan, except that the
Secretary may provide for an interest rate reduction of
not more than 0.25 percentage points for a borrower who
agrees to have payments on such a loan automatically deb-
ited from a bank account.

“(e) Loan Fee.—The Secretary shall not charge the
borrower of a loan made under this part an origination
fee.
“(f) Armed Forces Student Loan Interest Payment Program.—

“(1) Authority.—Using funds received by transfer to the Secretary under section 2174 of title 10, United States Code, for the payment of interest on a loan made under this part to a member of the Armed Forces, the Secretary shall pay the interest on the loan as due for a period not in excess of 36 consecutive months. The Secretary may not pay interest on such a loan out of any funds other than funds that have been so transferred.

“(2) Deferment.—During the period in which the Secretary is making payments on a loan under paragraph (1), the Secretary shall grant the borrower administrative deferment, in the form of a temporary cessation of all payments on the loan other than the payments of interest on the loan that are made under that paragraph.

“(g) No Accrual of Interest for Active Duty Service Members.—

“(1) In general.—Notwithstanding any other provision of this part and in accordance with paragraphs (2) and (4), interest shall not accrue for an eligible military borrower on a loan made under this part.
“(2) Consolidation Loans.—In the case of any consolidation loan made under this part, interest shall not accrue pursuant to this subsection only on such portion of such loan as was used to repay a loan made under this part or a loan made under part D for which the first disbursement was made on or after October 1, 2008, and before July 1, 2019.

“(3) Eligible Military Borrower.—In this subsection, the term ‘eligible military borrower’ means an individual who—

“(A)(i) is serving on active duty during a war or other military operation or national emergency; or

“(ii) is performing qualifying National Guard duty during a war or other military operation or national emergency; and

“(B) is serving in an area of hostilities in which service qualifies for special pay under section 310 of title 37, United States Code.

“(4) Limitation.—An individual who qualifies as an eligible military borrower under this subsection may receive the benefit of this subsection for not more than 60 months.
“SEC. 466. REPAYMENT.

“(a) REPAYMENT PERIOD; COMMENCEMENT OF REPAYMENT.—

“(1) REPAYMENT PERIOD.—

“(A) IN GENERAL.—In the case of a Federal ONE Loan (other than a Federal ONE Consolidation Loan or a Federal ONE Parent Loan)—

“(i) subject to clause (ii), the repayment period shall—

“(I) exclude any period of authorized deferment under section 469A; and

“(II) begin the day after 6 months after the date the student ceases to carry at least one-half the normal full-time academic workload (as determined by the institution); and

“(ii) interest shall begin to accrue or be paid by the borrower on the day the loan is disbursed.

“(B) CONSOLIDATION AND PARENT LOANS.—In the case of a Federal ONE Consolidation Loan or a Federal ONE Parent Loan, the repayment period shall—
“(i) exclude any period of authorized deferment; and

“(ii) begin—

“(I) on the day the loan is disbursed; or

“(II) if the loan is disbursed in multiple installments, on the day of the last such disbursement.

“(C) Active Duty Exclusion.—There shall be excluded from the 6-month period that begins on the date on which a student ceases to carry at least one-half the normal full-time academic workload as described in subparagraph (A) any period not to exceed 3 years during which a borrower who is a member of a reserve component of the Armed Forces named in section 10101 of title 10, United States Code, is called or ordered to active duty for a period of more than 30 days (as defined in section 101(d)(2) of such title). Such period of exclusion shall include the period necessary to resume enrollment at the borrower’s next available regular enrollment period.

“(2) Payment of Principal and Interest.—
“(A) Commencement of repayment.—

Repayment of principal on loans made under this part shall begin at the beginning of the repayment period described in paragraph (1).

“(B) Capitalization of interest.—

“(i) In general.—Interest on loans made under this part for which payments of principal are not required during the 6-month period described in paragraph (1)(A)(i)(II) or for which payments are deferred under section 469A shall—

“(I) be paid monthly or quarterly; or

“(II) be added to the principal amount of the loan only—

“(aa) when the loan enters repayment;

“(bb) at the expiration of a the 6-month period described in paragraph (1)(A)(i)(II);

“(cc) at the expiration of a period of deferment, unless otherwise exempted; or

“(dd) when the borrower defaults.
“(ii) Maximum Aggregate Limit.—

Interest capitalized shall not be deemed to exceed the amount equal to the maximum aggregate limit of the loan under section 465(b).

“(C) Notice.—Not less than 60 days, and again not less than 30 days, prior to the anticipated commencement of the repayment period for a Federal ONE Loan, the Secretary shall provide notice to the borrower—

“(i) that interest will accrue before repayment begins;

“(ii) that interest will be added to the principal amount of the loan in the cases described in subparagraph (B)(i)(II); and

“(iii) of the borrower’s option to begin loan repayment prior to such repayment period.

“(b) Repayment Amount.—

“(1) In General.—The total of the payments by a borrower, except as otherwise provided by an income-based repayment plan under subsection (d), during any year of any repayment period with respect to the aggregate amount of all loans made under this part to the borrower shall not (unless the
borrower and the Secretary otherwise agree), be less than $600 or the balance of all such loans (together with interest thereon), whichever amount is less (but in no instance less than the amount of interest due and payable, notwithstanding any repayment plan described in subsection (c)).

“(2) AMORTIZATION.—

“(A) INTEREST RATE.—The amount of the periodic payment and the repayment schedule for a loan made under this part shall be established by assuming an interest rate equal to the applicable rate of interest at the time of the first disbursement of the loan.

“(B) ADJUSTMENT TO REPAYMENT AMOUNT.—The note or other written evidence of a loan under this part shall require that the amount of the periodic payment will be adjusted annually in order to reflect adjustments in—

“(i) interest rates occurring as a consequence of variable rate loans under parts B or D paid in conjunction with Federal ONE Loans under subsection (d)(1)(B)(i); or
“(ii) principal occurring as a consequence of interest capitalization under subsection (a)(2)(B).

“(c) Repayment Plans.—

“(1) Design and Selection.—Not more than 6 months prior to the date on which a borrower’s first payment on a loan made under this part is due, the Secretary shall offer the borrower two plans for repayment of such loan, including principal and interest on the loan. The borrower shall be entitled to accelerate, without penalty, repayment on the borrower’s loans under this part. The borrower may choose—

“(A) a standard repayment plan with a fixed monthly repayment amount paid over a fixed period of time, not to exceed 10 years; or

“(B) an income-based repayment plan under subsection (d).

“(2) Selection by Secretary.—If a borrower of a loan made under this part does not select a repayment plan described in paragraph (1), the Secretary shall provide the borrower with the repayment plan described in paragraph (1)(A).

“(3) Changes in Selections.—
“(A) IN GENERAL.—Subject to subparagraph (B), the borrower of a loan made under this part may change the borrower’s selection of a repayment plan under paragraph (1), or the Secretary’s selection of a plan for the borrower under paragraph (2), as the case may be, under such terms and conditions as may be established by the Secretary, except that the Secretary may not establish any terms or conditions with respect to whether a borrower may change the borrower’s repayment plan. Nothing in this subsection shall prohibit the Secretary from encouraging struggling borrowers from enrolling in the income-driven repayment plan described in section 466(d).

“(B) SAME REPAYMENT PLAN REQUIRED.—All loans made under this part to a borrower shall be repaid under the same repayment plan under paragraph (1), except that the borrower may repay a Federal ONE Parent Loan or an Excepted Federal ONE Consolidation Loan (as defined in subsection (d)(5)) separately from other loans made under this part to the borrower.
“(4) Repayment after default.—The Secretary may require any borrower who has defaulted on a loan made under this part to—

“(A) pay all reasonable collection costs associated with such loan; and

“(B) repay the loan pursuant to the income-based repayment plan under subsection (d).

“(5) Repayment period.—For purposes of calculating the repayment period under this subsection, such period shall commence at the time the first payment of principal is due from the borrower.

“(6) Installments.—Repayment of loans under this part shall be in installments in accordance with the repayment plan selected under paragraph (1) and commencing at the beginning of the repayment period determined under paragraph (5).

“(d) Income-based Repayment Program.—

“(1) In general.—Notwithstanding any other provision of this Act, the Secretary shall carry out a program under which—

“(A) a borrower of any loan made under this part (other than a Federal ONE Parent Loan or an Excepted Federal ONE Consolida-
tion Loan) may elect to have the borrower’s ag-
aggregate monthly payment for all such loans—

“(i) not to exceed the result obtained
by dividing by 12, 15 percent of the result
obtained by calculating, on at least an an-
nual basis, the amount by which—

“(I) the adjusted gross income of
the borrower or, if the borrower is
married and files a Federal income
tax return jointly with or separately
from the borrower’s spouse, the ad-
justed gross income of the borrower
and the borrower’s spouse; exceeds

“(II) 150 percent of the poverty
line applicable to the borrower’s fam-
ily size as determined under section
673(2) of the Community Services
Block Grant Act (42 U.S.C. 9902(2));
and

“(ii) not to be less than $25;

“(B) the Secretary adjusts the calculated
monthly payment under subparagraph (A), if—

“(i) in addition to the loans described
in subparagraph (A), the borrower has an
outstanding loan made under part B or D
(other than an excepted parent loan or an excepted consolidation loan, as such terms are defined in section 493C(a)), by determining the borrower’s adjusted monthly payment by multiplying—

“(I) the calculated monthly payment, by

“(II) the percentage of the total outstanding principal amount of the borrower’s loans described in the matter preceding subclause (I), which are described in subparagraph (A);

“(ii) the borrower and borrower’s spouse have loans described in subparagraph (A) and outstanding loans under part B or D (other than an excepted parent loan or an excepted consolidation loan, as such terms are defined in section 493C(a)) and have filed a joint or separate Federal income tax return, in which case the Secretary determines—

“(I) each borrower’s percentage of the couple’s total outstanding amount of principal on such loans;
“(II) the adjusted monthly payment for each borrower by multiplying the borrower’s calculated monthly payment by the percentage determined under subclause (I) applicable to the borrower; and

“(III) if the borrower’s loans are held by multiple holders, the borrower’s adjusted monthly payment for loans described in subparagraph (A) by multiplying the adjusted monthly payment determined under subclause (II) by the percentage of the total outstanding principal amount of the borrower’s loans described in the matter preceding subclause (I), which are described in subparagraph (A);

“(C) the holder of such a loan shall apply the borrower’s monthly payment under this subsection first toward interest due on the loan, next toward any fees due on the loan, and then toward the principal of the loan;

“(D) any principal due and not paid under subparagraph (C) shall be deferred;
“(E) any interest due and not paid under subparagraph (C) shall be capitalized, at the time the borrower—

“(i) ends the election to make income-based repayment under this subsection; or

“(ii) begins making payments of not less than the amount specified in subparagraph (G)(i);

“(F) the amount of time the borrower makes monthly payments under subparagraph (A) may exceed 10 years;

“(G) if the borrower no longer wishes to continue the election under this subsection, then—

“(i) the maximum monthly payment required to be paid for all loans made to the borrower under this part (other than a Federal ONE Parent Loan or an Excepted Federal ONE Consolidation Loan) shall not exceed the monthly amount calculated under subsection (c)(1)(A), based on a 10-year repayment period, when the borrower first made the election described in this subsection; and
“(ii) the amount of time the borrower is permitted to repay such loans may exceed 10 years;

“(H) the Secretary shall cancel any outstanding balance (other than an amount equal to the interest accrued during any period of in-school deferment under subparagraph (A), (B), or (F) of section 469A(b)(1)) due on all loans made under this part (other than a Federal ONE Parent Loan or an Excepted Federal ONE Consolidation Loan) to a borrower—

“(i) who, at any time, elected to participate in income-based repayment under subparagraph (A);

“(ii) whose final monthly payment for such loans prior to the loan cancellation under this subparagraph was made under such income-based repayment; and

“(iii) who has repaid, pursuant to income-based repayment under subparagraph (A), a standard repayment plan under subsection (c)(1)(A), or a combination—

“(I) an amount on such loans that is equal to the total amount of principal and interest that the bor-
rrower would have repaid under a standard repayment plan under subsection (c)(1)(A), based on a 10-year repayment period, when the borrower entered repayment on such loans; and

“(II) the amount of interest that accrues during a period of deferment described in section 469A prior to the completion of the repayment period described in subclause (I) on the portion of such loans remaining to be repaid in accordance with such subclause; and

“(I) a borrower who is repaying a loan made under this part pursuant to income-based repayment under subparagraph (A) may elect, at any time during the 10-year period beginning on the date the borrower entered repayment on the loan, to terminate repayment pursuant to such income-based repayment and repay such loan under the standard repayment plan.

“(2) ELIGIBILITY DETERMINATIONS.—

“(A) IN GENERAL.—The Secretary shall establish procedures for annual verification of a borrower’s annual income and the annual
amount due on the total amount of loans made
under this part (other than a Federal ONE
Parent Loan or an Excepted Federal ONE
Consolidation Loan), and such other procedures
as are necessary to implement effectively in-
come-based repayment under this subsection,
including the procedures established with re-
spect to section 493C.

“(B) INCOME INFORMATION.—The Sec-
retary may obtain such information as is rea-
sonably necessary regarding the income of a
borrower (and the borrower’s spouse, if applica-
ble) of a loan made under this part that is, or
may be, repaid pursuant to income-based repay-
ment under this subsection, for the purpose of
determining the annual repayment obligation of
the borrower. The Secretary shall establish pro-
cedures for determining the borrower’s repay-
ment obligation on that loan for such year, and
such other procedures as are necessary to im-
plement effectively the income-based repayment
under this subsection.

“(C) BORROWER REQUIREMENTS.—A bor-
rower who chooses to repay a loan made under
this part pursuant to income-based repayment under this subsection, and—

“(i) for whom adjusted gross income is available and reasonably reflects the borrower’s current income, shall, to the maximum extent practicable, provide to the Secretary the Federal tax information of the borrower; and

“(ii) for whom adjusted gross income is unavailable or does not reasonably reflect the borrower’s current income, shall provide to the Secretary other documentation of income satisfactory to the Secretary, which documentation the Secretary may use to determine an appropriate repayment schedule.

“(3) NOTIFICATION TO BORROWERS.—The Secretary shall establish procedures under which a borrower of a loan made under this part who chooses to repay such loan pursuant to income-based repayment under this subsection is notified of the terms and conditions of such plan, including notification that if a borrower considers that special circumstances, such as a loss of employment by the borrower or the borrower’s spouse, warrant an ad-
justment in the borrower’s loan repayment as deter-
mined using the borrower’s Federal tax return infor-
mation, or the alternative documentation described
in paragraph (2)(C), the borrower may contact the
Secretary, who shall determine whether such adjust-
ment is appropriate, in accordance with criteria es-

tablished by the Secretary.

“(4) REDUCED PAYMENT PERIODS.—

“(A) IN GENERAL.—The Secretary shall
authorize borrowers meeting the criteria under
subparagraph (B) to make monthly payments
of $5 for a period not in excess of 3 years, ex-
cept that—

“(i) for purposes of subparagraph
(B)(i), the Secretary may authorize re-
duced payments in 6-month increments,
beginning on the date the borrower pro-
vides to the Secretary the evidence de-
scribed in subclause (I) or (II) of subpara-
graph (B)(i); and

“(ii) for purposes of subparagraph
(B)(ii), the Secretary may authorize re-
duced payments in 3-month increments,
beginning on the date the borrower pro-
vides to the Secretary the evidence described in subparagraph (B)(ii)(I).

“(B) ELIGIBILITY DETERMINATIONS.—The Secretary shall authorize borrowers to make reduced payments under this paragraph in the following circumstances:

“(i) In a case of borrower who is seeking and unable to find full-time employment, as demonstrated by providing to the Secretary—

“(I) evidence of the borrower’s eligibility for unemployment benefits to the Secretary; or

“(II) a written certification or an equivalent that—

“(aa) the borrower has registered with a public or private employment agency that is available to the borrower within a 50-mile radius of the borrower’s home address; and

“(bb) in the case of a borrower that has been granted a request under this subparagraph, the borrower has made at least
six diligent attempts during the preceding six-month period to secure full-time employment.

“(ii) The Secretary determines that, due to high medical expenses, the $25 monthly payment the borrower would otherwise make would be an extreme economic hardship to the borrower, if—

“(I) the borrower documents the reason why the $25 minimum payment is an extreme economic hardship; and

“(II) the borrower recertifies the reason for the $5 minimum payment on a three-month basis.

“(C) DEFINITION.—For purpose of this section, the term ‘full-time employment’ means employment that will provide not less than 30 hours of work a week and is expected to continue for a period of not less than 3 months.

“(5) DEFINITIONS.—In this subsection:

“(A) ADJUSTED GROSS INCOME.—The term ‘adjusted gross income’ has the meaning given the term in section 62 of the Internal Revenue Code of 1986.
“(B) Exempt Federal ONE Consolidation Loan.—The term ‘Exempt Federal ONE Consolidation Loan’ means a Federal ONE Consolidation Loan if the proceeds of such loan were used to discharge the liability on—

“(i) a Federal ONE Parent Loan;

“(ii) a Federal Direct PLUS Loan, or a loan under section 428B, that is made, insured, or guaranteed on behalf of a dependent student;

“(iii) an exempted consolidation loan (defined in section 493C); or

“(iv) a Federal ONE Consolidation loan that was used to discharge the liability on a loan described in clause (i), (ii), or (iii).

“(e) Rules of Construction.—Nothing in this section shall be construed to authorize, with respect to loans made under this part—

“(1) eligibility for a repayment plan that is not described in subsection (c)(1) or section 468(c); or

“(2) the Secretary to—
“(A) carry out a repayment plan, which is
not described in subsection (c)(1) or section
468(c); or

“(B) modify a repayment plan that is de-
scribed in subsection (c)(1) or section 468(c).

SEC. 467. FEDERAL ONE PARENT LOANS.

“(a) Authority To Borrow.—

“(1) Authority And Eligibility.—The par-
ent of a dependent student shall be eligible to bor-
row funds under this section in amounts specified in
subsection (b), if—

“(A) the parent is borrowing to pay for the
educational costs of a dependent student who
meets the requirements for an eligible student
under section 484(a);

“(B) the parent meets the applicable re-
quirements concerning defaults and overpay-
ments that apply to a student borrower;

“(C) the parent complies with the require-
ments for submission of a statement of edu-
cational purpose that apply to a student bor-
rower under section 484(a)(4)(A) (other than
the completion of a statement of selective serv-
ic registration status);
“(D) the parent meets the requirements that apply to a student under section 437(a);

“(E) the parent—

“(i) does not have an adverse credit history; or

“(ii) has an adverse credit history, but has—

“(I) obtained an endorser who does not have an adverse credit history or documented to the satisfaction of the Secretary that extenuating circumstances exist in accordance with paragraph (4)(D); and

“(II) completed Federal ONE Parent Loan counseling offered by the Secretary; and

“(F) in the case of a parent who has been convicted of, or has pled nolo contendere or guilty to, a crime involving fraud in obtaining funds under this title, such parent has completed the repayment of such funds to the Secretary, or to the holder in the case of a loan under this title obtained by fraud.

“(2) TERMS, CONDITIONS, AND BENEFITS.—

Except as provided in subsections (c), (d), and (e),
loans made under this section shall have the same 
terms, conditions, and benefits as all other loans 
made under this part.

“(3) PARENT BORROWERS.—

“(A) DEFINITION.—For purposes of this 
section, the term ‘parent’ includes a student’s 
biological or adoptive mother or father or the 
student’s stepparent, if the biological parent or 
adoptive mother or father has remarried at the 
time of filing the common financial reporting 
form under section 483(a), and that spouse’s 
income and assets would have been taken into 
account when calculating the student’s expected 
family contribution.

“(B) CLARIFICATION.—Whenever nec-
essary to carry out the provisions of this sec-
tion, the terms ‘student’ and ‘borrower’ as used 
in this part shall include a parent borrower 
under this section.

“(4) ADVERSE CREDIT HISTORY DEFINITIONS 
AND ADJUSTMENTS.—

“(A) DEFINITIONS.—For purposes of this 
section:
“(i) In general.—The term ‘adverse credit history’, when used with respect to a borrower, means that the borrower—

“(I) has one or more debts with a total combined outstanding balance equal to or greater than $2,085, as may be adjusted by the Secretary in accordance with subparagraph (B), that—

“(aa) are 90 or more days delinquent as of the date of the credit report; or

“(bb) have been placed in collection or charged off during the two years preceding the date of the credit report; or

“(II) has been the subject of a default determination, bankruptcy discharge, foreclosure, repossession, tax lien, wage garnishment, or write-off of a debt under this title during the 5 years preceding the date of the credit report.

“(ii) Charged off.—The term ‘charged off’ means a debt that a creditor
has written off as a loss, but that is still
subject to collection action.

“(iii) IN COLLECTION.— The term ‘in
collection’ means a debt that has been
placed with a collection agency by a cred-
itor or that is subject to more intensive ef-
forts by a creditor to recover amounts
owed from a borrower who has not re-
responded satisfactorily to the demands rou-
tinely made as part of the creditor’s billing
procedures.

“(B) ADJUSTMENTS.—

“(i) IN GENERAL.—In a case of a bor-
rower with a debt amount described in
subparagraph (A)(i), the Secretary shall
increase such debt amount, or its inflation-
adjusted equivalent, if the Secretary deter-
mines that an inflation adjustment to such
debt amount would result in an increase of
$100 or more to such debt amount.

“(ii) INFLATION ADJUSTMENT.—In
making the inflation adjustment under
clause (i), the Secretary shall—

“(I) use the annual average per-
cent change of the All Items Con-
sumer Price Index for All Urban Consumers, before seasonal adjustment, as the measurement of inflation; and

“(II) if the adjustment calculated under subclause (I) is equal to or greater than $100—

“(aa) add the adjustment to the debt amount, or its inflation-adjusted equivalent; and

“(bb) round up to the nearest $5.

“(iii) Publication.—The Secretary shall publish a notice in the Federal Register announcing any increase to the threshold amount specified in subparagraph (A)(i)(I).

“(C) Treatment of Absence of Credit History.—For purposes of this section, the Secretary shall not consider the absence of a credit history as an adverse credit history and shall not deny a Federal ONE Parent loan on that basis.

“(D) Extenuating Circumstances.—For purposes of this section, the Secretary may
determine that extenuating circumstances exist based on documentation that may include—

“(i) an updated credit report for the parent; or

“(ii) a statement from the creditor that the parent has repaid or made satisfactory arrangements to repay a debt that was considered in determining that the parent has an adverse credit history

“(b) LIMITATION BASED ON NEED.—Any loan under this section may be counted as part of the expected family contribution in the determination of need under this title, but no loan may be made to any parent under this section for any academic year in excess of the lesser of—

“(1) the student’s estimated cost of attendance minus the student’s estimated financial assistance (as calculated under section 465(b)(1)(A)); or

“(2) the established annual loan limits for such loan under section 465(b).

“(c) PARENT LOAN DISBURSEMENT.—All loans made under this section shall be disbursed in accordance with the requirements of section 465(a) and shall be disbursed by—

“(1) an electronic transfer of funds from the lender to the eligible institution; or
“(2) a check copayable to the eligible institution and the parent borrower.

“(d) Payment of Principal and Interest.—

“(1) Commencement of Repayment.—Repayment of principal on loans made under this section shall commence not later than 60 days after the date such loan is disbursed by the Secretary, subject to deferral—

“(A) during any period during which the parent borrower meets the conditions required for a deferral under section 469A; and

“(B) upon the request of the parent borrower, during the 6-month period beginning, if the parent borrower is also a student, the day after the date such parent borrower ceases to carry at least one-half such a workload.

“(2) Maximum Repayment Period.—The maximum repayment period for a loan made under this section shall be a 10-year period beginning on the commencement of such period described in paragraph (1).

“(3) Capitalization of Interest.—Interest on loans made under this section for which payments of principal are deferred pursuant to para-
graph (1) shall, if agreed upon by the borrower and
the Secretary—

“(A) be paid monthly or quarterly; or

“(B) be added to the principal amount of
the loan not more frequently than quarterly by
the Secretary.

“(4) APPLICABLE RATES OF INTEREST.—Inter-
est on loans made pursuant to this section shall be
at the applicable rate of interest provided in section
465(c)(3) for loans made under this section.

“(5) AMORTIZATION.—Section 466(b)(2) shall
apply to each loan made under this section.

“(e) VERIFICATION OF IMMIGRATION STATUS AND
SOCIAL SECURITY NUMBER.—A parent who wishes to
borrow funds under this section shall be subject to
verification of the parent’s—

“(1) immigration status in the same manner as
immigration status is verified for students under
section 484(g); and

“(2) social security number in the same manner
as social security numbers are verified for students
under section 484(p).

“(f) DESIGNATION.—For purposes of this Act, the
Federal ONE Loans described in this section shall be
known as ‘Federal ONE Parent Loans’.
“SEC. 468. FEDERAL ONE CONSOLIDATION LOANS.

“(a) TERMS AND CONDITIONS.—In making consolidation loans under this section, the Secretary shall—

“(1) not make such a loan to an eligible borrower, unless the Secretary has determined, in accordance with reasonable and prudent business practices, for each loan being consolidated, that the loan—

“(A) is a legal, valid, and binding obligation of the borrower; and

“(B) was made and serviced in compliance with applicable laws and regulations;

“(2) ensure that each consolidation loan made under this section will bear interest, and be subject to repayment, in accordance with subsection (e), except as otherwise provided under subsections (f) and (g) of section 465;

“(3) ensure that each consolidation loan will be made, notwithstanding any other provision of this part limiting the annual or aggregate principal amount for all loans made to a borrower, in an amount which is equal to the sum of the unpaid principal and accrued unpaid interest and late charges of all eligible student loans received by the eligible borrower which are selected by the borrower for consolidation;
“(4) ensure that the proceeds of each consolidation loan will be paid by the Secretary to the holder or holders of the loans so selected to discharge the liability on such loans;

“(5) disclose to a prospective borrower, in simple and understandable terms, at the time the Secretary provides an application for a consolidation loan—

“(A) with respect to a loan made, insured, or guaranteed under this part, part B, or part D, that if a borrower includes such a loan in the consolidation loan—

“(i) that the consolidation would result in a loss of loan benefits; and

“(ii) which specific loan benefits the borrower would lose, including the loss of eligibility for loan forgiveness (including loss of eligibility for interest rate forgiveness), cancellation, deferment, forbearance, interest-free periods, or loan repayment programs that would have been available for such a loan; and

“(B) with respect to Federal Perkins Loans under this part (as this part was in ef-
fect on the day before the date of enactment of

the PROSPER Act)—

“(i) that if a borrower includes such a

Federal Perkins Loan in the consolidation

loan, the borrower will lose all interest-free

periods that would have been available for

the Federal Perkins Loan, such as—

“(I) the periods during which no

interest accrues on such loan while

the borrower is enrolled in an institu-
tion of higher education at least half-
time;

“(II) the grace period under sec-
tion 464(c)(1)(A) (as such section was

in effect on the day before the date of

enactment of the PROSPER Act); and

“(III) the periods during which

the borrower’s student loan repay-
ments are deferred under section

464(c)(2) (as such section was in ef-

fect on the day before the date of en-

actment of the PROSPER Act); and

“(ii) that if a borrower includes such

a Federal Perkins Loan in the consolida-
tion loan, the borrower will no longer be el-
igible for cancellation of part or all of the
Federal Perkins Loan under section 465(a)
as such section was in effect on the day
before the date of enactment of the PROSP-
PER Act); and

“(iii) the occupations listed in section
465 that qualify for Federal Perkins Loan
cancellation under section 465(a) (as such
section was in effect on the day before the
date of enactment of the PROSPER Act);

“(C) the repayment plans that are avail-
able to the borrower under section (e);

“(D) the options of the borrower to prepay
the consolidation loan, to pay such loan on a
shorter schedule, and to change repayment
plans;

“(E) the consequences of default on the
consolidation loan; and

“(F) that by applying for a consolidation
loan, the borrower is not obligated to agree to
take the consolidation loan; and

“(6) not make such a loan to an eligible bor-
rower, unless—
“(A) the borrower has agreed to notify the Secretary promptly concerning any change of address; and

“(B) the loan is evidenced by a note or other written agreement which—

“(i) is made without security and without endorsement, except that if—

“(I) the borrower is a minor and such note or other written agreement executed by him or her would not, under applicable law, create a binding obligation, endorsement may be required; or

“(II) the borrower desires to include in the consolidation loan, a Federal ONE Parent Loan, or a loan under section 428B, or a Federal Direct PLUS loan, made on behalf of a dependent student, endorsement shall be required;

“(ii) provides for the payment of interest and the repayment of principal as described in paragraph (2);

“(iii) provides that during any period for which the borrower would be eligible
for a deferral under section 469A, which period shall not be included in determining the repayment schedule pursuant to subsection (c)—

“(I) periodic installments of principal need not be paid, but interest shall accrue and be paid by the borrower or be capitalized; and

“(II) except as otherwise provided under subsections (f) and (g) of section 465, the Secretary shall not pay interest on any portion of the consolidation loan, without regard to whether the portion repays Federal Stafford Loans for which the student borrower received an interest subsidy under section 428 or Federal Direct Stafford Loans for which the borrower received an interest subsidy under section 455;

“(iv) entitles the borrower to accelerate without penalty repayment of the whole or any part of the loan; and

“(v) contains a notice of the system of disclosure concerning such loan to con-
sumer reporting agencies under section 430A, and provides that the Secretary on request of the borrower will provide information on the repayment status of the note to such consumer reporting agencies.

“(b) NONDISCRIMINATION IN LOAN CONSOLIDATION.—The Secretary shall not discriminate against any borrower seeking a loan under this section—

“(1) based on the number or type of eligible student loans the borrower seeks to consolidate;

“(2) based on the type or category of institution of higher education that the borrower attended;

“(3) based on the interest rate to be charged to the borrower with respect to the consolidation loan; or

“(4) with respect to the types of repayment schedules offered to such borrower.

“(c) PAYMENT OF PRINCIPAL AND INTEREST.—

“(1) REPAYMENT SCHEDULES.—

“(A) ESTABLISHMENT.—

“(i) IN GENERAL.—Notwithstanding any other provision of this part, the Secretary shall—
“(I) establish repayment terms as will promote the objectives of this section; and

“(II) provide a borrower with the option of the standard-repayment plan or income-based repayment plan under section 466(d) in lieu of such repayment terms.

“(ii) SCHEDULE TERMS.—The repayment terms established under clause (i)(I) shall require that if the sum of the consolidation loan and the amount outstanding on other eligible student loans to the individual—

“(I) is less than $7,500, then such consolidation loan shall be repaid in not more than 10 years;

“(II) is equal to or greater than $7,500 but less than $10,000, then such consolidation loan shall be repaid in not more than 12 years;

“(III) is equal to or greater than $10,000 but less than $20,000, then such consolidation loan shall be repaid in not more than 15 years;
“(IV) is equal to or greater than $20,000 but less than $40,000, then such consolidation loan shall be repaid in not more than 20 years;

“(V) is equal to or greater than $40,000 but less than $60,000, then such consolidation loan shall be repaid in not more than 25 years; or

“(VI) is equal to or greater than $60,000, then such consolidation loan shall be repaid in not more than 30 years.

“(B) LIMITATION.—The amount outstanding on other eligible student loans which may be counted for the purpose of subparagraph (A) may not exceed the amount of the consolidation loan.

“(2) ADDITIONAL REPAYMENT REQUIREMENTS.—Notwithstanding paragraph (1)—

“(A) except in the case of an income-based repayment schedule under section 466(d), a repayment schedule established with respect to a consolidation loan shall require that the minimum installment payment be an amount equal
to not less than the accrued unpaid interest;

and

“(B) an income-based repayment schedule under section 466(d) shall not be available to a consolidation loan borrower who—

“(i) used the proceeds of a Federal ONE Consolidation loan to discharge the liability—

“(I) on a loan under section 428B made on behalf of a dependent student;

“(II) a Federal Direct PLUS loan made on behalf of a dependent student;

“(III) a Federal ONE Parent loan; or

“(IV) an excepted consolidation loan (defined in section 493C); or

“(ii) used the proceeds of a subsequent Federal ONE Consolidation loan to discharge the liability on a Federal ONE Consolidation loan described in clause (i).

“(3) COMMENCEMENT OF REPAYMENT.—Repayment of a consolidation loan shall commence within 60 days after all holders have, pursuant to
subsection (a)(4), discharged the liability of the bor-
rower on the loans selected for consolidation.

“(4) INTEREST RATE.—A consolidation loan
made under this section shall bear interest at an an-
nual rate described in section 465(c)(4).

“(d) INSURANCE RULE.—Any insurance premium
paid by the borrower under subpart I of part A of title
VII of the Public Health Service Act with respect to a
loan made under that subpart and consolidated under this
section shall be retained by the student loan insurance ac-
count established under section 710 of the Public Health
Service Act.

“(e) DEFINITIONS.—For the purpose of this section:

“(1) ELIGIBLE BORROWER.—

“(A) IN GENERAL.—The term ‘eligible bor-
rower’ means a borrower who—

“(i) is not subject to a judgment se-
cured through litigation with respect to a
loan under this title or to an order for
wage garnishment under section 488A; and

“(ii) at the time of application for a
consolidation loan—

“(I) is in repayment status as de-
termined under section 466(a)(1);
“(II) is in a grace period preceding repayment; or

“(III) is a defaulted borrower who has made arrangements to repay the obligation on the defaulted loans satisfactory to the holders of the defaulted loans.

“(B) TERMINATION OF STATUS AS AN ELIGIBLE BORROWER.—An individual’s status as an eligible borrower under this section terminates upon receipt of a consolidation loan under this section, except that—

“(i) an individual who receives eligible student loans after the date of receipt of the consolidation loan may receive a subsequent consolidation loan;

“(ii) loans received prior to the date of the consolidation loan may be added during the 180-day period following the making of the consolidation loan;

“(iii) loans received following the making of the consolidation loan may be added during the 180-day period following the making of the consolidation loan;
“(iv) loans received prior to the date of the first consolidation loan may be added to a subsequent consolidation loan; and

“(v) an individual may obtain a subsequent consolidation loan for the purpose—

“(I) of income-based repayment under section 466(d) only if the loan has been submitted for default aversion or if the loan is already in default;

“(II) of using the no accrual of interest for active duty service members benefit offered under section 465(g); of

“(III) of submitting an application under section 469B(d) for a borrower defense to repayment of a loan made, insured, or guaranteed under this title.

“(2) ELIGIBLE STUDENT LOANS.—For the purpose of paragraph (1), the term ‘eligible student loans’ means loans—

“(A) made, insured, or guaranteed under part B, and first disbursed before July 1, 2010,
including loans on which the borrower has de-
defaulted (but has made arrangements to repay
the obligation on the defaulted loans satisfac-
tory to the Secretary or guaranty agency,
whichever insured the loans);

“(B) made under part D of this title, and
first disbursed before July 1, 2019;

“(C) made under this part before Sep-
tember 30, 2017;

“(D) made under this part on or after the
date of enactment of the PROSPER Act;

“(E) made under subpart II of part A of
title VII of the Public Health Service Act; or

“(F) made under part E of title VIII of
the Public Health Service Act.

“(f) DESIGNATION.—For purposes of this Act, the
Federal ONE Loans described in this section shall be
known as ‘Federal ONE Consolidation Loans’.

“SEC. 469. TEMPORARY LOAN CONSOLIDATION AUTHORITY.

“(a) IN GENERAL.—A borrower who has 1 or more
loans in 2 or more of the categories described in subsection
(b), and who has not yet entered repayment on 1 or more
of those loans in any of the categories, may consolidate
all of the loans of the borrower that are described in sub-
section (b) into a Federal ONE Consolidation Loan during
the period described in subsection (e).

“(b) Categories of Loans That May Be Consolidated.—The categories of loans that may be consolidated under this section are—

“(1) loans made under this part before October 1, 2017 and on or after July 1, 2019;

“(2) loans purchased by the Secretary pursuant to section 459A;

“(3) loans made under part B that are held by an eligible lender, as such term is defined in section 435(d); and

“(4) loans made under part D.

“(c) Time Period in Which Loans May Be Consolidated.—The Secretary may make a Federal ONE Consolidation Loan under this section to a borrower whose application for such Federal ONE Consolidation Loan is received on or after July 1, 2019, and before July 1, 2024.

“(d) Terms of Loans.—A Federal ONE Consolidation Loan made under this subsection shall have the same terms and conditions as a Federal ONE Consolidation Loan made under section 468, except that in determining the applicable rate of interest on the Federal ONE Consolidation Loan made under this section, section 465(c)(4) shall be applied without rounding the weighted average of
the interest rate on the loans consolidated to the nearest higher one-eighth of one percent as in such section.

“SEC. 469A. DEFERMENT.

“(a) Effect on Principal and Interest.—A borrower of a loan made under this part who meets the requirements described in subsection (b) shall be eligible for a deferment during which installments of principal need not be paid and, unless otherwise provided in this subsection, interest shall accrue and be capitalized or paid by the borrower.

“(b) Eligibility.—A borrower of a loan made under this part shall be eligible for a deferment—

“(1) during any period during which the borrower—

“(A) is carrying at least one-half the normal full-time work load for the course of study that the borrower is pursuing, as determined by the eligible institution the borrower is attending;

“(B) is pursuing a course of study pursuant to—

“(i) an eligible graduate fellowship program in accordance with subsection (g); or
“(ii) an eligible rehabilitation training program for individuals with disabilities in accordance with subsection (i);

“(C) is serving on active duty during a war or other military operation or national emergency, and for the 180-day period following the demobilization date for such service;

“(D) is performing qualifying National Guard duty during a war or other military operation or national emergency, and for the 180-day period following the demobilization date for such service;

“(E) is a member of the National Guard who is not eligible for a post-active duty deferment under section 493D and is engaged in active State duty for a period of more than 30 consecutive days beginning—

“(i) the day after 6 months after the date the student ceases to carry at least one-half the normal full-time academic workload (as determined by the institution); or

“(ii) the day after the borrower ceases enrollment on at least a half-time basis, for a loan in repayment;
“(F) is serving in a medical or dental internship or residency program, the successful completion of which is required to begin professional practice or service, or is serving in a medical or dental internship or residency program leading to a degree or certificate awarded by an institution of higher education, a hospital, or a health care facility that offers post-graduate training; or

“(G) is eligible for interest payments to be made on a loan made under this part for service in the Armed Forces under section 2174 of title 10, United States Code, and pursuant to that eligibility, the interest is being paid on such loan under section 465(f);

“(2) during a period sufficient to enable the borrower to resume honoring the agreement to repay the outstanding balance of principal and interest on the loan after default, if—

“(A) the borrower signs a new agreement to repay such outstanding balance;

“(B) the deferment period is limited to 120 days; and

“(C) such deferment is not granted for consecutive periods;
“(3) during a period of administrative deferment described in subsection (j); or

“(4) in the case of a borrower of a Federal ONE Parent Loan or an Excepted Federal ONE Consolidation Loan, during a period described in subsection (k).

“(c) LENGTH OF DEFERMENT.—A deferment granted by the Secretary—

“(1) under subparagraph (F) or (G) of subsection (b)(1) shall be renewable at 12 month intervals;

“(2) under subparagraph (F) of subsection (b)(1) shall equal the length of time remaining in the borrower’s medical or dental internship or residency program; and

“(3) under subparagraph (G) of subsection (b)(1) shall not exceed 3 years.

“(d) REQUEST AND DOCUMENTATION.—The Secretary shall determine the eligibility of a borrower for a deferment under paragraphs (1), (2), or (4) of subsection (b), or in the case of a loan for which an endorser is required, an endorser’s eligibility for a deferment under paragraph (2) or (4) or eligibility to request a deferment under paragraph (1), based on—
“(1) the receipt of a request for a deferment from the borrower or the endorser, and documentation of the borrower’s or endorser’s eligibility for the deferment or eligibility to request the deferment;

“(2) receipt of a completed loan application that documents the borrower’s eligibility for a deferment;

“(3) receipt of a student status information documentating that the borrower is enrolled on at least a half-time basis; or

“(4) the Secretary’s confirmation of the borrower’s half-time enrollment status, if the confirmation is requested by the institution of higher education.

“(e) NOTIFICATION.—The Secretary shall—

“(1) notify a borrower of a loan made under this part—

“(A) the granting of a deferment under this subsection on such loan; and

“(B) the option of the borrower to continue making payments on the outstanding balance of principal and interest on such loan in accordance with subsection (f);

“(2) at the time the Secretary grants a deferment to a borrower of a loan made under this
part, and not less frequently than once every 180 days during the period of such deferment, provide information to the borrower to assist the borrower in understanding—

“(A) the effect of granting a deferment on the total amount to be paid under the income-based repayment plan under 466(d);

“(B) the fact that interest will accrue on the loan for the period of deferment, other than for a deferment granted under subsection (b)(1)(G);

“(C) the amount of unpaid principal and the amount of interest that has accrued since the last statement of such amounts provided to the borrower;

“(D) the amount of interest that will be capitalized, and the date on which capitalization will occur;

“(E) the effect of the capitalization of interest on the borrower’s loan principal and on the total amount of interest to be paid on the loan;

“(F) the option of the borrower to pay the interest that has accrued before the interest is capitalized; and
“(G) the borrower’s option to discontinue
the deferment at any time.

“(f) FORM OF DEFERMENT.—The form of a
deferment granted under this subsection on a loan made
under this part shall be temporary cessation of all pay-
ments on such loan, except that—

“(1) in the case of a deferment granted under
subsection (b)(1)(G), payments of interest on the
loan will be made by the Secretary under section
465(f) during such period of deferment; and

“(2) a borrower may make payments on the
outstanding balance of principal and interest on
such loan during any period of deferment granted
under this subsection.

“(g) GRADUATE FELLOWSHIP DEFERMENT.—

“(1) IN GENERAL.—A borrower of a loan under
this part is eligible for a deferment under subsection
(b)(1)(B)(i) during any period for which an author-
ized official of the borrower’s graduate fellowship
program certifies that the borrower meets the re-
quirements of paragraph (2) and is pursuing a
course of study pursuant to an eligible graduate fel-

ship program.
“(2) BORROWER REQUIREMENTS.—A borrower meets the requirements of this subparagraph if the borrower—

“(A) holds at least a baccalaureate degree conferred by an institution of higher education;

“(B) has been accepted or recommended by an institution of higher education for acceptance on a full-time basis into an eligible graduate fellowship program; and

“(C) is not serving in a medical internship or residency program, except for a residency program in dentistry.

“(h) TREATMENT OF STUDY OUTSIDE THE UNITED STATES.—

“(1) IN GENERAL.—The Secretary shall treat, in the same manner as required under section 428(b)(4), any course of study at a foreign university that is accepted for the completion of a recognized international fellowship program by the administrator of such a program as an eligible graduate fellowship program.

“(2) REQUESTS FOR DEFERMENT.—Requests for deferment of repayment of loans under this subsection by students engaged in graduate or post-graduate fellowship-supported study (such as pursu-
...t to a Fulbright grant) outside the United States shall be approved until completion of the period of the fellowship, in the same manner as required under section 428(b)(4).

“(i) Rehabilitation Training Program Deferment.—A borrower of a loan under this part is eligible for a deferment under subsection (b)(1)(B)(ii) during any period for which an authorized official of the borrower’s rehabilitation training program certifies that the borrower is pursuing an eligible rehabilitation training program for individuals with disabilities.

“(j) Administrative Deferments.—The Secretary may grant a deferment to a borrower or, in the case of a loan for which an endorser is required, an endorser, without requiring a request and documentation from the borrower or the endorser under subsection (d) for—

“(1) a period during which the borrower was delinquent at the time a deferment is granted, including a period for which scheduled payments of principal and interest were overdue at the time such deferment is granted;

“(2) a period during which the borrower or the endorser was granted a deferment under this subsection but for which the Secretary determines the borrower or the endorser should not have qualified;
“(3) a period necessary for the Secretary to determine the borrower’s eligibility for the cancellation of the obligation of the borrower to repay the loan under section 437;

“(4) a period during which the Secretary has authorized deferment due to a national military mobilization or other local or national emergency; or

“(5) a period not to exceed 60 days, during which interest shall accrue but not be capitalized, if the Secretary reasonably determines that a suspension of collection activity is warranted to enable the Secretary to process supporting documentation relating to a borrower’s request—

“(A) for a deferment under this subsection;

“(B) for a change in repayment plan under section 466(c); or

“(C) to consolidate loans under section 468.

“(k) DEFERMENTS FOR PARENT OR EXCEPTED CONSOLIDATION LOANS.—

“(1) IN GENERAL.—A qualified borrower shall be eligible for deferments under paragraphs (3) through (5).
“(2) QUALIFIED BORROWER DEFINED.—In this subsection, the term ‘qualified borrower’ means—

“(A) a borrower of a Federal ONE Parent Loan or an Excepted Federal ONE Consolida-
tion Loan; or

“(B) in the case of such a loan for which an endorser is required, the endorser of such loan.

“(3) ECONOMIC HARDSHIP DEFERMENT.—

“(A) IN GENERAL.—A qualified borrower shall be eligible for a deferment during periods,
not to exceed 3 years in total, during which the qualified borrower experiences an economic
hardship described in subparagraph (B).

“(B) ECONOMIC HARDSHIP.—An economic hardship described in this clause is a period
during which the qualified borrower—

“(i) is receiving payment under a means-tested benefit program;

“(ii) is employed full-time and the monthly gross income of the qualified bor-
rower does not exceed the greater of—

“(I) the minimum wage rate de-
scribed in section 6 of the Fair Labor
Standards Act of 1938 (29 U.S.C. 206); or

“(II) an amount equal to 150 percent of the poverty line; or

“(iii) demonstrates that the sum of the qualified borrower’s monthly payments on the qualified borrower’s Federal ONE Parent Loan or Excepted Federal ONE Consolidation Loan is not less than 20 percent of the qualified borrower’s monthly gross income.

“(C) ELIGIBILITY.—To be eligible to receive a deferment under this subparagraph, a qualified borrower shall submit to the Secretary—

“(i) for the first period of deferment under this subparagraph, evidence showing the monthly gross income of the qualified borrower; and

“(ii) for a subsequent period of deferment that begins less than one year after the end of a period of deferment granted under this subparagraph—
“(I) evidence showing the monthly gross income of the qualified borrower; or

“(II) the qualified borrower’s most recently filed Federal income tax return, if such a return was filed in either of the two tax years preceding the year in which the qualified borrower requests the subsequent period of deferment.

“(4) UNEMPLOYMENT DEFERMENT.—

“(A) IN GENERAL.—A qualified borrower shall be eligible for a deferment for periods during which the qualified borrower is seeking, and is unable to find, full-time employment.

“(B) ELIGIBILITY.—

“(i) IN GENERAL.—To be eligible to receive an deferment under this subparagraph, a qualified borrower shall submit to the Secretary—

“(I) evidence of the qualified borrower’s eligibility for unemployment benefits; or
“(II) written confirmation, or an equivalent as approved by the Secretary, that—

“(aa) the qualified borrower has registered with a public or private employment agency, if one is available to the borrower within 50 miles of the qualified borrower’s address; and

“(bb) for requests submitted after the initial request, the qualified borrower has made at least six diligent attempts during the preceding six-month period to secure full-time employment.

“(ii) Acceptance of employment.—A qualified borrower shall not be eligible for a deferment under this sub-paragraph if the qualified borrower refuses to seek or accept employment in types of positions or at salary levels or responsibility levels for which the qualified borrower feels overqualified based on the qualified borrower’s education or previous experience.
“(C) TERMS OF DEFERMENT.—The following terms shall apply to a deferment under this subparagraph:

“(i) INITIAL PERIOD.—The first deferment granted to a qualified borrower under this subparagraph may be for a period of unemployment beginning not more than 6 months before the date on which the Secretary receives the qualified borrower’s request for deferment and may be granted for a period of up to 6 months after that date.

“(ii) RENEWALS.—Deferments under this subparagraph shall be renewable at 6-month intervals beginning after the expiration of the first period of deferment under clause (i). To be eligible to renew a deferment under this subparagraph, a qualified borrower shall submit to the Secretary the information described in subparagraph (B)(i).

“(iii) AGGREGATE LIMIT.—The period of all deferments granted to a borrower under this subparagraph may not exceed 3 years in aggregate.
“(5) Health Deferment.—

“(A) In General.—A qualified borrower shall be eligible for a deferment during periods in which the qualified borrower is unable to make scheduled loan payments due to high medical expenses, as determined by the Secretary.

“(B) Eligibility.—To be eligible to receive a deferment under this subparagraph, a qualified borrower shall—

“(i) submit to the Secretary documentation demonstrating that making scheduled loan payments would be an extreme economic hardship to the borrower due to high medical expenses, as determined by the Secretary; and

“(ii) resubmit such documentation to the Secretary not less frequently than once every 3 months.

“(l) Prohibitions.—

“(1) Prohibition on Fees.—No administrative fee or other fee may be charged to the borrower in connection with the granting of a deferment under this subsection.
“(2) Prohibition on adverse credit reporting.—No adverse information relating to a borrower may be reported to a consumer reporting agency solely because of the granting of a deferment under this subsection.

“(3) Limitation on authority.—The Secretary shall not, through regulation or otherwise, authorize additional deferment options or periods of deferment other than the deferment options and periods of deferment authorized under this subsection.

“(m) Treatment of endorsers.—With respect to any Federal ONE Parent Loan or Federal ONE Consolidation Loan for which an endorser is required—

“(1) paragraphs (2) through (4) of subsection (b) shall be applied—

“(A) by substituting ‘An endorser’ for ‘A borrower’;

“(B) by substituting ‘the endorser’ for ‘the borrower’; and

“(C) by substituting ‘an endorser’ for ‘a borrower’; and

“(2) in the case in which the borrower of such a loan is eligible for a deferment described in subparagraph (C), (D), (E), (F), or (G) of subsection (b)(1), but is not making payments on the loan, the
endorser of the loan may request a deferment under such subparagraph for the loan.

“(n) DEFINITIONS.—In this section:

“(1) ELIGIBLE GRADUATE FELLOWSHIP PROGRAM.—The term ‘eligible graduate fellowship program’, when used with respect to a course of study pursued by the borrower of a loan under this part, means a fellowship program that—

“(A) provides sufficient financial support to graduate fellows to allow for full-time study for at least six months;

“(B) requires a written statement from each applicant explaining the applicant’s objectives before the award of that financial support;

“(C) requires a graduate fellow to submit periodic reports, projects, or evidence of the fellow’s progress; and

“(D) in the case of a course of study at an institution of higher education outside the United States described in section 102, accepts the course of study for completion of the fellowship program.

“(2) ELIGIBLE REHABILITATION TRAINING PROGRAM FOR INDIVIDUALS WITH DISABILITIES.—

The term ‘eligible rehabilitation training program
for individuals with disabilities’, when used with respect a course of study pursued by the borrower of a loan under this part, means a program that—

“(A) is necessary to assist an individual with a disability in preparing for, securing, retaining, or regaining employment;

“(B) is licensed, approved, certified, or otherwise recognized as providing rehabilitation training to disabled individuals by—

“(i) a State agency with responsibility for vocational rehabilitation programs, drug abuse treatment programs, mental health services programs, or alcohol abuse treatment programs; or

“(ii) the Secretary of the Department of Veterans Affairs; and

“(C) provides or will provide the borrower with rehabilitation services under a written plan that—

“(i) is individualized to meet the borrower’s needs;

“(ii) specifies the date on which the services to the borrower are expected to end; and
“(iii) requires a commitment of time and effort from the borrower that prevents the borrower from being employed at least 30 hours per week, either because of the number of hours that must be devoted to rehabilitation or because of the nature of the rehabilitation.

“(3) EXCEPTED FEDERAL ONE CONSOLIDATION LOAN.—The ‘Excepted Federal ONE Consolidation Loan’ have the meaning given the term in section 466(d)(5).

“(4) FAMILY SIZE.—The term ‘family size’ means the number that is determined by counting—

“(A) the borrower;

“(B) the borrower’s spouse;

“(C) the borrower’s children, including un-born children who are expected to be born during the period covered by the deferment, if the children receive more than half their support from the borrower; and

“(D) another individual if, at the time the borrower requests a deferment under this section, the individual—

“(i) lives with the borrower;
“(ii) receives more than half of the individual’s support (which may include money, gifts, loans, housing, food, clothes, car, medical and dental care, and payment of college costs) from the borrower; and

“(iii) is expected to receive such support from the borrower during the relevant period of deferment.

“(5) Full-time.—The term ‘full-time’, when used with respect to employment, means employment for not less than 30 hours per week that is expected to continue for not less than three months.

“(6) Means-tested benefit program.—The term ‘means-tested benefit program’ means—

“(A) a State public assistance program under which eligibility for the program’s benefits, or the amount of such benefits, are determined on the basis of income or resources of the individual or family seeking the benefit; or

“(B) a mandatory spending program of the Federal Government, other than a program under this title, under which eligibility for the program’s benefits, or the amount of such benefits, are determined on the basis of income or
resources of the individual or family seeking the
benefit, and may include such programs as

“(i) the supplemental security income
program under title XVI of the Social Se-
curity Act (42 U.S.C. 1381 et seq.);

“(ii) the supplemental nutrition assist-
ance program under the Food and Nutri-
tion Act of 2008 (7 U.S.C. 2011 et seq.); 

“(iii) the free and reduced price
school lunch program established under the
Richard B. Russell National School Lunch
Act (42 U.S.C. 1751 et seq.);

“(iv) the program of block grants for
States for temporary assistance for needy
families established under part A of title
IV of the Social Security Act (42 U.S.C.
601 et seq.);

“(v) the special supplemental nutri-
tion program for women, infants, and chil-
dren established by section 17 of the Child
Nutrition Act of 1966 (42 U.S.C. 1786);
and

“(vi) other programs identified by the
Secretary.
“(7) MONTHLY GROSS INCOME.—The term ‘monthly gross income’, when used with respect to a borrower, means—

“(A) the gross amount of income received by the borrower from employment and other sources for the most recent month; or

“(B) one-twelfth of the borrower’s adjusted gross income, as recorded on the borrower’s most recently filed Federal income tax return.

“SEC. 469B. ADDITIONAL TERMS.

“(a) APPLICABLE PART B PROVISIONS.—

“(1) DISCLOSURES.—Except as otherwise provided in this part, each institution of higher education with which the Secretary has an agreement under section 464(a), and each contractor with which the Secretary has a contract under section 493E, shall, with respect to loans under this part comply with each of the requirements under section 433 that apply to the institutions of higher education and contractors described in section 455(p) with respect to loans made under part D.

“(2) OTHER PROVISIONS.—Except as otherwise provided in this part, the following provisions shall apply with respect to loans made under this part in
the same manner that such provisions apply with respect to loans made under part D:

“(A) Section 427(a)(2).

“(B) Section 428(d).

“(C) Section 428F.

“(D) Section 430A.

“(E) Paragraphs (1), (2), (4), and (6) of section 432(a).

“(F) Section 432(i).

“(G) Section 432(l).

“(H) Section 432(m), except that an institution of higher education shall have a separate master promissory note under paragraph (1)(D) of such section for loans made under this part.

“(I) Subsections (a), (c), and (d) of section 437.

“(3) APPLICATION OF PROVISIONS.—Any provision listed under paragraph (1) or (2) that applies to—

“(A) Federal Direct PLUS Loans made on behalf of dependent students shall apply to Federal ONE Parent Loans;

“(B) Federal Direct PLUS Loans made to students shall apply to Federal ONE Loans for graduate or professional students;
“(C) Federal Direct Unsubsidized Stafford loans shall apply to Federal ONE Loans (other than Federal ONE Consolidation Loans) for any student borrower;

“(D) Federal Direct Consolidation Loans shall apply to Federal ONE Consolidation Loans; and

“(E) forbearance shall apply to deferment under section 469A.

“(b) ELIGIBLE STUDENT.—A loan under this part may only be made to a student who—

“(1) is an eligible student under section 484;

“(2) has agreed to notify promptly the Secretary and the applicable contractors with which the Secretary has a contract under section 493E concerning—

“(A) any change of permanent address, telephone number, or email address;

“(B) when the student ceases to be enrolled on at least a half-time basis; and

“(C) any other change in status, when such change in status affects the student’s eligibility for the loan; and

“(3) is carrying at least one-half the normal full-time academic workload for the course of study
the student is pursuing (as determined by the institution).

“(c) Loan Application and Promissory Note.—The common financial reporting form required in section 483(a)(1) shall constitute the application for loans made under this part. The Secretary shall develop, print, and distribute to participating institutions a standard promissory note and loan disclosure form.

“(d) Borrower Defenses.—A borrower of a loan under this part may assert a defense to repayment to such loan under the provisions of section 455(h) that apply to a borrower of a loan made under part D asserting, on or after the date of enactment of the PROSPER Act, a defense to repayment to such loan made under part D.

“(e) Identity Fraud Protection.—The Secretary shall ensure that monthly Federal ONE Loan statements and other publications of the Department do not contain more than four digits of the Social Security number of any individual.

“(f) Authority to Sell Loans.—The Secretary, in consultation with the Secretary of the Treasury, is authorized to sell loans made under this part on such terms determined to be in the best interest of the United States, except that any such sale shall not result in any cost to the Federal Government.”
PART F—NEED ANALYSIS

SEC. 471. COST OF ATTENDANCE.

Section 472 (20 U.S.C. 1087ll) is amended—

(1) by striking paragraph (10); and

(2) by redesignating paragraphs (11), (12), and (13) as paragraphs (10), (11), and (12), respectively.

SEC. 472. SIMPLIFIED NEEDS TEST.

Section 479(b)(1) (20 U.S.C. 1087ss) is amended by striking “$50,000” both places it appears and inserting “$100,000”.

SEC. 473. DISCRETION OF STUDENT FINANCIAL AID ADMINISTRATORS.

Section 479A (20 U.S.C. 1087tt) is amended—

(1) in subsection (a), by striking “financial assistance under section 428H or a Federal Direct Unsubsidized Stafford Loan” and inserting “a Federal Direct Unsubsidized Stafford Loan or a Federal ONE Loan”;

(2) in subsection (c), by striking “part B or D” and inserting “part D or E”; and

(3) by adding at the end the following:

“(d) ADJUSTMENT BASED ON DELIVERY OF INSTRUCTION.—A student’s eligibility to receive grants, loans, or work assistance under this title shall be reduced if a financial aid officer determines, in accordance with
the discretionary authority provided under this section,
that the model or method used to deliver instruction to
the student results in a substantially reduced cost of at-
tendance to the student.”.

SEC. 474. DEFINITIONS OF TOTAL INCOME AND ASSETS.

Section 480 (20 U.S.C. 1087vv) is amended—
(1) in subsection (a)(1), by striking subpara-
graph (B) and inserting the following:

“(B) Notwithstanding section 478(a), the
Secretary shall provide for the use of data from
the second preceding tax year to carry out the
simplification of applications (including sim-
plification for a subset of applications) used for
the estimation and determination of financial
aid eligibility. Such simplification shall include
the sharing of data between the Internal Rev-
ue Service and the Department, pursuant to
the consent of the taxpayer.”; and

(2) in subsection (f)—
(A) in paragraph (2)—
(i) in subparagraph (B), by striking
“or” at the end;
(ii) in subparagraph (C), by striking
the period at the end and inserting “; or”; and
(iii) by adding at the end the following:

“(D) a qualified tuition program (as defined in section 529(b)(1)(A) of the Internal Revenue Code of 1986).”; and

(B) in paragraph (5)(A)(i), by striking “qualified tuition program (as defined in section 529(b)(1)(A) of the Internal Revenue Code of 1986) or other”.

PART G—GENERAL PROVISIONS RELATING TO STUDENT ASSISTANCE

SEC. 481. DEFINITIONS OF ACADEMIC YEAR AND ELIGIBLE PROGRAM.

Section 481 (20 U.S.C. 1088) is amended—

(1) in subsection (a)—

(A) in paragraph (2)(A)—

(i) by striking “For the” and inserting the following: “Except as provided in paragraph (3), for the”; and

(ii) in clause (i), by striking “require a minimum of 30 weeks” and inserting the following: “require—

“(I) a minimum of 30 weeks”;  

(iii) in clause (ii), by striking “re-
(iv) by redesignating clause (ii) as subclause (II); and

(v) by redesignating clause (iii) as clause (ii); and

(B) by adding at the end the following:

“(3)(A) For the purpose of a competency-based education program the term ‘academic year’ shall be the published measured period established by the institution of higher education that is necessary for a student with a normal full-time workload for the course of study the student is pursuing (as measured using the value of competencies or sets of competencies required by such institution and approved by such institution’s accrediting agency or association) to earn—

“(i) one-quarter of a bachelor’s degree;

“(ii) one-half of an associate’s degree; or

“(iii) with respect to a non-degree or graduate program, the equivalent of a period described in clause (i) or (ii).

“(B)(i) A competency-based education program that is not a term-based program may be treated as a term-based program for purposes of establishing payment periods for disbursement of loans and grants under this title if—
“(I) the institution of higher education that offers such program charges a flat subscription fee for access to instruction during a period determined by the institution; and

“(II) the institution is able to determine the competencies a student is expected to demonstrate for such subscription period.

“(ii) Clause (i) shall apply even in a case in which instruction or other work with respect to a competency that is expected to be attributable to a subscription period begins prior to such subscription period.

“(iii) In a case in which a competency-based education program offered by an institution of higher education is treated as a term-based program under clause (i), the institution shall review the academic progress of each student enrolled in such program in accordance with section 484(c), except that such review shall occur at the end of each payment period.”;

(2) by amending subsection (b) to read as follows:
“(b) ELIGIBLE PROGRAM.—(1) For purposes of this title, the term ‘eligible program’ means—

“(A) a program of at least 300 clock hours of instruction, 8 semester hours, or 12 quarter hours, offered during a minimum of 10 weeks; or

“(B) a competency-based program that—

“(i) has been evaluated and approved by an accrediting agency or association that—

“(I) is recognized by the Secretary under subpart 2 of part H; and

“(II) has evaluation of competency-based education programs within the scope of its recognition in accordance with section 496(a)(4)(C); or

“(ii) as of the day before the date of enactment of the PROSPER Act, met the requirements of a direct assessment program under section 481(b)(4) (as such section was in effect on the day before such date of enactment).

“(2) An eligible program described in paragraph (1) may be offered in whole or in part through telecommunications.

“(3) For purposes of this title, the term ‘eligible program’ does not include a program that loses its eligibility under section 481B(a).
“(4)(A) If an eligible institution enters into a written arrangement with an institution or organization that is not an eligible institution under which such ineligible institution or organization provides the educational program (in whole or in part) of students enrolled in the eligible institution, the educational program provided by such ineligible institution shall be considered to be an eligible program if—

“(i) the ineligible institution or organization has not—

“(I) had its eligibility to participate in the programs under this title terminated by the Secretary;

“(II) voluntarily withdrawn from participation in the programs under this title under a proceeding initiated by the Secretary, accrediting agency or association, guarantor, or the licensing agency for the State in which the institution is located, including a termination, show-cause, or suspension;

“(III) had its certification under sub-part 3 of part H to participate in the programs under this title revoked by the Secretary;
“(IV) had its application for recertification under subpart 3 of part H to participate in the programs under this title denied by the Secretary; or

“(V) had its application for certification under subpart 3 of part H to participate in the programs under this title denied by the Secretary;

“(ii) the educational program offered by the institution that grants the degree or certificate otherwise satisfies the requirements of paragraph (1); and

“(iii)(I) the ineligible institution or organization provides 25 percent or less of the educational program; or

“(II)(aa) the ineligible institution or organization provides more than 25 percent of the educational program; and

“(bb) the eligible institution’s accrediting agency or association has determined that the eligible institution’s arrangement meets the agency’s standards for the contracting out of educational services in accordance with section 496(c)(5)(B)(iv).
“(B) For purposes of subparagraph (A), the term ‘eligible institution’ means an institution described in section 487(a).”; and

(3) in subsection (c)(2), by striking “part B of”.

SEC. 482. PROGRAMMATIC LOAN REPAYMENT RATES.

Part G of title IV (20 U.S.C. 1088 et seq. is amended, as amended by section 481, is further amended by inserting after section 481A (20 U.S.C. 1088a) the following:

“SEC. 481B. PROGRAMMATIC LOAN REPAYMENT RATES.

“(a) INELIGIBILITY OF AN EDUCATIONAL PROGRAM BASED ON LOW REPAYMENT RATES.—

“(1) IN GENERAL.—With respect to fiscal year 2016 and each succeeding fiscal year, an educational program at an institution of higher education whose loan repayment rate is less than 45 percent for each of the 3 most recent fiscal years for which data are available shall not be considered an eligible program for the fiscal year in which the determination is made and for the 2 succeeding fiscal years, unless, not later than 30 days after receiving notification from the Secretary of the loss of eligibility under this paragraph, the institution appeals the loss of such program’s eligibility to the Secretary.
“(2) APPEAL.—The Secretary shall issue a decision on any such appeal within 45 days after its submission. Such decision may permit a program to be considered an eligible program, if—

“(A) the institution demonstrates to the satisfaction of the Secretary that—

“(i) the Secretary’s calculation of such program’s loan repayment rate is not accurate; and

“(ii) recalculation would increase such program’s loan repayment rate for any of the 3 fiscal years equal to or greater than 45 percent; or

“(B) the program is not subject to paragraph (1) by reason of paragraph (3).

“(3) PARTICIPATION RATE INDEX.—

“(A) IN GENERAL.—An institution that demonstrates to the Secretary that a program’s participation rate index is equal to or less than 0.11 for any of the 3 most recent fiscal years for which data is available shall not be subject to paragraph (1).

“(B) INDEX CALCULATION.—The participation rate index for a program shall be determined by multiplying—
“(i) the amount of the difference between—

“(I) 1.0; and

“(II) the quotient that results by dividing—

“(aa) the program’s loan repayment rate for a fiscal year, or the weighted average loan repayment rate for a fiscal year, by

“(bb) 100; and

“(ii) the quotient that results by dividing—

“(I) the percentage of the program’s regular students, enrolled on at least a half-time basis, who received a covered loan for a 12-month period ending during the 6 months immediately preceding the fiscal year for which the program’s loan repayment rate or the weighted average loan repayment rate is determined, by

“(II) 100.

“(C) DATA.—An institution shall provide the Secretary with sufficient data to determine the program’s participation rate index not later
than 30 days after receiving an initial notification of the program’s draft loan repayment rate under subsection (d)(4)(C).

“(D) Notification.—Prior to publication of a final loan repayment rate under subsection (d)(4)(A) for a program at an institution that provides the data described in subparagraph (C), the Secretary shall notify the institution of the institution’s compliance or noncompliance with subparagraph (A).

“(b) Repayment Improvement and Assessment of Eligibility Based on Low Loan Repayment Rates.—

“(1) First year.—

“(A) In general.—An institution with a program whose loan repayment rate is less than 45 percent for any fiscal year shall establish a repayment improvement task force to prepare a plan to—

“(i) identify the factors causing such program’s loan repayment rate to fall below such percent;

“(ii) establish measurable objectives and the steps to be taken to improve the program’s loan repayment rate; and
“(iii) specify actions that the institution can take to improve student loan repayment, including appropriate counseling regarding loan repayment options.

“(B) Technical assistance.—Each institution subject to this paragraph shall submit the plan under subparagraph (A) to the Secretary, who shall review the plan and offer technical assistance to the institution to promote improved student loan repayment.

“(2) Second consecutive year.—

“(A) In general.—An institution with a program whose loan repayment rate is less than 45 percent for two consecutive fiscal years, shall—

“(i) require the institution’s repayment improvement task force established under paragraph (1) to review and revise the plan required under such paragraph; and

“(ii) submit such revised plan to the Secretary.

“(B) Review by the Secretary.—The Secretary—
“(i) shall review each revised plan submitted in accordance with this paragraph; and

“(ii) may direct that such plan be amended to include actions, with measurable objectives, that the Secretary determines, based on available data and analyses of student loan repayment and non-repayment, will promote student loan repayment.

“(c) PROGRAMMATIC LOAN REPAYMENT RATE DEFINED.—

“(1) IN GENERAL.—Except as provided in subsection (d), for purposes of this section, the term ‘loan repayment rate’ means, when used with respect to an educational program at an institution—

“(A) with respect to any fiscal year in which 30 or more current and former students in such program enter repayment on a covered loan received for attendance in such program, the percentage of such current and former students—

“(i) who enter repayment in such fiscal year on a covered loan received for attendance in such program; and
“(ii) who are in a positive repayment status on each such covered loan at the end of the second fiscal year following the fiscal year in which such students entered repayment on such loan; and

“(B) with respect to any fiscal year in which fewer than 30 of the current and former students in such program enter repayment on a covered loan received for attendance in such program, the percentage of such current and former students—

“(i) who, in any of the three most recent fiscal years, entered repayment on a covered loan received for attendance in such program; and

“(ii) who are in a positive repayment status on each such covered loan at the end of the second fiscal year following the fiscal year in which such students entered repayment on such loan.

“(2) GUARANTY AGENCY REQUIREMENTS.—The Secretary shall require that each guaranty agency that has insured loans for current or former students of the institution afford such institution a reasonable opportunity (as specified by the Secretary)
to review and correct errors in the information required to be provided to the Secretary by the guaranty agency for the purposes of calculating a loan repayment rate for programs at such institution, prior to the calculation of such rate.

“(3) Positive Repayment Status.—For purposes of this section, the term ‘positive repayment status’, when used with respect to a borrower of a covered loan, means—

“(A) the borrower has entered repayment on such loan, and such loan is less than 90 days delinquent;

“(B) the loan is paid in full (but not through consolidation); or

“(C) with respect to a covered loan that is a Federal ONE Loan, the loan is in a deferment described in 469A(b)(1), and with respect to a covered loan made, insured, or guaranteed under part B or made under part D, the loan is in a deferment or forbearance that is comparable to a deferment described in 469A(b)(1).

“(4) Covered Loan.—For purposes of this section—

“(A) the term ‘covered loan’ means—
“(i) a loan made, insured, or guaranteed under section 428 or 428H;

“(ii) a Federal Direct Stafford Loan;

“(iii) a Federal Direct Unsubsidized Stafford Loan;

“(iv) a Federal Direct PLUS Loan issued to a graduate or professional student;

“(v) a Federal ONE Loan (other than a Federal ONE Parent Loan or a Federal ONE Consolidation Loan not described in clause (vi)); or

“(vi) the portion of a loan made under section 428C, a Federal Direct Consolidation Loan, or a Federal ONE Consolidation Loan that is used to repay any covered loan described in clauses (i) through (v); and

“(B) the term ‘covered loan’ does not include a loan described in subparagraph (A) that has been discharged under section 437(a).

“(d) SPECIAL RULES.—

“(1) IN GENERAL.—In the case of a student who has attended and borrowed at more than one institution of higher education or for more than one
educational program at an institution, the student
(and such student’s subsequent positive repayment
status on a covered loan, if applicable)) shall be at-
tributed to each institution of higher education and
educational program for attendance at which the
student received a loan that entered repayment for
the fiscal year for which the loan repayment rate is
being calculated.

“(2) DELINQUENT.—A loan on which a pay-
ment is made by an institution of higher education,
such institution’s owner, agent, contractor, em-
ployee, or any other entity or individual affiliated
with such institution, in order to prevent the bor-
rower from being more than 90 days delinquent on
the loan, shall be considered more than 90 days de-
linquent for purposes of this subsection.

“(3) REGULATIONS TO PREVENT EVASIONS.—
The Secretary shall prescribe regulations designed to
prevent an institution of higher education from evad-
ing the application of a loan repayment rate deter-
mination under this section to an educational pro-
gram at such institution through—

“(A) the use of such measures as branch-
ing, consolidation, change of ownership or con-
trol, or any similar device; or
“(B) creating a new educational program that is substantially similar to a program determined to be ineligible under subsection (a).

“(4) COLLECTION AND REPORTING OF LOAN REPAYMENT RATES.—

“(A) IN GENERAL.—The Secretary shall publish not less often than once every fiscal year a report showing final loan repayment data for each program at each institution of higher education for which a loan repayment rate is calculated under this section.

“(B) PUBLICATION.—The Secretary shall publish the report described in subparagraph (A) by September 30 of each year.

“(C) DRAFTS.—

“(i) IN GENERAL.—The Secretary shall provide institutions with draft loan repayment rates for each educational program at the institution at least 6 months prior to the release of the final rates under subparagraph (A).

“(ii) CHALLENGE OF DRAFT RATES.—An institution may challenge a program’s draft loan repayment rate provided under clause (i) for any fiscal year by dem-
onstrating to the satisfaction of the Sec-
retary that such draft loan repayment rate
is not accurate.

“(e) TRANSITION PERIOD.—

“(1) DURING THE TRANSITION PERIOD.—Dur-
ing the transition period, the cohort default rate for
each institution of higher education shall be cal-
culated under section 435(m)(1) for each fiscal year
for which such rate has not yet been calculated and
any requirements with respect to such rates shall
continue to apply, except that the loans with respect
to which such cohort default rate shall be calculated
shall be the covered loans defined in subsection
(e)(4).

“(2) AFTER THE TRANSITION PERIOD.—After
the transition period, no new cohort default rates
shall be calculated for an institution of higher edu-
cation and any requirements with respect to such
rates shall cease to apply.

“(3) DEFINITIONS.—For purposes of this sub-
section—

“(A) the term ‘cohort default rate’ has the
meaning given the term in section 435(m); and
“(B) the term ‘transition period’ means
the period—
“(i) beginning on the date of enactment of the PROSPER Act; and

“(ii) ending on the date on which the Secretary has published under subsection (d)(4)(A) the final loan repayment rate for each program at each institution of higher education with respect to each of fiscal years 2016, 2017, and 2018.”.

SEC. 483. MASTER CALENDAR.

Section 482 (20 U.S.C. 1089) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking “February 1” and inserting “January 15”;

(ii) in subparagraph (B), by striking “March 1” and inserting “February 1”;

(iii) in subparagraph (C), by striking “June 1” and inserting “May 1”;

(iv) in subparagraph (D), by striking “August 15” and inserting “July 15”;

(v) by striking subparagraph (E), and redesignating subparagraphs (F) and (G) as subparagraphs (E) and (F), respectively; and
(vi) in subparagraph (E), as so redesignated, by striking “October 1” and inserting “September 1”; and
(vii) in subparagraph (F), as so redesignated, by striking “November 1” and inserting “October 1”;
(B) in paragraph (2)—
(i) in subparagraph (F), by striking “and final Pell Grant payment schedule”;
(ii) in subparagraph (J), by striking “June 1” and inserting “May 1”;
(iii) by redesignating subparagraphs (C) through (J) as subparagraphs (D) through (K), respectively; and
(iv) by inserting after subparagraph (B) the following:
“(C) by November 1: final Pell Grant payment schedule;”; and
(2) in subsection (b)—
(A) by striking “413D(d), 442(d), or 462(i)” and inserting “442(d)” and inserting “part C”.
(B) by striking “the programs under subpart 3 of part A, part C, and part E, respectively” and inserting “part C”.
SEC. 484. FAFSA SIMPLIFICATION.

(a) In general.—Section 483 (20 U.S.C. 1090) is amended—

(1) in subsection (a)(3)—

(A) in subparagraph (E), by adding at the end the following: “Notwithstanding the limitations on sharing data described in this paragraph, an institution of higher education may, with explicit written consent of the applicant, provide such information as is necessary to a scholarship granting organization designated by the applicant to assist the applicant in applying for and receiving financial assistance for the applicant’s education at that institution. An organization that receives information pursuant to the preceding sentence shall not maintain, warehouse, sell, or otherwise store or share such information after it has been used to determine the additional aid available for such applicant and the organization shall destroy the information after such determination has been made.”; and

(B) by adding at the end the following:

“(I) FORMAT.—Not later than 1 year after the date of the enactment of the PROSPER Act, the Secretary shall make the electronic
version of the forms under this paragraph available through a technology tool optimized for use on mobile devices. Such technology tool shall, at minimum, enable applicants to—

“(i) save data; and

“(ii) submit the FAFSA of such applicant to the Secretary through such tool.

“(J) CONSUMER TESTING.—In developing and maintaining the electronic version of the forms under this paragraph and the technology tool for mobile devices under subparagraph (I), the Secretary shall conduct consumer testing with appropriate persons to ensure the forms and technology tool are designed to be easily usable and understandable by students and families. Such consumer testing shall include—

“(i) current and prospective college students, family members of such students, and other individuals with expertise in student financial assistance application processes;

“(ii) dependent students and independent students who meet the requirements under subsection (b) or (c) of section 479; and
“(iii) dependent students and independent students who do not meet the requirements under subsection (b) or (c) of section 479.”; and

(2) by amending subsection (f) to read as follows:

“(f) USE OF INTERNAL REVENUE SERVICE DATA RETRIEVAL TOOL TO POPULATE FAFSA.—

“(1) SIMPLIFICATION EFFORTS.—The Secretary shall—

“(A) make every effort to allow applicants to utilize the current data retrieval tool to transfer, through a rigorous authentication process, data available from the Internal Revenue Service to reduce the amount of original data entry by applicants and strengthen the reliability of data used to calculate expected family contributions, including through the use of technology to—

“(i) allow an applicant to automatically populate the electronic version of the forms under this paragraph with data available from the Internal Revenue Service; and
“(ii) direct an applicant to appropriate questions on such forms based on the applicant’s answers to previous questions; and

“(B) allow single taxpayers, married taxpayers filing jointly, and married taxpayers filing separately to utilize the current data retrieval tool to its full capacity.

“(2) USE OF TAX RETURN IN APPLICATION PROCESS.—The Secretary shall continue to examine whether data provided by the Internal Revenue Service can be used to generate an expected family contribution without additional action on the part of the student and taxpayer.

“(3) REPORTS ON FAFSA SIMPLIFICATION EFFORTS.—Not less than once every year, the Secretary shall report to the authorizing committees on—

“(A) the progress of the simplification efforts under this subsection; and

“(B) the security of the data retrieval tool.”.

(b) TECHNICAL AMENDMENT.—Section 483(a)(9)(C) (20 U.S.C. 1090(a)(9)(C)) is amended by inserting “, in
SEC. 485. STUDENT ELIGIBILITY.

Section 484 (20 U.S.C. 1091) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “a degree, certificate, or other program (including a program of study abroad approved for credit by the eligible institution at which such student is enrolled) leading to a” and inserting “an eligible program (including a program of study abroad approved for credit by the eligible institution at which such student is enrolled) leading to a degree, certificate, or other”; and

(B) in paragraph (3), by inserting “as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act,” after “part E,”;

(2) in subsection (b)—

(A) in paragraph (3)(B), by striking “part B or D” and inserting “part B, D, or E”; and

(B) by adding at the end the following:

“(6) For purposes of competency-based education, in order to be eligible to receive any loan under this title for an award year, a student may be enrolled in coursework...
attributable only to 2 academic years within the award year.”;

(3) in subsection (c)—

(A) in paragraph (1)—

(i) in subparagraph (A)—

(I) by inserting “least as frequently as” before “the end of each”;

and

(II) by striking “, and” at the end and inserting a semicolon;

(ii) in subparagraph (B)—

(I) by striking “the student has a cumulative” and inserting the following: “the student has—

“(i) a cumulative”;

(II) by striking “the second” and inserting “each”; 

(III) by striking the period at the end and inserting “; or” ; and

(IV) by adding at the end the following:

“(ii) for the purposes of competency-based programs, a non-grade equivalent demonstration of academic standing consistent with the requirements for gradua-
tion, as determined by the institution, at
the end of each such academic year; and’’;
and
(iii) by adding at the end the fol-
lowing:

“(C) the student maintains a pace in his or her
educational program that—

“(i) ensures that the student completes the
program within the maximum timeframe; and

“(ii) is measured by a method determined
by the institution which may be based on credit
hours, clock hours, or competencies com-
pleted.”;

(B) in paragraph (2), by striking “grading
period” and inserting “evaluation period”; and

(C) by adding at the end the following:

“(4) For purposes of this subsection, the term ‘max-
imum timeframe’ means—

“(A) with respect to an undergraduate program
measured in credit hours, a period that is no longer
than 150 percent of the published length of the edu-
cational program, as measured in credit hours;

“(B) with respect to an undergraduate program
measured in competencies, a period that is no longer
than 150 percent of the published length of the educational program, as measured in competencies;

“(C) with respect to an undergraduate program measured in clock hours, a period that is no longer than 150 percent of the published length of the educational program, as measured by the cumulative number of clock hours the student is required to complete and expressed in calendar time; and

“(D) with respect to a graduate program, a period defined by the institution that is based on the length of the educational program.”;

(4) by amending subsection (d) to read as follows:

“(d) ADDITIONAL STUDENT ELIGIBILITY.—

“(1) ABILITY TO BENEFIT STUDENTS.—In order for a student who does not have a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, to be eligible for any assistance under subpart 1 of part A and parts C, D, and E of this title, the student shall be determined by the institution of higher education as having the ability to benefit from the education offered by the institution of higher education upon satisfactory completion of 6 credit hours or the equivalent coursework that are applica-
ble toward a degree or certificate offered by the institution of higher education.

“(2) HOMESCHOOL STUDENTS.—A student who has completed a secondary school education in a home school setting that is treated as a home school or private school under State law shall be eligible for assistance under subpart 1 of part A and parts C, D, and E of this title.

“(3) SECONDARY EDUCATION PROVIDED BY NONPROFIT CORPORATIONS.—A student who has completed a secondary education provided by a school operating as a nonprofit corporation that offers a program of study determined acceptable for admission at an institution of higher education shall be eligible for assistance under subpart 1 of part A and parts C, D, and E of this title”.

(5) in subsection (f)(1), by striking “or part E” both places it appears and inserting the following: “, part E (as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act), or part E (as in effect on or after the date of enactment of the PROSPER Act)”;

(6) by striking subsection (l);

(7) in subsection (n)—
(A) by striking “(n) DATA BASE MATCHING.—To enforce”; and inserting the following:

“(n) SELECTIVE SERVICE REGISTRATION.—

“(1) DATA BASE MATCHING.—To enforce”; and

(B) by adding at the end the following:

“(2) EFFECT OF FAILURE TO REGISTER FOR SELECTIVE SERVICE.—A person who is 26 years of age or older shall not be ineligible for assistance or a benefit provided under this title by reason of failure to present himself for, and submit to, registration under section 3 of the Military Selective Service Act (50 U.S.C. 3802).”; and

(8) by redesignating subsections (m) through (t) as subsections (l) through (s).

SEC. 486. STATUTE OF LIMITATIONS.

Section 484A (20 U.S.C. 1088) is amended—

(1) in subsection (a)(2)(C)—

(A) by striking “or section 463(a)” and inserting “, section 463(a) (as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act), or section 463 (as in effect on or after the date of enactment of the PROSPER Act)”;}
(B) by striking “or E” and inserting “, E
(as in effect on the day before the date of en-
actment of the PROSPER Act and pursuant to
section 461(a) of such Act), or E (as in effect
on or after the date of enactment of the PROS-
PER Act)”; and

(2) in subsection (b)—

(A) by striking “and” at the end of para-
graph (2);

(B) in paragraph (3)—

(i) by inserting “(as in effect on the
day before the date of enactment of the
PROSPER Act and pursuant to section
461(a) of such Act)” after “part E”;

(ii) by inserting “(as so in effect)”
after “section 463(a)”; and

(iii) by adding “and” at the end; and

(C) by adding at the end the following:

“(4) in collecting any obligation arising from a
loan made under part E (as in effect on or after the
date of enactment of the PROSPER Act), an insti-
tution of higher education that has an agreement
with the Secretary pursuant to section 463(a) (as so
in effect) shall not be subject to a defense raised by
any borrower based on a claim of infancy.”.
SEC. 487. INSTITUTIONAL REFUNDS.

Section 484B (20 U.S.C. 1091b) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking “If a recipient” and inserting the following:

“(A) CONSEQUENCE OF WITHDRAWAL.—If a recipient”; and

(ii) by adding at the end the following:

“(B) SPECIAL RULE.—For purposes of subparagraph (A), a student—

“(i) who is enrolled in a program offered in modules is not considered withdrawn if the change in the student’s attendance constitutes a change in enrollment status within the payment period rather than a discontinuance of attendance within the payment period; and

“(ii) is considered withdrawn if the student follows the institution’s official withdrawal procedures or leaves without notifying the institution and has not returned before the end of the payment period.”;

(B) in paragraph (3)—
(i) in subparagraph (B), by striking clauses (i) and (ii) and inserting the following:

“(i) 0 percent, if the day the student withdrew occurs when the student has completed (as determined in accordance with subsection (d)) 0 to 24 percent of the payment period or period of enrollment;

“(ii) 25 percent, if the day the student withdrew occurs when the student has completed (as determined in accordance with subsection (d)) 25 to 49 percent of the payment period or period of enrollment;

“(iii) 50 percent, if the day the student withdrew occurs when the student has completed (as determined in accordance with subsection (d)) 50 to 74 percent of the payment period or period of enrollment; or

“(iv) 75 percent, if the day the student withdrew occurs when the student has completed (as determined in accordance with subsection (d)) 75 to 99 percent of
the payment period or period of enrollment.”.

(ii) in subparagraph (C)(i), by striking “subparts 1 and 3 of part A, or loan assistance under parts B, D,” and inserting “subpart 1 of part A or loan assistance under parts D”; and

(C) in paragraph (4)—

(i) in subparagraph (A), by striking “Secretary), the institution of higher education shall contact the borrower” and inserting “Secretary), the institution of higher education shall have discretion to determine whether all or a portion of the late or post-withdrawal disbursement should be made, under a publicized institutional policy. If the institution of higher education determines that a disbursement should be made, the institution shall contact the borrower”; and

(ii) in subparagraph (B) by striking “institution or the student, or both, as may be required under paragraphs (1) and (2) of subsection (b), to the programs under this title in the order specified in”
and inserting “institution, as may be re-
quired under paragraph (1) of subsection
(b), to the programs under this title in ac-
cordance with”;

(2) by amending subsection (b) to read as fol-
lows:

“(b) RETURN OF TITLE IV PROGRAM FUNDS.—

“(1) RESPONSIBILITY OF THE INSTITUTION.—
The institution shall return not later than 60 days
from the determination of withdrawal, in accordance
with paragraph (3), the amount of grant and loan
assistance awarded under this title that has not been
earned by the student, as calculated under sub-
section (a)(3)(C).

“(2) RESPONSIBILITY OF THE STUDENT.—

“(A) IN GENERAL.—The student is not re-
sponsible to return assistance that has not been
earned, except that the institution may require
the student to pay to the institution up to 10
percent of the amount owed by the institution
in paragraph (1).

“(B) RULE OF CONSTRUCTION.—Nothing
in this section shall be construed to prevent an
institution from enforcing the published institu-
tional refund policies of such institution.
“(3) ORDER OF RETURN OF TITLE IV FUNDS.—

“(A) IN GENERAL.—Excess funds returned by the institution in accordance with paragraph (1) shall be credited to awards under subpart 1 of part A for the payment period or period of enrollment for which a return of funds is required.

“(B) REMAINING EXCESSES.—If excess funds remain after repaying all outstanding grant amounts, the remaining excess shall be credited in the following order:

“(i) To outstanding balances on loans made under this title to the student or on behalf of the student for the payment period or period of enrollment for which a return of funds is required.

“(ii) To other assistance awarded under this title for which a return of funds is required.”;

(3) by amending subsection (c) to read as follows:

“(c) WITHDRAWAL DATE.—

“(1) IN GENERAL.—In this section, the term ‘day the student withdrew’—
“(A) for institutions not required to take attendance, is the date as determined by the institution that—

“(i) the student began the withdrawal process prescribed and publicized by the institution, or a later date if the student continued attendance despite beginning the withdrawal process, but did not then complete the payment period; or

“(ii) in the case of a student who does not begin the withdrawal process, the date that is the mid-point of the payment period for which assistance under this title was disbursed or another date documented by the institution; or

“(B) for institutions required to take attendance, is determined by the institution from such attendance records.

“(2) Special rule.—Notwithstanding paragraph (1), if the institution determines that a student did not begin the withdrawal process, due to illness, accident, grievous personal loss, or other such circumstances beyond the student’s control, the institution may determine the appropriate withdrawal date under its own defined policies.
“(3) ATTENDANCE.—An institution is required
to take attendance if an institution’s accrediting
agency or State licensing agency has a requirement
that the institution take attendance for all students
in an academic program throughout the entire pay-
tment period.”; and

(4) by striking subsections (d) and (e).

SEC. 488. INFORMATION DISSEMINATED TO PROSPECTIVE
AND ENROLLED STUDENTS.

(a) USE OF WEBSITE TO DISSEMINATE INFORMATION.—Section 485(a)(1) (20 U.S.C. 1092(a)(1)) is amended in the matter preceding subparagraph (A) by
striking the second and third sentences and inserting the
following: “The information required by this section shall
be produced and be made readily available to enrolled and
prospective students on the institution’s website (or in
other formats upon request).”.

(b) INFORMATION ON PROHIBITING COPYRIGHT INFRINGEMENT.—Section 485(a)(1)(P) (20 U.S.C.
1092(a)(1)(P)) is amended by striking “, including—”
and all that follows and inserting a period.

(c) ELIMINATION OF CERTAIN REPORTING REQUIREMENTS.—

(1) IN GENERAL.—Section 485(a)(1) (20
U.S.C. 1092(a)(1)) is amended—
(A) by striking subparagraph (L);

(B) by redesignating subparagraphs (M) through (P) as subparagraphs (L) through (O); and

(C) by striking subparagraphs (Q) through (V) and inserting the following:

“(P) the fire safety report prepared by the institution pursuant to subsection (i); and

“(Q) the link to the institution’s information on the College Dashboard website operated under section 132.”.

(2) CONFORMING AMENDMENTS.—Section 485(a) (20 U.S.C. 1092(a)) is amended by striking paragraphs (3) through (7).

(d) EXIT COUNSELING.—Section 485(b) (20 U.S.C. 1092(b)) is amended—

(1) in paragraph (1)(A)—

(A) in the matter preceding clause (i)—

(i) by striking “through financial aid offices or otherwise” and inserting “through the use of an interactive program, during an exit counseling session that is in-person or online, or through the use of the online counseling tool described in subsection (n)(1)(A)”; and
(ii) by inserting ‘‘, as in effect on the
day before the date of enactment of the
PROSPER Act and pursuant to section
461(a) of such Act or made under part E
(other than Federal ONE Parent Loans),
as in effect on or after the date of enact-
ment of the PROSPER Act’’ after ‘‘part
E’’;

(B) by redesignating clauses (i) through
(ix) as clauses (iv) through (xii), respectively;

(C) by inserting before clause (iv), as so
redesignated, the following:

‘‘(i) a summary of the outstanding
balance of principal and interest due on
the loans made to the borrower under this
title;

‘‘(ii) an explanation of the grace pe-
period preceding repayment and the expected
date that the borrower will enter repay-
ment;

‘‘(iii) an explanation of cases of inter-
est capitalization and that the borrower
has the option to pay any interest that has
accrued while the borrower was in school
or that may accrue during the grace period
preceding repayment or during an authorized period of deferment or forbearance, prior to the capitalization of the interest;”;
(D) in clause (iv), as so redesignated—
   (i) by striking “sample information showing the average” and inserting “information, based on the borrower’s outstanding balance described in clause (i), showing the borrower’s”; and
   (ii) by striking “of each plan” and inserting “of at least the standard repayment plan and the income-based repayment plan under section 466(d)”;
(E) in clause (ix), as so redesignated—
   (i) by inserting “decreased credit score,” after “credit reports,”; and
   (ii) by inserting “potential reduced ability to rent or purchase a home or car, potential difficulty in securing employment,” after “Federal law,”;
(F) in clause (x), as so redesignated, by striking “consolidation loan under section 428C or a”;
(G) in clauses (xi) and (xii), as so redesignated, by striking “and” at the end; and
(H) by adding at the end the following:

“(xiii) for each of the borrower’s loans made under this title for which the borrower is receiving counseling under this subsection, the contact information for the servicer of the loan and a link to the Website of such servicer; and

“(xiv) an explanation that an individual has a right to annually request a disclosure of information collected by a consumer reporting agency pursuant to section 612(a) of the Fair Credit Reporting Act (15 U.S.C. 1681j(a)).”;

(2) in paragraph (1)(B)—

(A) by inserting “online or” before “in writing”; and

(B) by adding before the period at the end the following: “, except that in the case of an institution using the online counseling tool described in subsection (n)(1)(A), the Secretary shall attempt to provide such information to the student in the manner described in subsection (n)(3)(C)”; and

(3) in paragraph (2)(C), by inserting “, such as the online counseling tool described in subsection (n)(1)(A),” after “electronic means”.
(e) Departmental Publication of Descriptions of Assistance Programs.—The third sentence of section 485(d)(1) (20 U.S.C. 1092(d)(1)) is amended by striking “part D” and inserting “part D or E”.

(f) Amendments to Clery Act.—

(1) Preventing interference with criminal justice proceedings; timely warnings; consistency of institutional crime reporting.—Section 485(f) (20 U.S.C. 1092(f)) is amended—

(A) by striking paragraph (3) and inserting the following:

“(3) Each institution participating in any program under this title, other than a foreign institution of higher education, shall make timely reports to the campus community on crimes described in paragraph (1)(F) that have been reported to campus security officials and pose a serious and continuing threat to other students and employees’ safety. Such reports shall withhold the names of victims as confidential and shall be provided in a timely manner, except that an institution may delay issuing a report if the issuance would compromise ongoing law enforcement efforts, such as efforts to apprehend a suspect. The report shall also include information
designed to assist students and employees in staying safe and avoiding similar occurrences to the extent such information is available and appropriate to include. In assessing institutional compliance with this section, the Secretary shall defer to the institution’s determination of whether a particular crime poses a serious and continuing threat to the campus community, and the timeliness of such warning, provided that, in making its decision, the institution acted reasonably and based on the considered professional judgement of campus security officials, based on the facts and circumstances known at the time.”;

(B) by redesignating paragraph (18) as paragraph (20); and

(C) by inserting after paragraph (17) the following:

“(18) Nothing in this subsection may be construed to prohibit an institution of higher education from delaying the initiation of, or suspending, an investigation or institutional disciplinary proceeding involving an allegation of sexual assault in response to a request from a law enforcement agency or a prosecutor to delay the initiation of, or suspend, the investigation or proceeding, and any delay or suspension of such an investigation or proceeding in response to such a request may not serve as the grounds
for any sanction or audit finding against the institution
or for the suspension or termination of the institution’s
participation in any program under this title.

“(19)(A) Reporting carried out under this subsection
shall be conducted in a manner to ensure maximum con-
sistency with the Uniform Crime Reporting Program of
the Department of Justice.

“(B) The Secretary shall require institutions of high-
er education to report crime statistics under this section
using definitions of such crimes, when available, from the
Uniform Crime Reporting Program of the Department of
Justice.

“(C) The Secretary shall maintain a publicly avail-
able and updated list of all applicable definitions from the
Uniform Crime Reporting Program of the Department of
Justice.

“(D) With respect to a report under this subsection,
in the case of a crime for which no Uniform Crime Report-
ing Program of the Department of Justice definition ex-
ists, the Secretary shall require that institutions of higher
education report such crime according to a definition pro-
vided by the Secretary.

“(E) An institution of higher education that reports
a crime described in subparagraph (D) shall not be subject
to any penalty or fine for reporting inaccuracies or omis-
sions if the institution of higher education can dem-
onstrate that it made a reasonable and good faith effort
to report crimes consistent with the definition provided by
the Secretary.

“(F) With respect to a report under this subsection,
the Secretary shall require institutions of higher education
to follow the Hierarchy Rule for reporting crimes under
the Uniform Crime Reporting Program of the Department
of Justice, so as to minimize duplicate reporting and en-
sure greater consistency with national crime reporting sys-
tems.”.

(2) DUE PROCESS REQUIREMENTS FOR INSTITU-
TIONAL DISCIPLINARY PROCEEDINGS.—Section
is amended to read as follows:

“(I) the investigation of the allegation
and any institutional disciplinary pro-
ceeding in response to the allegation shall
be prompt, impartial, and fair to both the
accuser and the accused by, at a min-
imum—

“(aa) providing all parties to the
proceeding with adequate written no-
tice of the allegation not later than 2
weeks prior to the start of any formal
hearing or similar adjudicatory proceeding, and including in such notice a description of all rights and responsibilities under the proceeding, a statement of all relevant details of the allegation, and a specific statement of the sanctions which may be imposed;

“(bb) providing each person against whom the allegation is made with a meaningful opportunity to admit or contest the allegation;

“(cc) ensuring that all parties to the proceeding have access to all material evidence not later than one week prior to the start of any formal hearing or similar adjudicatory proceeding;

“(dd) ensuring that the proceeding is carried out free from conflicts of interest by ensuring that there is no commingling of administrative or adjudicative roles; and

“(ee) ensuring that the investigation and proceeding shall be conducted by officials who receive annual
education on issues related to domestic violence, dating violence, sexual assault, and stalking, and on how to conduct an investigation and an institutional disciplinary proceeding that protects the safety of victims, ensures fairness for both the accuser and the accused, and promotes accountability;”.

(3) Establishment of standard of evidence for institutional disciplinary proceedings.—

(A) Inclusion in statement of policy.—Section 485(f)(8)(B) (20 U.S.C. 1092(f)(8)(B)) is amended by adding at the end the following new clause:

“(viii) The establishment of a standard of evidence that will be used in institutional disciplinary proceedings involving allegations of sexual assault, which may be based on such standards and criteria as the institution considers appropriate (including the institution’s culture, history, and mission, the values reflected in its student code of conduct, and the purpose of the institutional disciplinary pro-
cearrings) so long as the standard is not arbitrary or capricious and is applied consistently throughout all such proceedings.”.


(i) by striking “and” at the end of subclause (II);

(ii) by striking the period at the end of subclause (III) and inserting “; and”;

and

(iii) by adding at the end the following new subclause:

“(IV) in the case of a proceeding involving an allegation of sexual assault, such proceedings shall be conducted in accordance with the standard of evidence established by the institution under clause (viii), together with a clear statement describing such standard of evidence.”.

(4) EDUCATION MODULES FOR OFFICIALS CONDUCTING INVESTIGATIONS AND INSTITUTIONAL DISCIPLINARY PROCEEDINGS.—Section 485(f)(8) (20 U.S.C. 1092(f)(8)) is amended by adding at the end the following new subparagraph:
“(D) In consultation with experts from institutions of higher education, law enforcement agencies, advocates for sexual assault victims, experts in due process, and other appropriate persons, the Secretary shall create and regularly update modules which an institution of higher education may use to provide the annual education described in subparagraph (B)(iv)(I)(ee) for officials conducting investigations and institutional disciplinary proceedings involving allegations described in such subparagraph. If the institution uses such modules to provide the education described in such subparagraph, the institution shall be considered to meet any requirement under such subparagraph or any other Federal law regarding the education provided to officials conducting such investigations and proceedings.”.

(g) Modification of Certain Reporting Requirements.—

(1) Fire safety.—Section 485(i) (20 U.S.C. 1092(i)) is amended to read as follows:

“(i) Fire Safety Reports.—

“(1) Annual report.—Each eligible institution participating in any program under this title that maintains on-campus student housing facilities shall, on an annual basis, publish a fire safety re-
port, which shall contain information with respect to
the campus fire safety practices and standards of
that institution, statistics on any fire related inci-
dents or injuries, and any preventative measures or
technologies.

“(2) RULES OF CONSTRUCTION.—Nothing in
this subsection shall be construed to—

“(A) authorize the Secretary to require
particular policies, procedures, programs, or
practices by institutions of higher education
with respect to fire safety;

“(B) affect section 444 of the General
Education Provisions Act (commonly known as
the ‘Family Education Rights and Privacy Act
of 1974’) or the regulations issued under sec-
tion 264 of the Health Insurance Portability
and Accountability Act of 1996 (42 U.S.C.
1320d-2 note);

“(C) create a cause of action against any
institution of higher education or any employee
of such an institution for any civil liability; or

“(D) establish any standard of care.

“(3) EVIDENCE.—Notwithstanding any other
 provision of law, evidence regarding compliance or
noncompliance with this subsection shall not be ad-
missible as evidence in any proceeding of any court, agency, board, or other entity, except with respect to an action to enforce this subsection.”.

(2) MISSING PERSONS PROCEDURES.—

(A) IN GENERAL.—Section 485(j)(1) (20 U.S.C. 1092(j)(1)) is amended to read as follows:

“(1) IN GENERAL.—Each institution of higher education that provides on-campus housing and participates in any program under this title shall establish a missing student policy for students who reside in on-campus housing that, at a minimum, informs each residing student that the institution will notify such student’s designated emergency contact and the appropriate law enforcement agency not later than 24 hours after the time that the student is determined missing, and in the case of a student who is under 18 years of age, the institution will notify a custodial parent or guardian.”.

(B) RULE OF CONSTRUCTION.—Section 485(j)(2) (20 U.S.C. 1092(j)(2)) is amended—

(i) by striking “or” at the end of sub-paragraph (A);
(ii) by striking the period at the end of subparagraph (B) and inserting “; or”; and

(iii) by adding at the end the following new subparagraph:

“(C) to require an institution of higher education to maintain separate missing student emergency contact information, so long as the institution otherwise has an emergency contact for students residing on campus.”.

(h) ANNUAL COUNSELING.—Section 485(l) (20 U.S.C. 1092(l)) is amended to read as follows:

“(l) ANNUAL FINANCIAL AID COUNSELING.—

“(1) ANNUAL DISCLOSURE REQUIRED.—

“(A) IN GENERAL.—Each eligible institution shall ensure that each individual enrolled at such institution who receives a Federal Pell Grant or a loan made under this title (other than a Federal Direct Consolidation Loan or Federal ONE Consolidation Loan) receives comprehensive information on the terms and conditions of such Federal Pell Grant or loan and the responsibilities the individual has with respect to such Federal Pell Grant or loan. Such information shall be provided, for each
award year for which the individual receives
such Federal Pell Grant or loan, in a simple
and understandable manner—

“(i) during a counseling session con-
ducted in person;

“(ii) online, with the individual ac-
know ledging receipt of the information; or

“(iii) through the use of the online
counseling tool described in subsection
(n)(1)(B).

“(B) USE OF INTERACTIVE PROGRAMS.—
In the case of institutions not using the online
counseling tool described in subsection
(n)(1)(B), the Secretary shall require such in-
stitutions to carry out the requirements of sub-
paragraph (A)—

“(i) through the use of interactive
programs;

“(ii) during an annual counseling ses-
sion that is in-person or online that tests
the individual’s understanding of the terms
and conditions of the Federal Pell Grant
or loan awarded to the student; and

“(iii) using simple and understandable
language and clear formatting.
“(2) ALL INDIVIDUALS.—The information to be provided under paragraph (1) to each individual receiving counseling under this subsection shall include the following:

“(A) An explanation of how the student may budget for typical educational expenses and a sample budget based on the cost of attendance for the institution.

“(B) An explanation that an individual has a right to annually request a disclosure of information collected by a consumer reporting agency pursuant to section 612(a) of the Fair Credit Reporting Act (15 U.S.C. 1681j(a)).

“(C) Based on the most recent data available from the American Community Survey available from the Department of Commerce, the estimated average income and percentage of employment in the State of domicile of the borrower for persons with—

“(i) a high school diploma or equivalent;

“(ii) some post-secondary education without completion of a degree or certificate;

“(iii) an associate’s degree;
“(iv) a bachelor’s degree; and

“(v) a graduate or professional degree.

“(D) An introduction to the financial management resources provided by the Financial Literacy and Education Commission.

“(3) STUDENTS RECEIVING FEDERAL PELL GRANTS.—The information to be provided under paragraph (1) to each student receiving a Federal Pell Grant shall include the following:

“(A) An explanation of the terms and conditions of the Federal Pell Grant.

“(B) An explanation of approved educational expenses for which the student may use the Federal Pell Grant.

“(C) An explanation of why the student may have to repay the Federal Pell Grant.

“(D) An explanation of the maximum number of semesters or equivalent for which the student may be eligible to receive a Federal Pell Grant, and a statement of the amount of time remaining for which the student may be eligible to receive a Federal Pell Grant.

“(E) An explanation that if the student transfers to another institution not all of the
434

student’s courses may be acceptable to apply to-
ward meeting specific degree or program re-
quirements at such institution, but the amount
of time remaining for which a student may be
eligible to receive a Federal Pell Grant, as pro-
vided under subparagraph (D), will not change.

“(F) An explanation of how the student
may seek additional financial assistance from
the institution’s financial aid office due to a
change in the student’s financial circumstances,
and the contact information for such office.

“(4) BORROWERS RECEIVING LOANS MADE
THIS TITLE (OTHER THAN FEDERAL DIRECT PLUS
LOANS MADE ON BEHALF OF DEPENDENT STUD-
ENTS OR FEDERAL ONE PARENT LOANS).—The in-
formation to be provided under paragraph (1) to a
borrower of a loan made under this title (other than
other than a Federal Direct PLUS Loan made on
behalf of a dependent student or a Federal ONE
Parent Loan) shall include the following:

“(A) To the extent practicable, the effect
of accepting the loan to be disbursed on the eli-
gibility of the borrower for other forms of stu-
dent financial assistance.
“(B) An explanation of the use of the master promissory note.

“(C) An explanation that the borrower is not required to accept the full amount of the loan offered to the borrower.

“(D) An explanation that the borrower should consider accepting any grant, scholarship, or State or Federal work-study jobs for which the borrower is eligible prior to accepting Federal student loans.

“(E) An explanation of treatment of loans made under this title and private education loans in bankruptcy, and an explanation that if a borrower decides to take out a private education loan—

“(i) the borrower has the ability to select a private educational lender of the borrower’s choice;

“(ii) the proposed private education loan may impact the borrower’s potential eligibility for other financial assistance, including Federal financial assistance under this title; and

“(iii) the borrower has a right—
“(I) to accept the terms of the private education loan within 30 calendar days following the date on which the application for such loan is approved and the borrower receives the required disclosure documents, pursuant to section 128(e)(6) of the Truth in Lending Act; and

“(II) to cancel such loan within 3 business days of the date on which the loan is consummated, pursuant to section 128(e)(7) of such Act.

“(F) An explanation of the approved educational expenses for which the borrower may use a loan made under this title.

“(G) Information on the annual and aggregate loan limits for a loan made under this title.

“(H) Information on interest, including the annual percentage rate of such loan, as calculated using the standard 10-year repayment term, and how interest accrues and is capitalized during periods when the interest is not paid by the borrower.
“(I) The option of the borrower to pay the interest while the borrower is in school.

“(J) The definition of half-time enrollment at the institution, during regular terms and summer school, if applicable, and the consequences of not maintaining at least half-time enrollment.

“(K) An explanation of the importance of contacting the appropriate offices at the institution of higher education if the borrower withdraws prior to completing the borrower’s program of study so that the institution can provide exit counseling, including information regarding the borrower’s repayment options and loan consolidation.

“(L) For a first-time borrower or a borrower of a loan under this title who owes no principal or interest on such loan—

“(i) a statement of the anticipated balance on the loan for which the borrower is receiving counseling under this subsection;

“(ii) based on such anticipated balance, the anticipated monthly payment amount under, at minimum—
“(I) the standard repayment plan; and

“(II) an income-based repayment plan under section 466(d) or 493C, as determined using available percentile data from the Bureau of Labor Statistics of the starting salary for the occupation in which the borrower has an interest in or intends to be employed; and

“(iii) an estimate of the projected monthly payment amount under each repayment plan described in clause (ii), based on the average cumulative indebtedness at graduation for borrowers of loans made under this title who are in the same program of study as the borrower.

“(M) For a borrower with an outstanding balance of principal or interest due on a loan made under this title—

“(i) a current statement of the amount of such outstanding balance and interest accrued;

“(ii) based on such outstanding balance, the anticipated monthly payment
amount under the standard repayment plan, and the income-based repayment plan under section 466(d) or 493C, as determined using available percentile data from the Bureau of Labor Statistics of the starting salary for the occupation the borrower intends to be employed; and

“(iii) an estimate of the projected monthly payment amount under each repayment plan described in clause (ii), based on—

“(I) the outstanding balance described in clause (i);

“(II) the anticipated outstanding balance on the loan for which the student is receiving counseling under this subsection; and

“(III) a projection for any other loans made under this title that the borrower is reasonably expected to accept during the borrower’s program of study based on at least the expected increase in the cost of attendance of such program.
“(N) The obligation of the borrower to repay the full amount of the loan, regardless of whether the borrower completes or does not complete the program in which the borrower is enrolled within the regular time for program completion.

“(O) The likely consequences of default on the loan, including adverse credit reports, delinquent debt collection procedures under Federal law, and litigation, and a notice of the institution’s most recent loan repayment rate (as defined in section 481B) for the educational program in which the borrower is enrolled, an explanation of the loan repayment rate, and the most recent national average loan repayment rate for an educational program.

“(P) Information on the National Student Loan Data System and how the borrower can access the borrower’s records.

“(Q) The contact information for the institution’s financial aid office or other appropriate office at the institution the borrower may contact if the borrower has any questions about the borrower’s rights and responsibilities or the terms and conditions of the loan.
“(5) Borrowers receiving Federal Direct
plus loans for dependent students or Federal One Parent Loans.—The information to be
provided under paragraph (1) to a borrower of a
Federal Direct PLUS Loan for a dependent student
or a Federal ONE Parent Loan shall include the fol-

lowing:

“(A) The information described in sub-
paragraphs (A) through (C) and (N) through
(Q) of paragraph (4).

“(B) An explanation of the treatment of
the loan and private education loans in bank-
ruptcy.

“(C) Information on the annual and aggre-
gate loan limits.

“(D) Information on the annual percent-
age rate of the loan.

“(E) The option of the borrower to pay the
interest on the loan while the loan is in
deferment.

“(F) For a first-time borrower of a loan or
a borrower of a loan under this title who owes
no principal or interest on such loan—

“(i) a statement of the anticipated
balance on the loan for which the borrower
is receiving counseling under this subsection;

“(ii) based on such anticipated balance, the anticipated monthly payment amount under the standard repayment plan; and

“(iii) an estimate of the projected monthly payment amount under the standard repayment plan, based on the average cumulative indebtedness of other borrowers of loans made under this title on behalf of dependent students who are in the same program of study as the student on whose behalf the borrower borrowed the loan.

“(G) For a borrower with an outstanding balance of principal or interest due on such loan—

“(i) a statement of the amount of such outstanding balance;

“(ii) based on such outstanding balance, the anticipated monthly payment amount under the standard repayment plan; and
“(iii) an estimate of the projected monthly payment amount under the standard repayment plan, based on—

“(I) the outstanding balance described in clause (i);

“(II) the anticipated outstanding balance on the loan for which the borrower is receiving counseling under this subsection; and

“(III) a projection for any other Federal Direct PLUS Loan made on behalf of the dependent student or Federal ONE Parent Loan that the borrower is reasonably expected to accept during the program of study of such student based on at least the expected increase in the cost of attendance of such program.

“(H) Debt management strategies that are designed to facilitate the repayment of such indebtedness.

“(I) An explanation that the borrower has the options to prepay each loan, pay each loan on a shorter schedule, and change repayment plans.
“(J) For each Federal Direct PLUS Loan and each Federal ONE Parent Loan for which the borrower is receiving counseling under this subsection, the contact information for the loan servicer of the loan and a link to such servicer’s Website.

“(6) ANNUAL LOAN ACCEPTANCE.—Prior to making the first disbursement of a loan made under this title (other than a Federal Direct Consolidation Loan or Federal ONE Consolidation Loan) to a borrower for an award year, an eligible institution, shall, as part of carrying out the counseling requirements of this subsection for the loan, ensure that after receiving the applicable counseling under paragraphs (2), (4), and (5) for the loan the borrower accepts the loan for such award year by—

“(A) signing the master promissory note for the loan;

“(B) signing and returning to the institution a separate written statement that affirmatively states that the borrower accepts the loan; or

“(C) electronically signing an electronic version of the statement described in subparagraph (B).
“(7) PROHIBITION.—An institution of higher education may not counsel a borrower of a loan under this title to divorce or separate and live apart from one another for the purpose of qualifying for, or obtaining an increased amount of, Federal financial assistance under this Act”.

(i) ONLINE COUNSELING TOOLS.—Section 485 (20 U.S.C. 1092) is further amended by adding at the end the following:

“(n) ONLINE COUNSELING TOOLS.—

“(1) IN GENERAL.—Beginning not later than 1 year after the date of enactment of the PROSPER Act, the Secretary shall maintain—

“(A) an online counseling tool that provides the exit counseling required under subsection (b) and meets the applicable requirements of this subsection; and

“(B) an online counseling tool that provides the annual counseling required under subsection (l) and meets the applicable requirements of this subsection.

“(2) REQUIREMENTS OF TOOLS.—In maintaining the online counseling tools described in paragraph (1), the Secretary shall ensure that each such tool is—
“(A) consumer tested to ensure that the tool is effective in helping individuals understand their rights and obligations with respect to borrowing a loan made this title or receiving a Federal Pell Grant;

“(B) understandable to students receiving Federal Pell Grants and borrowers of loans made this title; and

“(C) freely available to all eligible institutions.

“(3) RECORD OF COUNSELING COMPLETION.—

The Secretary shall—

“(A) use each online counseling tool described in paragraph (1) to keep a record of which individuals have received counseling using the tool, and notify the applicable institutions of the individual’s completion of such counseling;

“(B) in the case of a borrower who receives annual counseling for a loan made under this title using the tool described in paragraph (1)(B), notify the borrower by when the borrower should accept, in a manner described in subsection (l)(6), the loan for which the borrower has received such counseling; and
“(C) in the case of a borrower described in subsection (b)(1)(B) at an institution that uses the online counseling tool described in paragraph (1)(A) of this subsection, the Secretary shall attempt to provide the information described in subsection (b)(1)(A) to the borrower through such tool.”

SEC. 489. EARLY AWARENESS OF FINANCIAL AID ELIGIBILITY.

Section 485E (20 U.S.C. 1092f) is amended—

(1) in subsection (b)—

(A) in paragraph (2)—

(i) by striking “junior year” and inserting “sophomore year”;

(ii) by striking “The Secretary shall ensure that” and inserting “The Secretary shall—

“(A) ensure that”; and

(iii) by adding at the end the following:

“(B) create an online platform for States, institutions of higher education, other organizations involved in college access and student financial aid, secondary schools, and programs under this title that serve secondary school stu-
dents to share best practices on disseminating information under this section.”.

(B) in paragraph (4)—

(i) in the first sentence—

(I) by striking “Not later than two years after the date of enactment of the Higher Education Opportunity Act, the” and inserting “The”; and

(II) by inserting “continue to” before “implement”; and

(ii) in the second sentence, by striking “the Internet” and inserting “the Internet, including through social media”; and

(2) by adding at the end the following:

“(c) ONLINE ESTIMATOR TOOL.—

“(1) IN GENERAL.—Not later than 1 year after the date of enactment of the PROSPER Act, the Secretary, in consultation with States, institutions of higher education, and other individuals with experience or expertise in student financial assistance application processes, shall develop an early estimator tool to be available online and through a mobile application, which—

“(A) allows an individual to—
“(i) enter basic financial and other relevant information; and

“(ii) on the basis of such information, receive non-binding estimates of potential Federal grant, loan, or work study assistance under this title for which a student may be eligible upon completion of an application form under section 483(a);

“(B) with respect to each institution of higher education that participates in a program under this title selected by an individual for purposes of the estimator tool, provides the individual with the net price (as defined in section 132) for the income category described in paragraph (2) that is determined on the basis of the information under subparagraph (A)(i) of this paragraph entered by the individual; and

“(C) includes a clear and conspicuous disclaimer that the amounts calculated using the estimator tool are estimates based on limited financial information, and that—

“(i) each such estimate—

“(I) in the case of an estimate under subparagraph (A), is only an estimate and does not represent a
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final determination, or actual award,
of financial assistance under this title;

“(II) in the case of an estimate
under subparagraph (B), is only an
estimate and not a guarantee of the
actual amount that a student may be
charged;

“(III) shall not be binding on the
Secretary or an institution of higher
education; and

“(IV) may change; and

“(ii) a student must complete an ap-
lication form under section 483(a) in
order to be eligible for, and receive, an ac-
tual financial aid award that includes Fed-
eral grant, loan, or work study assistance
under this title.

“(2) INCOME CATEGORIES.—The income cat-
egories for purposes of paragraph (1)(B) are as fol-
lows:

“(A) $0 to $30,000.
“(B) $30,001 to $48,000.
“(C) $48,001 to $75,000.
“(D) $75,001 to $110,000.
“(E) $110,001 to $150,000.
“(F) Over $150,000.

“(3) CONSUMER TESTING.—In developing and maintaining the estimator tool described in paragraph (1), the Secretary shall conduct consumer testing with appropriate persons, including current and prospective college students, family members of such students, and other individuals with expertise in student financial assistance application processes and college access, to ensure that such tool is easily understandable by students and families and effective in communicating early aid eligibility.

“(4) DATA STORAGE PROHIBITED.—In carrying out this subsection, the Secretary shall not keep, store, or warehouse any data inputted by individuals accessing the tool described in paragraph (1).

“(d) PELL TABLE.—

“(1) IN GENERAL.—The Secretary shall develop, and annually update at the beginning of each award year, the following electronic tables to be utilized in carrying out this section and containing the information described in paragraph (2) of this subsection:

“(A) An electronic table for dependent students.
“(B) An electronic table for independent students with dependents other than a spouse.

“(C) An electronic table for independent students without dependents other than a spouse.

“(2) INFORMATION.—Each electronic table under paragraph (1), with respect to the category of students to which the table applies for the most recently completed award year for which information is available, and disaggregated in accordance with paragraph (3), shall contain the following information:

“(A) The percentage of undergraduate students attending an institution of higher education on a full-time, full-academic year basis who file the financial aid form prescribed under section 483 for the award year and received, for their first academic year during such award year (and not for any additional payment periods after such first academic year), the following:

“(i) A Federal Pell Grant equal to the maximum amount of a Federal Pell Grant award determined under section 401(b)(2) for such award year.
“(ii) A Federal Pell Grant in an amount that is—

“(I) less than the maximum amount described in clause (i); and

“(II) not less than 3/4 of such maximum amount for such award year.

“(iii) A Federal Pell Grant in an amount that is—

“(I) less than 3/4 of such maximum amount; and

“(II) not less than 1⁄2 of such maximum amount for such award year.

“(iv) A Federal Pell Grant in an amount that is—

“(I) less than 1⁄2 of such maximum amount; and

“(II) not less than the minimum Federal Pell Grant amount determined under section 401(b)(4) for such award year.

“(B) The dollar amounts equal to—
“(i) the maximum amount of a Federal Pell Grant award determined under section 401(b)(2) for an award year;

“(ii) 3/4 of such maximum amount;

“(iii) 1⁄2 of such maximum amount; and

“(iv) the minimum Federal Pell Grant amount determined under section 401(b)(4) for such award year.

“(C) A clear and conspicuous notice that—

“(i) the Federal Pell Grant amounts listed in subparagraph (B) are for a previous award year, and such amounts and the requirements for awarding such amounts may be different for succeeding award years; and

“(ii) the Federal Pell Grant amount for which a student may be eligible will be determined based on a number of factors, including enrollment status, once the student completes an application form under section 483(a).

“(D) A link to the early estimator tool described in subsection (c) of this section, which includes an explanation that an individual may
estimate a student’s potential Federal aid eligibility under this title by accessing the estimator on the individual’s mobile phone or online.

“(3) INCOME CATEGORIES.—The information provided under paragraph (2)(A) shall be disaggregated by the following income categories:

“(A) Less than $5,000.
“(B) $5,000 to $9,999.
“(C) $10,000 to $19,999.
“(D) $20,000 to $29,999.
“(E) $30,000 to $39,999.
“(F) $40,000 to $49,999.
“(G) $50,000 to $59,999.
“(H) Greater than $59,999.

“(e) LIMITATION.—The Secretary may not require a State to participate in the activities or disseminate the materials described in this section.”.

SEC. 490. DISTANCE EDUCATION DEMONSTRATION PROGRAMS.

Section 486 (20 U.S.C. 1093(b)) is repealed.

SEC. 491. CONTENTS OF PROGRAM PARTICIPATION AGREEMENTS.

(a) Program Participation Agreements.—Section 487(a) (20 U.S.C. 1094(a)) is amended in the matter
before paragraph (1) by striking “, except with respect to a program under subpart 4 of part A”.

(b) PERKINS CONFORMING CHANGES.—Section 487(a)(5) (20 U.S.C. 1094(a)(5)) is amended by striking “and, in the case of an institution participating in a program under part B or part E, to holders of loans made to the institution’s students under such parts”.

(c) CERTIFICATIONS TO LENDERS.—Section 487(a) (20 U.S.C. 1094(a)) is amended by striking paragraph (6).

(d) STATE GRANT ASSISTANCE.—Section 487(a)(9) (20 U.S.C. 1094(a)(9)) is amended by striking “in a program under part B or D” and inserting “in a loan program under this title”.

(e) DRUG ABUSE PREVENTION PROGRAMS.—Section 487(a) (20 U.S.C. 1094(a)) is amended by striking paragraph (10).

(f) REPAYMENT SUCCESS PLAN.—Section 487(a)(14) (20 U.S.C. 1094(a)(14)) is amended—

(1) by striking “under part B or D” both places it appears and inserting “a loan program under this title”;

(2) by striking “Default Management Plan” both places it appears and inserting “Repayment Success Plan”; and
(3) in subparagraph (C), by striking “a cohort default rate in excess of 10 percent” both places it appears and inserting “any program with a loan re-
payment rate less than 65 percent”.

(g) COMMISSIONS TO THIRD-PARTY ENTITIES.—Sec-
tion 487(a)(20) (20 U.S.C. 1094(a)(20)) is amended—

(1) by striking “The institution” and inserting “(A) Except as provided in subparagraph (B), the institution”; and

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

“(B) An institution described in section 101 may provide payment, based on—

“(i) the amount of tuition generated by the institution from student enrollment, to a third-
party entity that provides a set of services to the institution that includes student recruit-
ment services, regardless of whether the third-
party entity is affiliated with an institution that provides educational services other than the in-
stitution providing such payment, if—

“(I) the third-party entity is not affili-
at ed with the institution providing such payment;
“(II) the third-party entity does not make compensation payments to its employees that would be prohibited under subparagraph (A) if such payments were made by the institution;

“(III) the set of services provided to the institution by the third-party entity include services in addition to student recruitment services, and the institution does not pay the third-party entity solely or separately for student recruitment services provided by the third-party entity; and

“(IV) any student recruitment information available to the third-party entity, including personally identifiable information, will not be used by, shared with, or sold to any other person or entity, including any institution that is affiliated with the third-party entity, unless written consent is provided by the student; and

“(ii) students successfully completing their educational programs, to persons who were engaged in recruiting such students, but solely to the extent that such payments—
“(I) are obligated to be paid, and are actually paid, only after each student upon whom such payments are based has successfully completed his or her educational program; and

“(II) are paid only to employees of the institution or its parent company, and not to any other person or outside entity.”.

(h) Clarification of Proof of Authority to Operate Within a State.—Section 487(a)(21) (20 U.S.C. 1094(a)(21)) is amended by striking “within a State” and inserting “within a State in which it maintains a physical location”.

(i) Distribution of Voter Registration Forms.—Section 487(a)(23) (20 U.S.C. 1094(a)(23)) is amended to read as follows:

“(23) The institution, if located in a State to which section 4(b) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–2(b)) does not apply, will make a good faith effort to distribute, including through electronic transmission, voter registration forms to students enrolled and physically in attendance at the institution.”.
(j) Prohibiting Copyright Infringement.—Section 487(a)(29) (20 U.S.C. 1094(a)(29)) is amended to read as follows:

“(29) The institution will have a policy prohibiting copyright infringement.”.

(k) Modifications to Preferred Lender List Requirements.—Section 487(h)(1) (20 U.S.C. 1094(h)(1)) is amended—

(1) in subparagraph (A)—

(A) in clause (i), by inserting “and” after the semicolon;

(B) by striking clause (ii); and

(C) by redesignating clause (iii) as clause (ii);

(2) in subparagraph (D), by inserting “and” after the semicolon;

(3) in subparagraph (E), by striking “; and” and inserting a period; and

(4) by striking subparagraph (C) and (F) and redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively.

(l) Elimination of Non-title IV Revenue Requirement.—Section 487 (20 U.S.C. 1094), is further amended—
(1) in subsection (a), by striking paragraph (24); 
(2) by striking subsection (d); and 
(3) by redesignating subsections (e) through (j) as subsections (d) through (i), respectively.

(m) CONFORMING AMENDMENTS.—The Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

(1) in section 487(a) (20 U.S.C. 1094(a)), as amended by this section—

(A) by redesignating paragraphs (7) through (9), as paragraphs (6) through (8), respectively;

(B) by redesignating paragraphs (11) through (23) as paragraphs (9) through (21), respectively; and

(C) by redesignating paragraphs (25) through (29) as paragraphs (22) through (26), respectively;

(2) in section 487(c)(1)(A)(iii) (20 U.S.C. 1094(c)(1)(A)(iii)), by striking “section 102(a)(1)(C)” and inserting “section 102(a)(1)”; and

(3) in section 487(h)(4) (20 U.S.C. 1094(h)(4)), as redesignated by subsection (l)(3), by
striking “section 102” and inserting “section 101 or 102”.

SEC. 492. REGULATORY RELIEF AND IMPROVEMENT.

Section 487A (20 U.S.C. 1094a) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “The Secretary is authorized to” and inserting “The Secretary shall”; and

(B) in paragraph (5), by inserting “at least once every two years” before the period at the end; and

(2) in subsection (b)—

(A) in paragraph (2)—

(i) in the paragraph heading, by inserting “ANNUAL” before “REPORT”; and

(ii) by striking the first sentence and inserting “The Secretary shall review the experience, and rigorously evaluate the activities, of all institutions participating as experimental sites and shall, on an annual basis, submit a report based on the review and evaluation findings to the authorizing committees.”;

(B) in paragraph (3), by amending sub-

paragraph (A) to read as follows:
“(A) IN GENERAL.—

“(i) EXPERIMENTAL SITES.—The Secretary is authorized periodically to select a limited number of institutions for voluntary participation as experimental sites to provide recommendations to the Secretary and to the Congress on the impact and effectiveness of proposed regulations or new management initiatives.

“(ii) CONGRESSIONAL NOTICE AND COMMENTS REQUIRED.—

“(I) NOTICE.—Prior to announcing a new experimental site and inviting institutions to participate, the Secretary shall provide to the authorizing committees a notice that shall include—

“(aa) a description of the proposed experiment and rationale for the proposed experiment; and

“(bb) a list of the institutional requirements the Secretary expects to waive and the legal authority for such waivers.
“(II) Congressional comments.—The Secretary shall not proceed with announcing a new experimental site and inviting institutions to participate until 10 days after the Secretary—

“(aa) receives and addresses all comments from the authorizing committees; and

“(bb) responds to such committees in writing with an explanation of how such comments have been addressed.

“(iii) Prohibition.—The Secretary is not authorized to carry out clause (i) in any year in which an annual report described in paragraph (2) relating to the previous year is not submitted to the authorizing committees.”;

(C) in paragraph (4)(A), by striking “biennial” and inserting “annual”; and

(D) by striking paragraph (1) and redesignating paragraphs (2) through (4) as paragraphs (1) through (3), respectively.
SEC. 493. TRANSFER OF ALLOTMENTS.

Section 488 (20 U.S.C. 1095) is amended—

(1) by inserting “, as in effect on the day before the date of enactment of the PROSPER Act,” after “section 462”; and

(2) by inserting “, as in effect on the day before the date of enactment of the PROSPER Act,” after “462”.

SEC. 494. ADMINISTRATIVE EXPENSES.

Section 489(a) (20 U.S.C. 1096(a)) is amended—

(1) in the second sentence—

(A) by striking “subpart 3 of part A or part C,” and inserting “part C”; and

(B) by striking “or under part E of this title”; and

(2) in the third sentence—

(A) by striking “its grants to students under subpart 3 of part A,”; and

(B) by striking “, and the principal amount of loans made during such fiscal year from its student loan fund established under part E, excluding the principal amount of any such loans which the institution has referred under section 463(a)(4)(B)”.

SEC. 494A. REPEAL OF ADVISORY COMMITTEE.

Section 491 (20 U.S.C. 1098) is repealed.
SEC. 494B. REGIONAL MEETINGS AND NEGOTIATED RULEMAKING.

Section 492 (20 U.S.C. 1098a) is amended—

(1) by redesignating subsections (c) and (d) as subsections (f) and (g), respectively; and

(2) by striking subsections (a) and (b) and inserting the following:

“(a) IN GENERAL.—The Secretary may, in accordance with this section, issue such regulations as are reasonably necessary to ensure compliance with this title.

“(b) PUBLIC INVOLVEMENT.—The Secretary shall obtain public involvement in the development of proposed regulations for this title. Before carrying out a negotiated rulemaking process as described in subsection (d) or publishing in the Federal Register proposed regulations to carry out this title, the Secretary shall obtain advice and recommendations from individuals, and representatives of groups, involved in student financial assistance programs under this title, such as students, institutions of higher education, financial aid administrators, accrediting agencies or associations, State student grant agencies, guaranty agencies, lenders, secondary markets, loan servicers, guaranty agency servicers, and collection agencies.

“(c) MEETINGS AND ELECTRONIC EXCHANGE.—

“(1) IN GENERAL.—The Secretary shall provide for a comprehensive discussion and exchange of in-
formation concerning the implementation of this title through such mechanisms as regional meetings and electronic exchanges of information. Such regional meetings and electronic exchanges of information shall be public and notice of such meetings and exchanges shall be provided to—

“(A) the authorizing committees at least 10 days prior to the notice to interested stakeholders and the public described in subparagraph (B); and

“(B) interested stakeholders and the public at least 30 days prior to such meetings and exchanges.

“(2) CONSIDERATION.—The Secretary shall take into account the information received through such mechanisms in the development of proposed regulations and shall publish a summary of such information in the Federal Register prior to beginning the negotiated rulemaking process described in subsection (d).

“(d) NEGOTIATED RULEMAKING PROCESS.—

“(1) NEGOTIATED RULEMAKING REQUIRED.— All regulations pertaining to this title that are promulgated after the date of the enactment of this paragraph shall be subject to the negotiated rule-
making process described in this subsection (including the selection of the issues to be negotiated), unless the Secretary—

“(A) determines that applying such a requirement with respect to given regulations is impracticable, unnecessary, or contrary to the public interest (within the meaning of section 553(b)(3)(B) of title 5, United States Code);

“(B) publishes the basis for such determination in the Federal Register at the same time as the proposed regulations in question are first published; and

“(C) includes the basis for such determination in the congressional notice under subsection (e)(1).

“(2) CONGRESSIONAL NOTICE AND COMMENTS REQUIRED.—

“(A) Notice.—The Secretary shall provide to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate notice of the intent to establish a negotiated rulemaking committee that shall include—

“(i) the need to issue regulations;
“(ii) the statutory and legal authority
of the Secretary to regulate the issue;

“(iii) the summary of public com-
ments described in paragraph (2) of sub-
section (c);

“(iv) the anticipated burden, including
the time, cost, and paperwork burden, the
regulations will have on institutions of
higher education and other entities that
may be impacted by the regulations; and

“(v) any regulations that will be re-
pealed when the new regulations are
issued.

“(B) CONGRESSIONAL COMMENTS.—The
Secretary shall not proceed with the negotiated
rulemaking process—

“(i) until 10 days after the Sec-
retary—

“(I) receives and addresses all
comments from the authorizing com-
mittees; and

“(II) responds to the authorizing
committees in writing with an expla-
nation of how such comments have
been addressed; or
“(ii) until 60 days after providing the notice required under subparagraph (A) if the Secretary has not received comments under clause (i).

“(3) PROCESS.—After obtaining advice and recommendations under subsections (b) and (c), and before publishing proposed regulations, the Secretary shall—

“(A) establish a negotiated rulemaking process;

“(B) select individuals to participate in such process—

“(i) from among individuals or groups that provided advice and recommendations under subsections (b) and (c), including—

“(I) representatives of such groups from Washington, D.C.; and

“(II) other industry participants;

and

“(ii) with demonstrated expertise or experience in the relevant subjects under negotiation, reflecting the diversity in the industry, representing both large and small participants, as well as individuals serving local areas and national markets;
“(C) prepare a draft of proposed policy options, which shall take into account comments received from both the public and the authorizing committees, that shall be provided to the individuals selected by the Secretary under subparagraph (B) and such authorizing committees not less than 15 days before the first meeting under such process; and

“(D) ensure that the negotiation process is conducted in a timely manner in order that the final regulations may be issued by the Secretary within the 360-day period described in section 437(e) of the General Education Provisions Act (20 U.S.C. 1232(e)).

“(4) AGREEMENTS AND RECORDS.—

“(A) AGREEMENTS.—All published proposed regulations developed through the negotiation process under this subsection shall conform to all agreements resulting from such process unless the Secretary reopens the negotiated rulemaking process.

“(B) RECORDS.—The Secretary shall ensure that a clear and reliable record is maintained of agreements reached during a negotiation process under this subsection.
“(e) PROPOSED RULEMAKING.—If the Secretary determines pursuant to subsection (d)(1) that a negotiated rulemaking process is impracticable, unnecessary, or contrary to the public interest (within the meaning of section 553(b)(3)(B) of title 5, United States Code), or the individuals selected to participate in the process under subsection (d)(3)(B) fail to reach unanimous agreement on an issue being negotiated, the Secretary may propose regulations subject to subsection (f).

“(f) REQUIREMENTS FOR PROPOSED REGULATIONS.—Regulations proposed pursuant to subsection (e) shall meet the following procedural requirements:

“(1) CONGRESSIONAL NOTICE.—Regardless of whether congressional notice was submitted under subsection (d)(2), the Secretary shall provide to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate notice that shall include—

“(A) a copy of the proposed regulations;  
“(B) the need to issue regulations;  
“(C) the statutory and legal authority of the Secretary to regulate the issue;  
“(D) the anticipated burden, including the time, cost, and paperwork burden, the regula-
tions will have on institutions of higher education and other entities that may be impacted by the regulations; and

“(E) any regulations that will be repealed when the new regulations are issued.

“(2) CONGRESSIONAL COMMENTS.—The Secretary may not proceed with the rulemaking process—

“(A) until 10 days after the Secretary—

“(i) receives and addresses all comments from the authorizing committees; and

“(ii) responds to the authorizing committees in writing with an explanation of how such comments have been addressed; or

“(B) until 60 days after providing the notice required under paragraph (1) if the Secretary has not received comments under subparagraph (A).

“(3) COMMENT AND REVIEW PERIOD.—The comment and review period for the proposed regulation shall be 90 days unless an emergency requires a shorter period, in which case such period shall be not less than 45 days and the Secretary shall—
“(A) designate the proposed regulation as an emergency, with an explanation of the emergency, in the notice to the Congress under paragraph (1);

“(B) publish the length of the comment and review period in such notice and in the Federal Register; and

“(C) conduct immediately thereafter regional meetings to review such proposed regulation before issuing any final regulation.

“(4) INDEPENDENT ASSESSMENT.—No regulation shall be made final after the comment and review period until the Secretary has published in the Federal Register an independent assessment (which shall include a representative sampling of institutions of higher education based on sector, enrollment, urban, suburban, or rural character, and other factors impacted by the regulation) of—

“(A) the burden, including the time, cost, and paperwork burden, the final regulation will impose on institutions and other entities that may be impacted by the regulation;

“(B) an explanation of how the entities described in subparagraph (A) may cover the cost
of the burden assessed under such subpar-
graph; and

“(C) the regulation, including a thorough
assessment, based on the comments received
during the comment and review period under
paragraph (3), of whether the rule is finan-
cially, operationally, and educationally viable at
the institutional level.”.

SEC. 494C. REPORT TO CONGRESS.

Section 493C (20 U.S.C. 1098e) is amended by add-
ing at the end the following:

“(f) Report.—

“(1) In general.—Not later than 180 days
after the date of enactment of the PROSPER Act,
the Secretary shall submit to the authorizing com-
mittees a report on the efforts of the Department to
detect and combat fraud in the income-driven repay-
ment plans described in paragraph (2).

“(2) Income driven repayment plans de-
finite.—The income-driven repayment plans de-
scribed in this paragraph are the repayment plans
made available under—

“(A) this section;

“(B) subparagraphs (D) and (E) of section
455(d)(1); and
“(C) section 455(e).”.

SEC. 494D. DEFERRAL OF LOAN REPAYMENT FOLLOWING ACTIVE DUTY.

Section 493D(a) (20 U.S.C. 1098f) is amended, by striking “or section 464(c)(2)(A)(iii)” and inserting “, section 464(c)(2)(A)(iii) (as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a)), or section 469A(a)(2)(A)(iii)”.

SEC. 494E. CONTRACTS; MATCHING PROGRAM.

(a) Contracts for Supplies and Services.—

(1) In general.—Part G of title IV (20 U.S.C. 1088 et seq.), as amended by this part, is further amended by adding at the end the following:

“SEC. 493E. CONTRACTS.

“(a) Contracts for Supplies and Services.—

“(1) In general.—The Secretary shall, to the extent practicable, award contracts for origination, servicing, and collection described in subsection (b). In awarding such contracts, the Secretary shall ensure that such services and supplies are provided at competitive prices.

“(2) Entities.—The entities with which the Secretary may enter into contracts shall include entities qualified to provide such services and supplies and will comply with the procedures applicable to
the award of such contracts. In the case of awarding contracts for the origination, servicing, and collection of loans under parts D and E, the Secretary shall enter into contracts with entities that have extensive and relevant experience and demonstrated effectiveness. The entities with which the Secretary may enter into such contracts may include, where practicable, agencies with agreements with the Secretary under sections 428(b) and (e), if such agencies meet the qualifications as determined by the Secretary under this subsection and if those agencies have such experience and demonstrated effectiveness. In awarding contracts to such State agencies, the Secretary shall, to the extent practicable and consistent with the purposes of parts D and E, give consideration to State agencies with a history of high quality performance to perform services for institutions of higher education within their State.

“(3) ALLOCATIONS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall allocate new borrower loan accounts to entities awarded a contract under this section on the basis of—

“(i) the performance of each such entity compared to other such entities per-
forming similar work using common performance metrics (which may take into account, as appropriate, portfolio risk factors, including a borrower’s time in repayment, category of institution of higher education attended, and completion of an educational program), as determined by the Secretary; and

“(ii) the capacity of each such entity compared to other such entities performing similar work to service new and existing borrower loan accounts.

“(B) FEDERAL ONE CONSOLIDATION LOANS.—Any borrower who receives a Federal ONE Consolidation Loan may select the entity awarded a contract under this section to service such loan.

“(4) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as a limitation of the authority of any State agency to enter into an agreement for the purposes of this section as a member of a consortium of State agencies.

“(b) CONTRACTS FOR ORIGINATION, SERVICING, AND DATA SYSTEMS.—The Secretary may enter into contracts for—
“(1) the servicing and collection of loans made or purchased under part D or E;

“(2) the establishment and operation of 1 or more data systems for the maintenance of records on all loans made or purchased under part D or E; and

“(3) such other aspects of the direct student loan program under part D or E necessary to ensure the successful operation of the program.

“(c) COMMON PERFORMANCE MANUAL.—

“(1) CONSULTATION.—Not later than 180 days after the date of enactment of the PROSPER Act and biannually thereafter, the Secretary shall consult (in writing and in person) with entities awarded contracts for loan servicing under section 456 (as in effect on the day before the date of enactment of the PROSPER Act) and this section, to the extent practicable, to develop and update as necessary, a guidance manual for entities awarded contracts for loan servicing under this section that provides such entities with best practices to ensure borrowers receive adequate and consistent service from such entities.

“(2) PROVISION OF MANUAL.—The Secretary shall provide the most recent guidance manual developed and updated under paragraph (1) to each enti-
ty awarded a contract for loan serving under this section.

“(3) ANNUAL REPORT.—The Secretary shall provide to the authorizing committees a report, on a annual basis, detailing the consultation required under paragraph (1).

“(d) FEDERAL PREEMPTION.—

“(1) IN GENERAL.—Covered activities shall not be subject to any law or other requirement of any State or political subdivision of a State with respect to—

“(A) disclosure requirements;

“(B) requirements or restrictions on the content, time, quantity, or frequency of communications with borrowers, endorsers, or references with respect to such loans; or

“(C) any other requirement relating to the servicing or collection of a loan made under this title.

“(2) SERVICING AND COLLECTION.—The requirements of this section with respect to any covered activity shall preempt any law or other requirement of a State or political subdivision of a State to the extent that such law or other requirement would,
in the absence of this subsection, apply to such covered activity.

“(3) STATE LICENSES.—No qualified entity engaged in a covered activity shall be required to obtain a license from, or pay a licensing fee or other assessment to, any State or political subdivision of a State relating to such covered activity.

“(4) DEFINITIONS.—For purposes of this section:

“(A) The term ‘covered activity’ means any of the following activities, as carried out by a qualified entity:

“(i) Origination of a loan made under this title.

“(ii) Servicing of a loan made under this title.

“(iii) Collection of a loan made under this title.

“(iv) Any other activity related to the activities described in clauses (i) through (iii).

“(B) The term ‘qualified entity’ means an organization, other than an institution of higher education—
“(i) that is responsible for the servicing or collection of a loan made under this title;

“(ii) that has agreement with the Secretary under subsections (a) and (b) of section 428; or

“(iii) that is under contract with an entity described in clause (i) or clause (ii) to support such entity’s responsibilities under this title.

“(5) LIMITATION.—This subsection shall not have any legal effect on any other preemption provision under Federal law with respect to this title.”.

(2) CONFORMING AMENDMENT.—Section 456 (20 U.S.C. 1087f) is repealed.

(b) MATCHING PROGRAM.—Part G of section IV (20 U.S.C. 1088 et seq.), as amended by subsection (a), is further amended by adding at the end the following:

“SEC. 493F. MATCHING PROGRAM.

“(a) IN GENERAL.—The Secretary of Education and the Secretary of Veterans Affairs shall carry out a computer matching program under which the Secretary of Education identifies, on at least a quarterly basis, borrowers—
“(1) who have been assigned a disability rating of 100 percent (or a combination of ratings equaling 100 percent or more) by the Secretary of Veterans Affairs for a service-connected disability (as defined in section 101 of title 38, United States Code); or

“(2) who have been determined by the Secretary of Veterans Affairs to be unemployable due to a service-connected condition, as described in section 437(a)(2).

“(b) Borrower Notification.—With respect to each borrower who is identified under subsection (a), the Secretary shall, as soon as practicable after such identification—

“(1) notify the borrower of the borrower’s eligibility for loan discharge under section 437(a); and

“(2) provide the borrower with simple instructions on how to apply for such loan discharge, including an explanation that the borrower shall not be required to provide any documentation of the borrower’s disability rating to receive such discharge.

“(c) Data Collection and Report to Congress.—

“(1) In General.—The Secretary shall annually collect and submit to the Committees on Education and the Workforce and Veterans’ Affairs of
the House of Representatives and the Committees on Health, Education, Labor, and Pensions and Veterans Affairs of the Senate, data about borrowers applying for and receiving loan discharges under section 437(a), which shall be disaggregated in the manner described in paragraph (2) and include the following:

“(A) The number of applications received under section 437(a).

“(B) The number of such applications that were approved.

“(C) The number of loan discharges that were completed under section 437(a).

“(2) DISAGGREGATION.—The data collected under paragraph (1) shall be disaggregated—

“(A) by borrowers who applied under this section for loan discharges under section 437(a);

“(B) by borrowers who received loan discharges as a result of applying for such discharges under this section;

“(C) by borrowers who applied for loan discharges under section 437(a)(2); and
“(D) by borrowers who received loan discharges as a result of applying for such discharges under section 437(a)(2).

“(d) NOTIFICATION TO BORROWERS.—The Secretary shall notify each borrower whose liability on a loan has been discharged under section 437(a) that the liability on the loan has been so discharged.”.

PART H—PROGRAM INTEGRITY

SEC. 495. REPEAL OF AND PROHIBITION ON STATE AUTHORIZATION REGULATIONS.

(a) Regulations Repealed.—The following regulations relating to State authorization (including any supplements or revisions to such regulations) are repealed and shall have no force or effect:

(1) The final regulations published by the Department of Education in the Federal Register on October 29, 2010 (75 Fed. Reg. 66832 et seq.).

(2) The final regulations published by the Department of Education in the Federal Register on December 19, 2016 (81 Fed. Reg. 92232 et seq).

(b) Prohibition on State Authorization Regulations.—The Secretary of Education shall not, on or after the date of enactment of this Act, promulgate or enforce any regulation or rule with respect to the State authorization for institutions of higher education to operate
within a State for any purpose under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

(c) Institutional Responsibility; Treatment of Religious Institutions.—Section 495 (20 U.S.C. 1099a) is amended by striking subsection (b) and inserting the following:

“(b) Institutional Responsibility.—Each institution of higher education shall provide evidence to the Secretary that the institution has authority to operate within each State in which it maintains a physical location at the time the institution is certified under subpart 3.

“(c) Treatment of Religious Institutions.—An institution shall be treated as legally authorized to operate educational programs beyond secondary education in a State under section 101(a)(2) if the institution is—

“(1) recognized as a religious institution by the State; and

“(2) because of the institution’s status as a religious institution, exempt from any provision of State law that requires institutions to be authorized by the State to operate educational programs beyond secondary education.”.

SEC. 496. RECOGNITION OF ACCREDITING AGENCY OR ASSOCIATION.

Section 496 (20 U.S.C. 1099b) is amended—
(1) by striking “section 102” each place it appears and inserting “section 101”;

(2) in subsection (a)—

(A) in paragraph (2), by amending subparagraph (A) to read as follows:

“(A) for the purpose of participation in programs under this Act or other programs administered by the Department of Education or other Federal agencies, has a voluntary membership of institutions of higher education or other entities and has as a principal purpose the accrediting of institutions of higher education or programs;”;

(B) in paragraph (3)—

(i) in subparagraph (A)—

(I) by striking “subparagraph (A)(i)” and inserting “subparagraph (A) or (C)”;

(II) by striking “separate” and inserting “separately incorporated”; and

(III) by adding “or” at the end;

(ii) by striking “or” at the end of subparagraph (B); and

(iii) by striking subparagraph (C);
(C) in paragraph (4)—

(i) in subparagraph (A)—

(I) by inserting “as defined by the institution” after “stated mission of the institution of higher education”;

(II) by striking “, including distance education or correspondence courses or programs,”; and

(III) by striking “and” at the end;

(ii) by striking subparagraph (B) and inserting the following:

“(B) such agency or association demonstrates the ability to review, evaluate, and assess the quality of any instruction delivery model or method such agency or association has or seeks to include within its scope of recognition, without giving preference to or differentially treating a particular instruction delivery model or method offered by an institution of higher education or program except that, in a case in which the instruction delivery model allows for the separation of the student from the instructor—
“(i) the agency or association requires the institution to have processes through which the institution establishes that the student who registers in a course or program is the same student who participates in, including, to the extent practicable, testing or other assessment, and completes the program and receives the academic credit; and

“(ii) the agency or association requires that any process used by an institution to comply with the requirement under clause (i) does not infringe upon student privacy and is implemented in a manner that is minimally burdensome to the student; and

“(C) if such agency or association has or seeks to include within its scope of recognition the evaluation of the quality of competency-based education programs, such agency or association shall, in addition to meeting the other requirements of this subpart, demonstrate to the Secretary that, with respect to competency-based education programs—
“(i) the agency or association’s standards include a process for determining whether an institution or program requires the demonstration of competencies that are—

“(I) capable of being validly and reliably assessed; and

“(II) appropriate in scope and rigor for the award of the relevant certificate, degree, or other recognized educational credential; and

“(ii) the agency or association requires that an institution or program demonstrate that it—

“(I) has identified competencies that meet the requirements of subclauses (I) and (II) of clause (i);

“(II) requires students to demonstrate mastery of each relevant competency in order to earn the certificate, degree, or credential;

“(III) has the administrative capacity and expertise that will ensure the validity and reliability of assessments of competencies and that the
institution follows good practices in
assessment and measurement;

“(IV) provides sufficient faculty
instruction, educational content, ac-
tivities, and resources to enable stu-
dents to learn or develop what is re-
quired to demonstrate or attain mas-
tery of competencies and that such re-
quirements are consistent with the
claims that the institution makes for
the qualifications of graduates; and

“(V) has defined an academic
year in accordance with section
481(a)(3);”;

(D) by amending paragraph (5) to read as
follows:

“(5) the standards for accreditation of the
agency or association assess the institution’s success
with respect to student learning and educational out-
comes in relation to the institution’s mission, which
may include different standards for different institu-
tions or programs, except that the standards shall
include consideration of student learning and edu-
cational outcomes in relation to expected measures
of student learning and educational outcomes, which
at the agency’s or association’s discretion are estab-
lished—

“(A) by the agency or association; or

“(B) by the institution or program, at the
institution or program level, as the case may be,
if the institution or program—

“(i) defines expected student learning
goals and educational outcomes;

“(ii) measures and evaluates student
learning, educational outcomes, and, if ap-
propriate, other outcomes of the students
who complete their program of study;

“(iii) uses information about student
learning, educational outcomes, and, if ap-
propriate, other outcomes, to improve the
institution or program; and

“(iv) makes such information avail-
able to appropriate constituencies”; and

(E) in paragraph (8), by striking “, upon
request,”;

(3) in subsection (b)—

(A) in the subsection heading, by striking
“SEPARATE” and inserting “SEPARATELY IN-
corporated”;

(B) in the matter preceding paragraph (1), by striking “separate” and inserting “separately incorporated”;

(C) in paragraph (2), by inserting “who shall represent business” after “one such public member”; and

(D) in paragraph (4), by inserting before the period at the end “and is maintained separately from any such entity or organization”;

(4) in subsection (e)—

(A) in paragraph (1)—

(i) by inserting “(which may vary based on institutional risk consistent with policies promulgated by the agency or association to determine such risk and interval frequency as allowed under subsection (p))” after “intervals”; and

(ii) by striking “distance education” and inserting “competency-based education”;

(B) by striking paragraph (5) and redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively;

(C) by inserting after paragraph (1), the following:
“(2) develops a mechanism to identify institutions or programs accredited by the agency or association that may be experiencing difficulties accomplishing their missions with respect to the student learning and educational outcome goals established under subsection (a)(5) and—

“(A) as appropriate, uses information such as student loan default or repayment rates, retention or graduation rates, evidence of student learning, financial data, and other indicators to identify such institutions;

“(B) not less than annually, evaluates the extent to which those identified institutions or programs continue to be in compliance with the agency or association’s standards; and

“(C) as appropriate, requires the institution or program to address deficiencies and ensure that any plan to address and remedy deficiencies is successfully implemented.”;

(D) in paragraph (4)(A), as so redesignated, by striking “487(f)” and inserting “487(e)”;

(E) by amending paragraph (5), as so redesignated, to read as follows:
“(5) establishes and applies or maintains policies which ensure that any substantive change to the educational mission, program, or programs of an institution after the agency or association has granted the institution accreditation or preaccreditation status does not adversely affect the capacity of the institution to continue to meet the agency’s or association’s standards for such accreditation or preaccreditation status, which shall include policies that—

“(A) require the institution to obtain the agency’s or association’s approval of the substantive change before the agency or association includes the change in the scope of the institution’s accreditation or preaccreditation status; and

“(B) define substantive change to include, at a minimum—

“(i) any change in the established mission or objectives of the institution;

“(ii) any change in the legal status, form of control, or ownership of the institution;

“(iii) the addition of courses, programs of instruction, training, or study, or
credentials or degrees that represent a significant departure from the courses, programs, or credentials or degrees that were offered at time the agency or association last evaluated the institution; or

“(iv) the entering into a contract under which an institution or organization not certified to participate programs under title IV provides a portion of an accredited institution’s educational program that is greater than 25 percent;”;

(F) in paragraph (7)—

(i) in the matter preceding subparagraph (A), by inserting “, on the agency’s or association’s website,” after “public”;

(ii) in subparagraph (C), by inserting before the semicolon at the end the following: “, and a summary of why such action was taken or such placement was made”;

(G) in paragraph (8), by striking “and” at the end;

(H) in paragraph (9), by striking the period at the end and inserting a semicolon;

(I) by adding at the end the following:
“(10) makes publicly available, on the agency or association’s website, a list of the institutions of higher education accredited by such agency or association, which includes, with respect to each institution on the list—

“(A) the year accreditation was granted;

“(B) the most recent date of a comprehensive evaluation of the institution under paragraph (1); and

“(C) the anticipated date of the next such evaluation; and

“(11) confirms, as a part of the agency’s or association’s review for accreditation or reaccreditation, that the institution’s website includes consumer information described section paragraphs (1) and (2) of section 132(d).”;

(5) in subsection (e)—

(A) by striking “The Secretary” and inserting the following:

“(1) IN GENERAL.—Subject to paragraph (2), the Secretary”; and

(B) by adding at the end the following:

“(2) EXCEPTION.—Paragraph (1) shall not apply in the case of an institution described in subsection (j).”.
(6) by striking subsection (h) and inserting the following:

“(h) CHANGE OF ACCREDITING AGENCY OR ASSOCIATION.—

“(1) IN GENERAL.—The Secretary shall not recognize the accreditation of any otherwise eligible institution of higher education if the institution is in the process of changing its accrediting agency or association and is subject to one or more of the following actions, unless the eligible institution submits to the Secretary materials demonstrating a reasonable cause for changing the accrediting agency or association:

“(A) A pending or final action brought by a State agency to suspend, revoke, withdraw, or terminate the institution’s legal authority to provide postsecondary education in the State.

“(B) A decision by a recognized accrediting agency or association to deny accreditation or preaccreditation to the institution.

“(C) A pending or final action brought by a recognized accrediting agency or association to suspend, revoke, withdraw, or terminate the institution’s accreditation or preaccreditation.
“(D) Probation or an equivalent status imposed on the institution by a recognized accrediting agency or association.

“(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to restrict the ability of an institution of higher education not subject to an action described in paragraph (1) and otherwise in good standing to change accrediting agencies or associations without the approval of the Secretary as long as the institution notifies the Secretary of the change.”;

(7) by striking subsection (k) and inserting the following:

“(k) RELIGIOUS INSTITUTION RULE.—

“(1) IN GENERAL.—Notwithstanding subsection (j), the Secretary shall allow an institution that has had its accreditation withdrawn, revoked, or otherwise terminated, or has voluntarily withdrawn from an accreditation agency, to remain certified as an institution of higher education under section 101 and subpart 3 of this part for a period sufficient to allow such institution to obtain alternative accreditation, if the Secretary determines that the withdrawal, revocation, or termination—
“(A) is related to the religious mission or affiliation of the institution; and

“(B) is not related to the accreditation criteria provided for in this section.

“(2) REQUIREMENTS.—For purposes of this section the following shall apply:

“(A) The religious mission of an institution may be reflected in the institution’s religious tenets, beliefs, or teachings, and any policies or decisions related to such tenets, beliefs, or teachings (including any policies or decisions concerning housing, employment, curriculum, self-governance, or student admission, continuing enrollment, or graduation).

“(B) An agency or association’s standard fails to respect an institution’s religious mission when the institution determines that the standard induces, pressures, or coerces the institution to act contrary to, or to refrain from acting in support of, any aspect of its religious mission.

“(3) ADMINISTRATIVE COMPLAINT FOR FAILURE TO RESPECT RELIGIOUS MISSION.—

“(A) IN GENERAL.—
“(i) INSTITUTION.—If an institution of higher education believes that an adverse action of an accrediting agency or association fails to respect the institution’s religious mission in violation of subsection (a)(4)(A), the institution—

“(I) may file a complaint with the Secretary to require the agency or association to withdraw the adverse action; and

“(II) prior to filing such complaint, shall notify the Secretary and the agency or association of an intent to file such complaint not later than 30 days after—

“(aa) receiving the adverse action from the agency or association; or

“(bb) determining that discussions with or the processes of the agency or association to remedy the failure to respect the religious mission of the institution will fail to result in the with-
502
drawal of the adverse action by
the agency or association.

“(ii) ACCREDITING AGENCY OR ASSO-
ciation.—Upon notification of an intent
to file a complaint and through the dura-
tion of the complaint process under this
paragraph, the Secretary and the accred-
iting agency or association shall treat the
accreditation status of the institution of
higher education as if the adverse action
for which the institution is filing the com-
plaint had not been taken.

“(B) COMPLAINT.—Not later than 45 days
after providing notice of the intent to file a
complaint, the institution shall file the com-
plaint with the Secretary (and provide a copy to
the accrediting agency or association), which
shall include—

“(i) a description of the adverse ac-
tion;

“(ii) how the adverse action fails to
respect the institution’s religious mission
in violation of subsection (a)(4)(A); and
“(iii) any other information the institution determines relevant to the complaint.

“(C) RESPONSE.—

“(i) IN GENERAL.—The accrediting agency or association shall have 30 days from the date the complaint is filed with the Secretary to file with the Secretary (and provide a copy to the institution) a response to the complaint, which response shall include—

“(I) how the adverse action is based on a violation of the agency or association’s standards for accreditation; and

“(II) how the adverse action does not fail to respect the religious mission of the institution and is in compliance with subsection (a)(4)(A).

“(ii) BURDEN OF PROOF.—

“(I) IN GENERAL.—The accrediting agency or association shall bear the burden of proving that the agency or association has not taken the adverse action as a result of the institu-
tion’s religious mission, and that the action does not fail to respect the institution’s religious mission in violation of subsection (a)(4)(A), by showing that the adverse action does not impact the aspect of the religious claimed to be affected in the complaint.

“(II) INSUFFICIENT PROOF.—Any evidence that the adverse action results from the application of a neutral and generally applicable rule shall be insufficient to prove that the action does not fail to respect an institution’s religious mission.

“(D) ADDITIONAL INSTITUTION RESPONSE.—The institution shall have 15 days from the date on which the agency or association’s response is filed with the Secretary to—

“(i) file with the Secretary (and provide a copy to the agency or association) a response to any issues raised in the response of the agency or association; or

“(ii) inform the Secretary and the agency or association that the institution
elects to waive the right to respond to the response of the agency or association.

“(E) SECRETARIAL ACTION.—

“(i) IN GENERAL.—Not later than 15 days of receipt of the institution’s response under subparagraph (D) or notification that the institution elects not to file a response under such subparagraph—

“(I) the Secretary shall review the materials to determine if the accrediting agency or association has met its burden of proof under subparagraph (C)(ii)(I); or

“(II) in a case in which the Secretary fails to conduct such review—

“(aa) the Secretary shall be deemed as determining that the adverse action fails to respect the religious mission of the institution; and

“(bb) the accrediting agency or association shall be required to reverse the action immediately and take no further action with respect to such adverse action.
“(ii) REVIEW OF COMPLAINT.—In reviewing the complaint under clause (i)(I)—

“(I) the Secretary shall consider the institution to be correct in the assertion that the adverse action fails to respect the institution’s religious mission and shall apply the burden of proof described in subparagraph (C)(ii)(I) with respect to the accrediting agency or association; and

“(II) if the Secretary determines that the accrediting agency or association fails to meet such burden of proof—

“(aa) the Secretary shall notify the institution and the agency or association that the agency or association is not in compliance with subsection (a)(4)(A), and that such agency or association shall carry out the requirements of item (bb) to be in compliance subsection (a)(4)(A); and

“(bb) the agency or association shall reverse the adverse ac-
tion immediately and take no further action with respect to such adverse action.

“(iii) Final Departmental Action.—The Secretary’s determination under this subparagraph shall be the final action of the Department on the complaint.

“(F) Rule of Construction.—Nothing in this paragraph shall prohibit—

“(i) an accrediting agency or association from taking an adverse action against an institution of higher education for a failure to comply with the agency or association’s standards of accreditation as long as such standards are in compliance with subsection (a)(4)(A) and any other applicable requirements of this section; or

“(ii) an institution of higher education from exercising any other rights to address concerns with respect to an accrediting agency or association or the accreditation process of an accrediting agency or association.

“(G) Guidance.—
“(i) IN GENERAL.—The Secretary may only issue guidance under this paragraph that explains or clarifies the process for providing notice of an intent to file a complaint or for filing a complaint under this paragraph.

“(ii) CLARIFICATION.—The Secretary may not issue guidance, or otherwise determine or suggest, when discussions to remedy the failure by an accrediting agency or association to respect the religious mission of an institution of higher education referred to in subparagraph (A)(i)(II)(bb) have failed or will fail.”;

(8) in subsection (n)(3), by striking “distance education courses or programs” each place it appears and inserting “competency-based education programs”;

(9) in subsection (o), by inserting before the period at the end the following: “, or with respect to the policies and procedures of an accreditation agency or association described in paragraph (2) or (5) of subsection (e) or how the agency or association carries out such policies and procedures”;

(10) by striking subsections (p) and (q); and
(11) by adding at the end the following:

“(p) Risk-based or Differentiated Review Processes or Procedures.—

“(1) In general.—Notwithstanding any other provision of law (including subsection (a)(4)(A)), an accrediting agency or association may establish, with the involvement of its membership, risk-based or differentiated review processes or procedures for assessing compliance with the accrediting agency or association’s standards, including policies related to substantive change and award of accreditation statuses, for institutions of higher education or programs that have demonstrated exceptional past performance with respect to meeting the accrediting agency or association’s standards.

“(2) Prohibition.—Risk-based or differentiated review processes or procedures shall not discriminate against, or otherwise preclude, institutions of higher education based on institutional sector or category, including an institution of higher education’s tax status.

“(3) Rule of construction.—Nothing in this subsection shall be construed to permit the Secretary to establish any criterion that specifies, defines, or prescribes an accrediting agency or associa-
tion’s risk-based or differentiated review process or procedure.

“(q) WAIVER.—The Secretary shall establish a process through which an agency or association may seek to have a requirement of this subpart waived, if such agency or association—

“(1) demonstrates that such waiver is necessary to enable an institution of higher education or program accredited by the agency or association to implement innovative practices intended to—

“(A) reduce administrative burdens to the institution or program without creating costs for the taxpayer; or

“(B) improve the delivery of services to students, improve instruction or learning outcomes, or otherwise benefit students; and

“(2) describes the terms and conditions that will be placed upon the program or institution to ensure academic integrity and quality.”.

SEC. 497. ELIGIBILITY AND CERTIFICATION PROCEDURES.

(a) ELIGIBILITY AND CERTIFICATION PROCEDURES.—Section 498 (20 U.S.C. 1099c) is amended—

(1) in subsection (a)—

(A) by striking “For purposes of” and inserting the following:
“(1) IN GENERAL.—For purposes of”;

(B) by inserting “, subject to paragraph
(2),” after “determine”; and

(C) by adding at the end the following:

“(2) SPECIAL RULE.—The determination of
whether an institution of higher education is legally
authorized to operate in a State under section
101(a)(2) shall be based solely on that State’s
laws.”;

(2) in subsection (b)(5), by striking “B or D’’
and inserting “E’’;

(3) in subsection (c)—

(A) by redesignating paragraphs (4), (5),
and (6) as paragraphs (6), (7), and (8), respec-
tively;

(B) by striking the subsection designation
and all that follows through the end of para-
graph (3) and inserting the following:

“(c) FINANCIAL RESPONSIBILITY STANDARDS.—(1)
The Secretary shall determine whether an institution has
the financial responsibility required by this title in accord-
ance with paragraph (2).

“(2) An institution shall be determined to be finan-
cially responsible by the Secretary, as required by this
title, if the institution is able to provide the services de-
scribed in its official publications and statements, is able
to provide the administrative resources necessary to com-
ply with the requirements of this title, and meets one of
the following conditions:

“(A) Such institution has its liabilities backed
by the full faith and credit of a State, or its equiva-
 lent.

“(B) Such institution has a bond credit quality
rating of investment grade or higher from a recog-
nized credit rating agency.

“(C) Such institution has expendable net assets
equal to not less than one-half of the annual poten-
tial liabilities of such institution to the Secretary for
funds under this title, including loan obligations dis-
charged pursuant to section 437, and to students for
refunds of institutional charges, including funds
under this title, as calculated by an independent cer-
tified public accountant in accordance with generally
accepted auditing standards.

“(D) Such institution establishes, with the sup-
port of a financial statement audited by an inde-
pendent certified public accountant in accordance
with generally accepted auditing standards, that the
institution has sufficient resources to ensure against
the precipitous closure of the institution, including
the ability to meet all of its financial obligations (in-
cluding refunds of institutional charges and repay-
ments to the Secretary for liabilities and debts in-
curred in programs administered by the Secretary).

“(E) Such institution has met criteria, pre-
scribed by the Secretary by regulation in accordance
with paragraph (3), that—

“(i) establish ratios that demonstrate fi-
nancial responsibility in accordance with gen-
erally accepted auditing standards as described
in paragraph (7);

“(ii) incorporate the procedures described
in paragraph (4);

“(iii) establish consequences for failure to
meet the criteria described in paragraph (5);

and

“(iv) take into account any differences in
generally accepted accounting principles, and
the financial statements required thereunder,
that are applicable to for-profit, public, and
nonprofit institutions.

“(3) The criteria prescribed pursuant to paragraph
(2)(E) shall provide that the Secretary shall—

“(A) not later than 6 months after an institu-
tion that is subject to the requirements of paragraph
(2)(E) has submitted its annual financial statement, provide to such institution a notification of its preliminary score under such paragraph;

“(B) provide to each such institution a description of the method used, and complete copies of all the calculations performed, to determine the institution’s score, if such institution makes a request for such information within 45 days after receiving the notice under subparagraph (A);

“(C) within 60 days of receipt by an institution of the information described in subparagraph (B)—

“(i) allow the institution to correct or cure an administrative, accounting, or recordkeeping error if the error is not part of a pattern of errors and there is no evidence of fraud or misconduct related to the error;

“(ii) if the institution demonstrates that the Secretary has made errors in its determination of the initial score or has used non-standard accounting practices in reaching its determination, notify the institution that its composite score has been corrected; and

“(iii) take into consideration any subsequent change in the institution’s overall fiscal health that would raise the institution’s score;
“(D) maintain and preserve at all times the confidentiality of any review until such score is determined to be final; and

“(E) make a determination regarding whether the institution has met the standards of financial responsibility based on an audited and certified financial statement of the institution as described in paragraph (7).

“(4) If the Secretary determines, after conducting an initial review, that the institution has not met at least one of the conditions described in subparagraphs (A) through (E) of paragraph (2) but has otherwise met the requirements of such paragraph—

“(A) the Secretary shall request information relating to such conditions for any affiliated or parent organization, company, or foundation owning or owned by the institution; and

“(B) if such additional information demonstrates that an affiliated or parent organization, company, or foundation owning or owned by the institution meets at least one of the conditions describe in subparagraphs (A) through (E) of paragraph (2), the institution shall be determined to be financially responsible as required by this title.
“(5) The Secretary shall establish policies and procedures to address an institution’s failure to meet the criteria of paragraph (2) which shall include policies and procedures that—

“(A) require an institution that fails to meet the criteria for three consecutive years to provide to the Secretary a financial plan;

“(B) provide for additional oversight and cash monitoring restrictions, as appropriate;

“(C) allow an institution to submit to the Secretary third-party financial guarantees that the Secretary determines are reasonable, such as performance bonds or letters of credit payable to the Secretary, except that an institution may not be required to obtain a letter of credit in order to be deemed financially responsible unless—

“(i) the institution has been deemed not to be a going concern, as determined by an independent certified public accountant in accordance with generally accepted auditing standards;

“(ii) the institution is determined by the Secretary to be at risk of precipitous closure when the full financial resources of the institu-
tion, including the value of the institution’s expendable endowment, are considered; or

“(iii) the institution is determined by the Secretary to be at risk of not meeting all of its financial obligations, including refunds of institutional charges and repayments to the Secretary for liabilities and debts incurred in programs administered by the Secretary; and

“(D) provide for the removal of all requirements related to the institution’s failure to meet the criteria once the criteria are met.”; and

(C) in paragraph (7), as so redesignated, by striking “paragraphs (2) and (3)(C)” and inserting “paragraph (2)”;

(4) in subsection (g)(3)—

(A) by striking “section 102(a)(1)(C)” and inserting “section 102(a)(1)”; and

(B) by striking “part B” and inserting “part D or E”;

(5) in subsection (h)(2), by striking “18” and inserting “36”;

(6) in subsection (i)(1), by striking “section 102 (other than the requirements in subsections (b)(5) and (c)(3))” and inserting “sections 101
(other than the requirements in subsections (b)(1)(A) and (b)(2)) and 102”;

(7) in subsection (j)(1), by striking “meet the requirements of sections 102(b)(1)(E) and 102(c)(1)(C)” and inserting “meet the requirements to be considered an institution of higher education under sections 101(b)(1)(A) and 101(b)(2)”;

(8) in subsection (k)—

(A) in paragraph (1), by striking “487(f)” and inserting “487(e)”; and

(B) in paragraph (2)(A), by striking “meet the requirements of sections 102(b)(1)(E) and 102(c)(1)(C)” and inserting “meet the requirements to be considered an institution of higher education under sections 101(b)(1)(A) and 101(b)(2)”.

(b) PROGRAM REVIEW AND DATA.—Section 498A (20 U.S.C. 1099c–1) is amended—

(1) in subsection (a)(2)—

(A) by striking “part B of” both places it appears;

(B) in subparagraph (A), by inserting before the semicolon at the end the following: “,” or after the transition period described in section 481B(e)(3), institutions in which 25 per-
cent or more of the educational programs have
a loan repayment rate (defined in section
481B(c)) for the most recent fiscal year of less
than 50 percent’’;

(C) in subparagraph (B), by inserting be-
fore the semicolon at the end the following: ‘‘,
except that this subparagraph shall not apply
after the transition period described in section
481B(e)(3)”; and

(D) in subparagraph (C)—

(i) by inserting ‘‘Federal ONE Loan
volume,’’ after ‘‘Stafford/Ford Loan vol-
ume’’; and

(ii) by inserting ‘‘Federal ONE Loan
program,’’ after ‘‘Stafford/Ford Loan pro-
gram’’;

(2) in subsection (b)—

(A) by redesignating paragraphs (3)
through (8) as paragraphs (4) through (9), re-
spectively;

(B) by inserting after paragraph (2) the
following new paragraph:

“(3) as practicable, provide a written expla-
nation to the institution of higher education detail-
ing the Secretary’s reasons for initiating the pro-
gram review which, if applicable, shall include references to specific criteria under subsection (a)(2);”;
and

(C) in paragraph (9), as so redesignated—

(i) by striking “paragraphs (6) and (7)” and inserting “paragraphs (7) and (8)”; and

(ii) by striking “paragraph (5)” and inserting “paragraph (6)”; and

(3) by adding at the end the following new sub-

section:

“(f) TIME LIMIT ON PROGRAM REVIEW ACTIVI-
ties.—In conducting, responding to, and concluding pro-
gram review activities, the Secretary shall—

“(1) provide to the institution the initial report
finding not later than 90 days after concluding an
initial site visit;

“(2) upon each receipt of an institution’s re-
response during a program review inquiry, respond in
a substantive manner within 90 days;

“(3) upon each receipt of an institution’s writ-
ten response to a draft final program review report,
provide the final program review report and accom-
companying enforcement actions, if any, within 90 days;
and
“(4) conclude the entire program review process not later than 2 years after the initiation of a program review, unless the Secretary determines that such a review is sufficiently complex and cannot reasonably be concluded before the expiration of such 2-year period, in which case the Secretary shall promptly notify the institution of the reasons for such delay and provide an anticipated date for conclusion of the review.”.

(c) Review of Regulations.—Section 498B(b) (20 U.S.C. 1099c–2(b)) is amended by striking “section 102(a)(1)(C)” and inserting “102(a)(1)”.

TITLE V—DEVELOPING INSTITUTIONS

SEC. 501. HISPANIC-SERVING INSTITUTIONS.

Part A of title V (20 U.S.C. 1101 et seq.) is amended—

(1) in section 502(a)—

(A) in paragraph (1), by striking “institution for instruction” and inserting “institution of higher education for instruction”;

(B) in paragraph (2)(A)—

(i) by redesignating clauses (v) and (vi) as clauses (vi) and (v), respectively;
(ii) in clause (v) (as so redesignated),
by inserting ``(as defined in section
103(20)(A))'' after ``State''; and
(iii) in clause (vi) (as so redesignated), by striking ``and'' at the end; and
(C) in paragraph (2)—
(i) by striking the period at the end of
subparagraph (B) and inserting ``; and'';
and
(ii) by adding at the end the follow-
ing:
``(C) except as provided in section 522(b),
an institution that has a completion rate of at
least 25 percent that is calculated by—
``(i) counting a student as completed
if that student graduated within 150 per-
cent of the normal time for completion; or
``(ii) counting a student as completed
if that student enrolled into another pro-
gram at an institution for which the pre-
vious program provided substantial prepa-
ration within 150 percent of normal time
for completion.'';
(2) in section 503—
(A) in subsection (b)—
(i) in paragraph (5), by striking “counseling, and” and inserting “counseling, advising, and’’;

(ii) in paragraph (7), by striking “funds management” and inserting “funds and administrative management’’;

(iii) in paragraph (11), by striking “Creating” and all that follows through “technologies,” and inserting “Innovative learning models and creating or improving facilities for Internet or other innovative technologies,”; and

(iv) by redesignating paragraph (16) as paragraph (20) and inserting after paragraph (15) the following:

“(16) The development, coordination, implementation, or improvement of career and technical education programs (as defined in section 135 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2355)).

“(17) Alignment and integration of career and technical education programs with programs of study leading to a bachelor’s degree, graduate degree, or professional degree.
“(18) Developing or expanding access to dual
or concurrent enrollment programs and early college
high school programs.

“(19) Pay for success initiatives that improve
time to completion and increase graduation rates.”;

and

(B) in subsection (e), by adding at the end
the following:

“(4) SCHOLARSHIP.—An institution that uses
grant funds provided under this part to establish or
increase an endowment fund may use the income
from such endowment fund to provide scholarships
to students for the purposes of attending such insti-
tution, subject to the limitation in section
331(c)(3)(B)(i).”;

(3) in section 504, by striking subsection (a)
and inserting the following:

“(a) AWARD PERIOD.—The Secretary may award a
grant to a Hispanic-serving institution under this part for
a period of 5 years. Any funds awarded under this part
that are not expended or used, before the date that is 10
years after the date on which the grant was awarded, for
the purposes for which the funds were paid shall be repaid
to the Treasury.”; and
(4) in section 505, by striking “this title” each place such term appears and inserting “this part”.

SEC. 502. PROMOTING POSTBACCALAUREATE OPPORTUNITIES FOR HISPANIC AMERICANS.

Part B of title V (20 U.S.C. 1102 et seq.) is amended—

(1) in section 513—

(A) by striking paragraph (1) and inserting the following:

“(1) The activities described in (1) through (4), (11), and (19) of section 503(b).”;

(B) by striking paragraphs (2) and (3); and

(C) by redesignating paragraphs (4) through (8) as paragraphs (2) through (6), respectively; and

(D) in paragraph (4) (as so redesignated), by striking “Creating” and all that follows through “technologies,” and inserting “Innovative learning models and creating or improving facilities for Internet or other innovative technologies,”; and

(2) in section 514—

(A) by striking subsection (b) and inserting the following:
“(b) DURATION.—The Secretary may award a grant to a Hispanic-serving institution under this part for a period of 5 years. Any funds awarded under this part that are not expended or used for the purposes for which the funds were paid within 10 years following the date on which the grant was awarded shall be repaid to the Treasury.”; and

(B) by adding at the end the following:

“(d) SPECIAL RULE.—No Hispanic-serving institution that is eligible for and receives funds under this part may receive funds under part A or B of title III during the period for which funds under this part are awarded.”.

SEC. 503. GENERAL PROVISIONS.

Part C of title V (20 U.S.C. 1103 et seq.) is amended—

(1) in section 521(e)(7)—

(A) by striking subparagraph (C);

(B) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively; and

(C) in subparagraph (D), as so redesignated, by striking “subparagraph (D)” and inserting “subparagraph (C)”;

(2) in section 522(b)—
(A) in the subsection heading, by inserting “; COMPLETION RATES” after “EXPENDITURES”; 

(B) in paragraph (1), by inserting “or 502(a)(2)(C)” after “502(a)(2)(A)(ii)”; and 

(C) in paragraph (2)— 

(i) in the paragraph heading, by inserting “AND COMPLETION RATES” after “EXPENDITURES”; 

(ii) in the matter preceding subparagraph (A), by inserting “or 502(a)(2)(C)” after “502(a)(2)(A)(ii)”; and 

(iii) in subparagraph (A), by inserting “or section 502(a)(2)(C)” after “502(a)(2)(A)”;

(3) in section 524(c), by striking “section 505” and inserting “section 504”; and 

(4) in section 528—

(A) in subsection (a), by striking “parts A and C” and all that follows through the period at the end and inserting “parts A and C, $107,795,000 for each of fiscal years 2019 through 2024.”; and 

(B) in subsection (b), by striking “part B” and all that follows through the period at the
end and inserting “part B, $9,671,000 for each
of fiscal years 2019 through 2024.”.

TITLE VI—INTERNATIONAL
EDUCATION PROGRAMS

SEC. 601. INTERNATIONAL AND FOREIGN LANGUAGE STUD-
IES.

(a) GRADUATE AND UNDERGRADUATE LANGUAGE
AND AREA CENTERS AND PROGRAMS.—Section 602 (20
U.S.C. 1122) is amended—

(1) in subsection (a)(4)(F), by inserting“(C),”

after“(B),”; and

(2) in subsection (e)—

(A) by redesignating paragraphs (1) and

(2) as subparagraphs (A) and (B), respectively,

and realigning such subparagraphs so as to be

indented 4 ems from the left margin;

(B) by striking“(e) APPLICATION.—Each

institution” and inserting the following:

“(e) APPLICATION.—

“(1) SUBMISSION; CONTENTS.—Each institu-

tion”; and

(C) by adding at the end the following new

paragraph:

“(2) APPROVAL.—The Secretary may approve

an application for a grant if an institution, in its ap-
application, provides adequate assurances that it will comply with paragraph (1)(A). The Secretary shall use the requirement of paragraph (1)(A) as part of the application evaluation, review, and approval process when determining grant recipients for initial funding and continuation awards.”.

(b) DISCONTINUATION OF CERTAIN PROGRAMS.—Part A of title VI (20 U.S.C. 1121 et seq.) is amended—

(1) by striking section 604;

(2) by striking section 606;

(3) by striking section 609; and

(4) by striking section 610.

(c) CONFORMING AMENDMENT.—Part A of title VI (20 U.S.C. 1121 et seq.) is further amended by redesignating sections 605, 607, and 608 as sections 604, 605, and 606, respectively.

SEC. 602. BUSINESS AND INTERNATIONAL EDUCATION PROGRAMS.

(a) CENTERS FOR INTERNATIONAL BUSINESS EDUCATION.—Section 612 (20 U.S.C. 1130–1) is amended—

(1) in subsection (f)(3), by inserting “and a wide range of views” after “diverse perspectives”; and

(2) by adding at the end the following new subsection:
“(g) APPROVAL.—The Secretary may approve an application for a grant if an institution, in its application, provides adequate assurances that it will comply with subsection (f)(3). The Secretary shall use the requirement of subsection (f)(3) as part of the application evaluation, review, and approval process when determining grant recipients for initial funding and continuation awards.”.

(b) DISCONTINUATION OF CERTAIN PROGRAMS.—Part B of title VI (20 U.S.C. 1130 et seq.) is amended by striking sections 613 and 614.

SEC. 603. REPEAL OF ASSISTANCE PROGRAM FOR INSTITUTE FOR INTERNATIONAL PUBLIC POLICY.

Part C of title VI (20 U.S.C. 1131 et seq.) is repealed.

SEC. 604. GENERAL PROVISIONS.

(a) DEFINITIONS.—Section 631(a) (20 U.S.C. 1132(a)) is amended—

(1) by striking paragraphs (5) and (9);

(2) in paragraph (8), by inserting “and” after the semicolon at the end; and

(3) by redesignating paragraphs (6), (7), (8), and (10) as paragraphs (5), (6), (7), and (8), respectively.
(b) Special Rule.—Section 632(2) (20 U.S.C. 1132–1(2)) is amended by inserting “substantial” before “need”.

(c) Reports.—Section 636 (20 U.S.C. 1132–5) is amended—

(1) by inserting “(a) Biennial Report on Areas of National Need.—” before “The Secretary”; and

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

“(b) Annual Report on Compliance With Diverse Perspectives and a Wide Range of Views Requirement.—Not later than 180 days after the date of the enactment of this subsection, and annually thereafter, the Secretary shall submit to the authorizing committees a report that identifies the efforts taken to ensure recipients’ compliance with the requirements under this title relating to the ‘diverse perspectives and a wide range of views’ requirement, including any technical assistance the Department has provided, any regulatory guidance the Department has issued, and any monitoring the Department has conducted. Such report shall be made available to the public.”.
(d) Repeal of Science and Technology Advanced Foreign Language Education Grant Program.—Section 637 (20 U.S.C. 1132–6) is repealed.

(e) Reporting by Institutions.—Section 638(b) (20 U.S.C. 1132–7(b)) is amended to read as follows:

“(b) Data Required.—

“(1) In general.—Except as provided in paragraph (5), the Secretary shall require an institution of higher education referred to in subsection (a) to file a disclosure report under paragraph (2) with the Secretary on January 31 or July 31, whichever is sooner, with respect to the date on which such institution received a contribution—

“(A) less than 7 months from such date;

and

“(B) greater than 30 days from such date.

“(2) Contents of report.—Each report to the Secretary required by this section shall contain the following information with respect to the institution of higher education filing the report:

“(A) For gifts received from, or contracts entered into with a foreign source other than a foreign government, the following information:

“(i) The aggregate dollar amount of such gifts and contracts attributable to
each country, including the fair market
value of the services of staff members,
textbooks, and other in-kind gifts.

“(ii) The legal name of the entity pro-
viding any such gift or contract.

“(iii) The country to which the gift is
attributable.

“(B) For gifts received from, or contracts
entered into with, a foreign government, the ag-
gregate dollar amount of such gifts and con-
tracts received from each foreign government
and the legal name of the entity providing any
such gift or contract.

“(C) In the case of an institution of higher
education that is owned or controlled by a for-
eign source—

“(i) the identity of the foreign source;

“(ii) the date on which the foreign
source assumed ownership or control of the
institution; and

“(iii) any changes in program or
structure resulting from the change in
ownership or control.

“(3) ADDITIONAL DISCLOSURES FOR RE-
STRICTED AND CONDITIONAL GIFTS.—Notwith-
standing paragraph (1), when an institution of higher education receives a restricted or conditional gift or contract from a foreign source, the institution shall disclose the following:

“(A) In the case of gifts received from, or contracts entered into with, a foreign source other than a foreign government, the amount, the date, and a description of such conditions or restrictions.

“(B) The country to which the gift is attributable.

“(C) In the case of gifts received from, or contracts entered into with, a foreign government, the amount, the date, a description of such conditions or restrictions, and the name of the foreign government.

“(4) ATTRIBUTION OF GIFTS.—For purposes of this subsection, the country to which a gift is attributable is—

“(A) the country of citizenship; or

“(B) if the information described in subparagraph (A) is not known—

“(i) the principal residence for a foreign source who is a natural person; or
“(ii) the principal place of business and country of incorporation for a foreign source that is a legal entity.

“(5) Relation to other reporting requirements.—

“(A) State requirements.—If an institution described under subsection (a) is located within a State that has enacted requirements for public disclosure of gifts from, or contracts with, a foreign source that are substantially similar to the requirements of this section, as determined by the Secretary, a copy of the disclosure report filed with the State may be filed with the Secretary in lieu of a report required under paragraph (1).

“(B) Assurances.—With respect to an institution that submits a copy of a disclosure report pursuant to subparagraph (A), the State in which such institution is located shall provide to the Secretary such assurances as the Secretary may require to establish that the institution has met the requirements for public disclosure under the laws of such State.

“(C) Use of other federal reports.—If an institution receives a gift from,
or enters into a contract with, a foreign source, where any other Federal law or regulation requires a report containing requirements substantially similar to the requirements under this section, as determined by the Secretary, a copy of the report may be filed with the Secretary in lieu of a report required under subsection (b).

“(6) PUBLIC INSPECTION.—A disclosure report required by this section shall be—

“(A) available as public records open to inspection and copying during business hours;

“(B) available electronically; and

“(C) made available under subparagraphs (A) and (B) not later than 30 days after the Secretary receives such report.

“(7) ENFORCEMENT.—

“(A) COMPEL COMPLIANCE.—Whenever it appears that an institution has failed to comply with the requirements of this section, including any rule or regulation promulgated under this section, a civil action may be brought by the Attorney General, at the request of the Secretary, in an appropriate district court of the United States, or the appropriate United States court of any territory or other place subject to the ju-
risdiction of the United States, to request such
court to compel compliance with the require-
ments of this section.

“(B) Costs.—For knowing or willful fail-
ure to comply with the requirements of this sec-
tion, including any rule or regulation promul-
gated thereunder, an institution shall pay to the
Treasury of the United States the full costs to
the United States of obtaining compliance, in-
cluding all associated costs of investigation and
enforcement.

“(8) DEFINITIONS.—In this section:

“(A) CONTRACT.—The term ‘contract’
means any agreement for the acquisition by
purchase, lease, gift, or barter of property or
services by the foreign source, for the direct
benefit or use of either of the parties.

“(B) FOREIGN SOURCE.—The term ‘for-
eign source’ means—

“(i) a foreign government, including
an agency of a foreign government;

“(ii) a legal entity, governmental or
otherwise, created solely under the laws of
a foreign state or states;
“(iii) an individual who is not a citizen or a national of the United States or a trust territory or protectorate thereof; and

“(iv) an agent, including a subsidiary or affiliate of a foreign legal entity, acting on behalf of a foreign source.

“(C) Gift.—The term ‘gift’ means any gift of money, property, human resources, or payment of any staff.

“(D) Restricted or Conditional.—The term ‘restricted or conditional’, with respect to an endowment, gift, grant, contract, award, present, or property of any kind means including as a condition on such endowment, gift, grant, contract, award, present, or property provisions regarding—

“(i) the employment, assignment, or termination of faculty;

“(ii) the establishment of departments, centers, research or lecture programs, institutes, instructional programs, or new faculty positions;

“(iii) the selection or admission of students; or
“(iv) the award of grants, loans, scholarships, fellowships, or other forms of financial aid restricted to students of a specified country, religion, sex, ethnic origin, or political opinion.”.

(f) REDESIGNATIONS.—Part D of title VI (20 U.S.C. 1132 et seq.) is amended—

(1) by redesignating such part as part C; and

(2) by redesignating sections 631, 632, 633, 634, 635, 636, and 638 as sections 621, 622, 623, 624, 625, 626, and 627, respectively.

(g) CONTINUATION AWARDS.—Part C of title VI (20 U.S.C. 1131 et seq.), as so redesignated by subsection (f)(1) of this section, is amended by adding at the end the following new sections:

“SEC. 628. CONTINUATION AWARDS.

“The Secretary shall make continuation awards under this title for the second and succeeding years of a grant only after determining that the recipient is making satisfactory progress in carrying out the stated grant objectives approved by the Secretary.

“SEC. 629. COMPLIANCE WITH DIVERSE PERSPECTIVE AND A WIDE RANGE OF VIEWS.

“When complying with the requirement of this title to offer a diverse perspective and a wide range of views,
a recipient of a grant under this title shall not promote any biased views that are discriminatory toward any group, religion, or population of people.

“SEC. 630. AUTHORIZATION OF APPROPRIATIONS.

“There is authorized to be appropriated to carry out this title $61,525,000 for each of fiscal years 2019 through 2024.”

TITLE VII—GRADUATE AND POSTSECONDARY IMPROVEMENT PROGRAMS

SEC. 701. GRADUATE EDUCATION PROGRAMS.

(a) Repeal of Jacob K. Javits Fellowship Program.—Subpart 1 of part A of title VII (20 U.S.C. 1134 et seq.) is repealed.

(b) Repeal of Thurgood Marshall Legal Educational Opportunity Program.—Subpart 3 of part A of title VII (20 U.S.C. 1136) is repealed.

(c) Authorization of Appropriations for Graduate Assistance in Areas of National Need.—Section 716 (20 U.S.C. 1135e) is amended striking “$35,000,000” and all that follows through the period at the end and inserting “$28,047,000 for each of fiscal years 2019 through 2024.”

(d) Redesignations.—Part A of title VII (20 U.S.C. 1134 et seq.) is amended—
(e) Amendment of Cross References.—Part A of title VII (20 U.S.C. 1134 et seq.) is amended—

(1) in section 703(b)(8), as so redesignated, by striking “section 715” and inserting “section 705”; 

(2) in section 704(c)), as so redesignated—

(A) by striking “section 715(a)” and inserting “section 705(a)”;

(B) by striking “section 713(b)(2)” and inserting “section 703(b)(2)”;

(3) in section 711(e), as so redesignated, by striking “724” and inserting “712”;

(4) in section 712(e), as so redesignated, by striking “723” and inserting “711”;

(5) in section 713, as so redesignated—

(A) in subsection (a), by striking “section 723” and all that follows through the period at the end and inserting “section 711, $7,500,000
for fiscal year 2019 and each of the five succeeding fiscal years.”; and

(B) in subsection (b), by striking “section 724” and inserting “section 712”; and

(6) in section 721, as so redesignated—

(A) in the section heading, by striking “THROUGH 4” and inserting “AND 2”;

(B) by striking “subparts 1 through 4” each place such term appears and inserting “subparts 1 and 2”;

(C) in subsection (c)—

(i) by striking “section 703(b) or 715(a)” and inserting “section 705(a)”;

and

(ii) by striking “subparts 1 or 2, respectively,” and inserting “subpart 1”; and

(D) in subsection (d), by striking “subpart 1, 2, 3, or 4” and inserting “subpart 1 or 2”.

SEC. 702. REPEAL OF FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION.

Part B of title VII (20 U.S.C. 1138 et seq.) is repealed.

SEC. 703. PROGRAMS FOR STUDENTS WITH DISABILITIES.

(a) Redesignations.—
(1) SUBPART.—Part D of title VII (20 U.S.C. 1140 et seq.) is amended by striking subparts 1 and 3 and redesignating subparts 2 and 4 as subparts 1 and 2, respectively.

(2) PART.—Part D of title VII (20 U.S.C. 1140 et seq.), as amended by paragraph (1), is redesignated as part B of such Act.

(3) DEFINITIONS.—Section 760 (20 U.S.C. 1140) is redesignated as section 730 of such Act.

(b) MODEL TRANSITION PROGRAMS; Coordinating Center.—

(1) PURPOSE.—Section 766 (20 U.S.C. 1140f) is redesignated as section 731 of such Act.

(2) MODEL COMPREHENSIVE TRANSITION AND POSTSECONDARY PROGRAMS.—Section 767 (20 U.S.C. 1140g) is amended—

(A) by redesignating such section as section 732 of such Act;

(B) in subsection (a)(1)—

(i) by striking “section 769(a)” and inserting “section 736(a)”;

(ii) by striking “institutions of higher education (or consortia of institutions of higher education), to enable the institutions or consortia” and inserting “eligible
applicants, to enable the eligible applicants’’;

(C) by striking subsection (b) and inserting the following:

“(b) APPLICATION.—An eligible applicant desiring a grant under this section shall submit to the Secretary, at such time and in such manner as the Secretary may require, an application that—

“(1) describes how the model program to be operated by the eligible applicant with grant funds received under this section will meet the requirements of subsection (d);

“(2) describes how the model program proposed to be operated is based on the demonstrated needs of students with intellectual disabilities served by the eligible applicant and potential employers;

“(3) describes how the model program proposed to be operated will coordinate with other Federal, State, and local programs serving students with intellectual disabilities, including programs funded under the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

“(4) describes how the model program will be sustained once the grant received under this section ends;
“(5) if applicable, describes how the eligible applicant will meet the preferences described in subsection (c)(3); and

“(6) demonstrates the ability of the eligible applicant to meet the requirement under subsection (e).”.

(D) in subsection (e)(3)—

(i) in subparagraph (B), by striking “institution of higher education” and inserting “eligible applicant”; and

(ii) in subparagraph (C), by striking “students attending the institution of higher education” and inserting “the eligible applicant’s students”;

(E) in subsection (d)—

(i) in the matter preceding paragraph (1), by striking “An institution of higher education (or consortium)” and inserting “An eligible applicant”; 

(ii) in paragraph (2), by striking “institution of higher education’s” and inserting “eligible applicant’s”;

(iii) in paragraph (3)(D), by striking “that lead to gainful employment”;
(iv) in paragraph (5), by striking “section 777(b)” and inserting “section 734”;

(v) in paragraph (6), by inserting “and” after the semicolon at the end;

(vi) by striking paragraph (7); and

(vii) by redesignating paragraph (8) as paragraph (7);

(F) in subsection (e), by striking “An institution of higher education (or consortium)” and inserting “An eligible applicant”;  

(G) in subsection (f), by striking “Not later than five years after the date of the first grant awarded under this section” and inserting “Not less often than once every 5 years”; and

(H) by adding at the end the following new subsection:

“(g) DEFINITION.—For purposes of this subpart, the term ‘eligible applicant’ means an institution of higher education or a consortium of institutions of higher education.”.

(3) REDESIGNATIONS.—Sections 768 and 769 (20 U.S.C. 1140i) are redesignated as sections 733 and 736, respectively.
(4) COORDINATING CENTER AND COMMISSION.—Subpart 1 of part D of title VII, as so redesignated by subsection (a)(1), is amended by inserting after section 733 (as so redesignated by paragraph (3)) the following:

“SEC. 734. COORDINATING CENTER.

“(a) PURPOSE.—It is the purpose of this section to provide technical assistance and information on best and promising practices to eligible applicants awarded grants under section 732.

“(b) COORDINATING CENTER.—

“(1) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term ‘eligible entity’ means an entity, or a partnership of entities, that has demonstrated expertise in the fields of—

“(A) higher education;

“(B) the education of students with intellectual disabilities;

“(C) the development of comprehensive transition and postsecondary programs for students with intellectual disabilities; and

“(D) evaluation and technical assistance.

“(2) IN GENERAL.—From amounts appropriated under section 736, the Secretary shall enter into a cooperative agreement, on a competitive basis,
with an eligible entity for the purpose of establishing
a coordinating center for institutions of higher edu-
cation that offer inclusive comprehensive transition
and postsecondary programs for students with intel-
lectual disabilities, including eligible applicants re-
ceiving grants under section 732, to provide—

“(A) recommendations related to the devel-
opment of standards for such programs;

“(B) technical assistance for such pro-
grams; and

“(C) evaluations for such programs.

“(3) Administration.—The program under
this section shall be administered by the office in the
Department that administers other postsecondary
education programs.

“(4) Duration.—A cooperative agreement en-
tered into pursuant to this section shall have a term
of 5 years.

“(5) Requirements of Cooperative Agree-
ment.—The cooperative agreement entered into
pursuant to this section shall provide that the eligi-
ble entity entering into such agreement shall estab-
lish and maintain a coordinating center that shall—

“(A) serve as the technical assistance enti-
ty for all comprehensive transition and postsec-
ondary programs for students with intellectual
disabilities;

“(B) provide technical assistance regarding
the development, evaluation, and continuous im-
provement of such programs;

“(C) develop an evaluation protocol for
such programs that includes qualitative and
quantitative methodologies for measuring stu-
dent outcomes and program strengths in the
areas of academic enrichment, socialization,
independent living, and competitive or sup-
ported employment;

“(D) assist recipients of grants under sec-
tion 732 in efforts to award a meaningful cre-
dential to students with intellectual disabilities
upon the completion of such programs, which
credential shall take into consideration unique
State factors;

“(E) develop recommendations for the nec-
essary components of such programs, such as—

“(i) academic, vocational, social, and
independent living skills;

“(ii) evaluation of student progress;

“(iii) program administration and
evaluation;
“(iv) student eligibility; and
“(v) issues regarding the equivalency of a student’s participation in such programs to semester, trimester, quarter, credit, or clock hours at an institution of higher education, as the case may be;
“(F) analyze possible funding sources for such programs and provide recommendations to such programs regarding potential funding sources;
“(G) develop model memoranda of agreement for use between or among institutions of higher education and State and local agencies providing funding for such programs;
“(H) develop mechanisms for regular communication, outreach, and dissemination of information about comprehensive transition and postsecondary programs for students with intellectual disabilities under section 732 between or among such programs and to families and prospective students;
“(I) host a meeting of all recipients of grants under section 732 not less often than once every 3 years; and
“(J) convene a workgroup to develop and recommend model criteria, standards, and components of such programs as described in subparagraph (E) that are appropriate for the development of accreditation standards, which workgroup shall include—

“(i) an expert in higher education;
“(ii) an expert in special education;
“(iii) a representative of a disability organization that represents students with intellectual disabilities;
“(iv) a representative from the National Advisory Committee on Institutional Quality and Integrity; and
“(v) a representative of a regional or national accreditation agency or association.

“(6) REPORT.—Not less often than once every 5 years, the coordinating center shall report to the Secretary, the authorizing committees, and the National Advisory Committee on Institutional Quality and Integrity on the recommendations of the workgroup described in paragraph (5)(J).
SEC. 735. ACCESSIBLE INSTRUCTIONAL MATERIALS IN HIGHER EDUCATION.

“(a) Commission Structure.—

“(1) Establishment of Commission.—

“(A) In general.—The Speaker of the House of Representatives, the President pro tempore of the Senate, and the Secretary of Education shall establish an independent commission, comprised of key stakeholders, to develop voluntary guidelines for accessible postsecondary electronic instructional materials and related technologies in order—

“(i) to ensure students with disabilities are afforded the same educational benefits provided to nondisabled students through the use of electronic instructional materials and related technologies;

“(ii) to inform better the selection and use of such materials and technologies at institutions of higher education; and

“(iii) to encourage entities that produce such materials and technologies to make accessible versions more readily available in the market.

In fulfilling this duty, the commission shall review applicable national and international infor-
mation technology accessibility standards, which
it will compile and annotate as an additional in-
formation resource for institutions of higher
education and companies that service the higher
education market.

“(B) MEMBERSHIP.—

“(i) STAKEHOLDER GROUPS.—The
commission shall be composed of represent-
atives from the following categories:

“(I) DISABILITY.—Communities
of persons with disabilities for whom
the accessibility of postsecondary ele-
tronic instructional materials and re-
lated technologies is a significant fac-
tor in ensuring equal participation in
higher education, and nonprofit orga-
nizations that provide accessible ele-
tronic materials to these communities.

“(II) HIGHER EDUCATION.—
Higher education leadership, which in-
cludes: university presidents, provosts,
deans, vice presidents, deans of librar-
ies, chief information officers, and
other senior institutional executives.
“(III) Industry.—Relevant industry representatives, meaning—

“(aa) developers of postsecondary electronic instructional materials; and

“(bb) manufacturers of related technologies.

“(ii) Appointment of Members.—

The commission members shall be appointed as follows:

“(I) Six members, 2 from each category described in clause (i), shall be appointed by the Speaker of the House of Representatives, 3 of whom shall be appointed on the recommendation of the majority leader of the House of Representatives and 3 of whom shall be appointed on the recommendation of the minority leader of the House of Representatives, with the Speaker ensuring that 1 developer of postsecondary electronic instructional materials and 1 manufacturer of related technologies are appointed. The Speaker shall also appoint 2 ad-
ditional members, 1 student with a
disability and 1 faculty member from
an institution of higher education.

“(II) Six members, 2 from each
category described in clause (i), shall
be appointed by the President pro
tempore of the Senate, 3 of whom
shall be appointed on the rec-
ommendation of the majority leader of
the Senate and 3 of whom shall be ap-
pointed on the recommendation of the
minority leader of the Senate, with
the President pro tempore ensuring
that 1 developer of postsecondary
electronic instructional materials and
1 manufacturer of related technologies
are appointed. The President pro tem-
pore shall also appoint 2 additional
members, 1 student with a disability
and 1 faculty member from an institu-
tion of higher education.

“(III) Three members, each of
whom must possess extensive, dem-
onstrated technical expertise in the
development and implementation of
accessible postsecondary electronic in-
structional materials, shall be ap-
pointed by the Secretary of Edu-
cation. One of these members shall 
represent postsecondary students with 
disabilities, 1 shall represent higher 
education leadership, and 1 shall rep-
resent developers of postsecondary 
electronic instructional materials.

“(iii) Eligibility to serve on the 
commission.—Federal employees are ineli-
gible for appointment to the commission. 
An appointee to a volunteer or advisory po-
sition with a Federal agency or related ad-
visory body may be appointed to the com-
mission so long as his or her primary em-
ployment is with a non-Federal entity and 
he or she is not otherwise engaged in fi-
nancially compensated work on behalf of 
the Federal Government, exclusive of any 
standard expense reimbursement or grant-
funded activities.

“(2) Authority and administration.—

“(A) Authority.—The commission’s exe-
cution of its duties shall be independent of the
Secretary of Education, the Attorney General, and the head of any other agency or department of the Federal Government with regulatory or standard setting authority in the areas addressed by the commission.

“(B) Administration.—

“(i) Staffing.—There shall be no permanent staffing for the commission.

“(ii) Leadership.—Commission members shall elect a chairperson from among the 19 appointees to the commission.

“(iii) Administrative support.—The Commission shall be provided administrative support, as needed, by the Secretary of Education through the Office of Postsecondary Education of the Department of Education.

“(C) Termination.—The Commission shall terminate on the day after the date on which the Commission issues the voluntary guidelines and annotated list of information technology standards described in subsection (b), or two years from the date of enactment of the PROSPER Act, whichever comes first.
“(b) DUTIES OF THE COMMISSION.—

“(1) PRODUCE VOLUNTARY GUIDELINES.—Not later than 18 months after the date of enactment of the PROSPER Act, subject to a 6-month extension that it may exercise at its discretion, the commission established in subsection (a) shall—

“(A) develop and issue voluntary guidelines for accessible postsecondary electronic instructional materials and related technologies; and

“(B) in developing the voluntary guidelines, the commission shall—

“(i) establish a technical panel pursuant to paragraph (4) to support the commission in developing the voluntary guidelines;

“(ii) develop criteria for determining which materials and technologies constitute ‘postsecondary electronic instructional materials’ and ‘related technologies’ as defined in subparagraphs (D) and (E) of subsection (f);

“(iii) identify existing national and international accessibility standards that are relevant to student use of postsecondary electronic instructional materials
and related technologies at institutions of higher education;

“(iv) identify and address any unique pedagogical and accessibility requirements of postsecondary electronic instructional materials and related technologies that are not addressed, or not adequately addressed, by the identified, relevant existing accessibility standards;

“(v) identify those aspects of accessibility, and types of postsecondary instructional materials and related technologies, for which the commission cannot produce guidelines or which cannot be addressed by existing accessibility standards due to—

“(I) inherent limitations of commercially available technologies; or

“(II) the challenges posed by a specific category of disability that covers a wide spectrum of impairments and capabilities which makes it difficult to assess the benefits from particular guidelines on a categorical basis;
“(vi) ensure that the voluntary guidelines are consistent with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131 et seq.; 42 U.S.C. 12181 et seq.);

“(vii) ensure that the voluntary guidelines are consistent, to the extent feasible and appropriate, with the technical and functional performance criteria included in the national and international accessibility standards identified by the commission as relevant to student use of postsecondary electronic instructional materials and related technologies;

“(viii) allow for the use of an alternative design or technology that results in substantially equivalent or greater accessibility and usability by individuals with disabilities than would be provided by compliance with the voluntary guidelines; and

“(ix) provide that where electronic instructional materials or related technologies that comply fully with the vol-
untary guidelines are not commercially available, or where such compliance is not technically feasible, the institution may select the product that best meets the voluntary guidelines consistent with the institution’s business and pedagogical needs.

“(2) PRODUCE ANNOTATED LIST OF INFORMATION TECHNOLOGY STANDARDS.—Not later than 18 months after the date of the enactment of the PROSPER Act, subject to a 6-month extension that it may exercise at its discretion, the commission established in subsection (a) shall, with the assistance of the technical panel established under paragraph (4), develop and issue an annotated list of information technology standards.

“(3) SUPERMAJORITY APPROVAL.—Issuance of the voluntary guidelines and annotated list of information technology standards shall require approval of at least 75 percent (at least 15) of the 19 members of the commission.

“(4) ESTABLISHMENT OF TECHNICAL PANEL.—Not later than 1 month after the Commission’s first meeting, it shall appoint and convene a panel of 12 technical experts, each of whom shall have extensive, demonstrated technical experience in developing, re-
searching, or implementing accessible postsecondary electronic instructional materials or related technologies. The commission has discretion to determine a process for nominating, vetting, and confirming a panel of experts that fairly represents the stakeholder communities on the commission. The technical panel shall include a representative from the United States Access Board.

“(e) Periodic Review and Revision of Voluntary Guidelines.—Not later than 5 years after issuance of the voluntary guidelines and annotated list of information technology standards described in paragraphs (1) and (2) of section (b), and every 5 years thereafter, the Secretary of Education shall publish a notice in the Federal Register requesting public comment about whether there is a need to reconstitute the commission to update the voluntary guidelines and annotated list of information technology standards to reflect technological advances, changes in postsecondary electronic instructional materials and related technologies, or updated national and international accessibility standards. The Secretary shall submit a report to Congress summarizing the public comments and presenting the Secretary’s decision on whether to reconstitute the commission based on those comments. If the Secretary decides to reconstitute the commission,
the Secretary may implement that decision 30 days after
the date on which the report was submitted to Congress.
That process shall begin with the Secretary requesting the
appointment of commission members as detailed in sub-
section (a)(1)(B)(ii). If the Secretary reconstitutes the
Commission, the Commission shall terminate on the day
after the date on which the Commission issues updated
voluntary guidelines and annotated list of information
technology standards, or two years from the date on which
the Secretary reconstitutes the Commission, whichever
comes first.

“(d) SAFE HARBOR PROTECTIONS.—The following
defenses from liability may be asserted with respect to
claims regarding the use of postsecondary instructional
materials and related technologies arising under section
and titles II and III of the Americans with Disabilities
Act of 1990 (42 U.S.C. 12131 et seq. and 12181 et seq.),
subject to the judicial review afforded under those Acts
and without limiting any other defenses provided under
those Acts:

“(1) SAFE HARBOR FOR CONFORMING POSTSEC-
ONDARY ELECTRONIC INSTRUCTIONAL MATERIALS
AND RELATED TECHNOLOGIES.—An institution of
higher education that requires, provides, or both rec-
ommends and provides, postsecondary electronic in-
structional materials or related technologies that
conform to the voluntary guidelines shall be deemed
in compliance with, and qualify for a safe harbor
from liability in relation to, its obligations under sec-
tion 504 of the Rehabilitation Act of 1973 (29
U.S.C. 794) and titles II and III of the Americans
with Disabilities Act (42 U.S.C. 12131 et seq.; 42
U.S.C. 12181 et seq.) with respect to its selection of
such materials or technologies.

“(2) LIMITED SAFE HARBOR FOR NONCON-
FORMING POSTSECONDARY ELECTRONIC INSTRUC-
TIONAL MATERIALS OR RELATED TECHNOLOGIES.—
An institution of higher education that requires, pro-
vides, or both recommends and provides, postsec-
ondary electronic instructional materials or related
technologies that do not fully conform with the vol-
tuntary guidelines, but which institution otherwise
complies with all requirements set forth in subpara-
graphs (A), (B), and (C), will qualify for a limited
safe harbor from monetary damages under section
794) and titles II and III of the Americans with
Disabilities Act (42 U.S.C. 12131 et seq.; 42 U.S.C.
12181 et seq.), with available remedies under section
505 of the Rehabilitation Act of 1973 (29 U.S.C. 794a), section 103 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12133), and section 308 of such Act (42 U.S.C. 12188) limited to declaratory and injunctive relief, and for a prevailing party other than the United States, a reasonable attorney's fee, if the institution—

“(A) documented its efforts to incorporate and use the voluntary guidelines in its policies and practices regarding its selection or procurement of postsecondary electronic instructional materials and related technologies. These efforts may include establishment of a written policy regarding the institution's use of the voluntary guidelines, identifying the official(s) authorized to approve the selection of nonconforming postsecondary electronic instructional materials or related technologies, and procedures used by the official(s) when making such authorizations;

“(B) documented instances where nonconforming postsecondary electronic instructional materials or related technologies are selected or procured, including an explanation of—
“(i) the process utilized for identifying accessible options in the marketplace;

“(ii) the options considered, if any are available;

“(iii) the choice the institution ultimately made and why;

“(iv) what auxiliary aid or service, reasonable modification, or other method the institution will utilize to ensure that affected students within categories of disability are afforded the rights to which they are entitled under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131 et seq.; 42 U.S.C. 12181 et seq.), including an equally effective opportunity to receive the same educational benefit as afforded to nondisabled students; and

“(v) where a student or students with disabilities are affected by nonconforming instructional materials or related technologies, what auxiliary aid or service, reasonable modification, or other method the institution is using to ensure the student
or students are afforded the rights de-
scribed in clause (iv); and

“(C) posted a link to an accessible copy of
the voluntary guidelines and annotated list of
information technology standards on a publicly
available page of its website.

“(e) Construction.—

“(1) Nonconforming postsecondary elec-
tronic instructional materials or related
technologies.—Nothing in this section shall be
construed to require an institution of higher edu-
cation to require, provide, or both recommend and
provide, postsecondary electronic instructional mate-
rials or related technologies that conform to the vol-
untary guidelines. However, an institution that se-
lects or uses nonconforming postsecondary electronic
instructional materials or related technologies must
otherwise comply with existing obligations under sec-
tion 504 of the Rehabilitation Act of 1973 (29
U.S.C. 794) and titles II and III of the Americans
with Disabilities Act (42 U.S.C. 12131 et seq.; 42
U.S.C. 12181 et seq.) to provide access to the edu-
cational benefit afforded by such materials and tech-
nologies through provision of appropriate and rea-
reasonable modification, accommodation, and auxiliary aids or services.

“(2) RELATIONSHIP TO EXISTING LAWS AND REGULATIONS.—With respect to the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), except as provided in subsection (d), nothing in this section may be construed—

“(A) to authorize or require conduct prohibited under the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973, including the regulations issued pursuant to those laws;

“(B) to expand, limit, or alter the remedies or defenses under the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973;

“(C) to supersede, restrict, or limit the application of the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973; or

“(D) to limit the authority of Federal agencies to issue regulations pursuant to the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973.
“(3) Voluntary nature of the products of the Commission.—

“(A) Voluntary guidelines.—It is the intent of the Congress that use of the voluntary guidelines developed pursuant to this section is and should remain voluntary. The voluntary guidelines shall not confer any rights or impose any obligations on commission participants, institutions of higher education, or other persons, except for the legal protections set forth in subsection (d). Thus, no department or agency of the Federal Government may incorporate the voluntary guidelines, whether produced as a discrete document or electronic resource, into regulations promulgated under the Rehabilitation Act, the Americans with Disabilities Act, or any other Federal law or instrument. This restriction applies only to the voluntary guidelines as a discrete document or resource; it imposes no limitation on Federal use of standards or resources to which the voluntary guidelines may refer.

“(B) Annotated list.—It is the intent of Congress that use of the annotated list of information technology standards developed pur-
suant to this section is and should remain vol-
untary. The Annotated List shall not confer
any rights or impose any obligations on Com-
mission participants, institutions of higher edu-
cation, or other persons. Thus, no department
or agency of the Federal Government may in-
corporate the Annotated List, whether produced
as a discrete document or electronic resource
into regulations promulgated under the Reha-
bilitation Act, the Americans with Disabilities
Act, or any other Federal law or instrument.
This provision applies only to the Annotated
List as a discrete document or resource; it im-
poses no limitation on Federal use of standards
or resources to which the Annotated List may
refer.

“(f) DEFINITIONS.—In this section, the following
definitions apply:

“(1) ANNOTATED LIST OF INFORMATION TECH-
NOLOGY STANDARDS.—The term ‘annotated list of
information technology standards’ means a list of
existing national and international accessibility
standards relevant to student use of postsecondary
electronic instructional materials and related tech-
nologies, and to other types of information tech-
nology common to institutions of higher education
(such as institutional websites and class registration
systems), annotated by the commission established
pursuant to subsection (a) to provide information
about the applicability of such standards in higher
education settings. The annotated list of information
technology standards is intended to serve solely as a
reference tool to inform any consideration of the rel-
evance of such standards in higher education con-
texts.

“(2) DISABILITY.—The term ‘disability’ has the
meaning given such term in section 3 of the Ameri-
cans with Disabilities Act of 1990 (42 U.S.C.
12102).

“(3) NONCONFORMING POSTSECONDARY ELEC-
TRONIC INSTRUCTIONAL MATERIALS OR RELATED
TECHNOLOGIES.—The term ‘nonconforming mate-
rials or related technologies’ means postsecondary
electronic instructional materials or related tech-
nologies that do not conform to the voluntary guide-
lines to be developed pursuant to this subpart.

“(4) POSTSECONDARY ELECTRONIC INSTRU-
CTIONAL MATERIALS.—The term ‘postsecondary elec-
tronic instructional materials’ means digital cur-
ricular content that is required, provided, or both
recommended and provided by an institution of higher education for use in a postsecondary instructional program.

“(5) RELATED TECHNOLOGIES.—The term ‘related technologies’ refers to any software, applications, learning management or content management systems, and hardware that an institution of higher education requires, provides, or both recommends and provides for student access to and use of postsecondary electronic instructional materials in a postsecondary instructional program.

“(6) TECHNICAL PANEL.—The term ‘technical panel’ means a group of experts with extensive, demonstrated technical experience in the development and implementation of accessibility features for postsecondary electronic instructional materials and related technologies, established by the Commission pursuant to subsection (b)(4), which will assist the commission in the development of the voluntary guidelines and annotated list of information technology standards authorized under this subpart.

“(7) VOLUNTARY GUIDELINES.—The term ‘voluntary guidelines’ means a set of technical and functional performance criteria to be developed by the commission established pursuant to subsection (a)
that provide specific guidance regarding both the accessibility and pedagogical functionality of postsecondary electronic instructional materials and related technologies not addressed, or not adequately addressed, by existing accessibility standards.”.

(5) Authorization of Appropriations.—
Section 736, as so redesignated by paragraph (3), is amended—

(A) in subsection (a), by striking “such sums as may be necessary for fiscal year 2009” and inserting “$11,800,000 for fiscal year 2019”; and

(B) by striking subsection (b) and inserting the following:

“(b) Reservation of Funds.—For any fiscal year for which appropriations are made for this subpart, the Secretary—

“(1) shall reserve funds to enter into a cooperative agreement to establish the coordinating center under section 734, in an amount that is equal to—

“(A) not less than $240,000 for any year in which the amount appropriated to carry out this subpart is $8,000,000 or less; or

“(B) equal to 3 percent of the amount appropriated to carry out this subpart for any
year in which such amount appropriated is
greater than $8,000,000; and
“(2) may reserve funds to award the grant,
contract, or cooperative agreement described in sec-
tion 742.”.

(c) NATIONAL TECHNICAL ASSISTANCE CENTER.—

(1) SUBPART HEADING.—The subpart heading
for subpart 2 of part B of title VII (20 U.S.C.
1140p et seq.), as redesignated by subsection (a), is
amended by striking “; Coordinating Center”.

(2) PURPOSE.—Section 776 (20 U.S.C. 1140p)
is amended—

(A) by redesignating such section as sec-
tion 741 of such Act; and

(B) by striking “grants, contracts, or coop-
erative agreements under subpart 1, 2, or 3”
and inserting “grants or a cooperative agree-
ment under subpart 1”.

(3) NATIONAL TECHNICAL ASSISTANCE.—Sec-
tion 777 (20 U.S.C. 1140q) is amended—

(A) by redesignating such section as sec-
tion 742 of such Act;

(B) in the section heading, by striking “; COORDINATING CENTER”;
(C) in subsection (a)(1), by striking “appropriated under section 778” and inserting “reserved under section 736(b)(2)”;

(D) by amending subsection (a)(3)(D) to read as follows:

“(D) the subject supported by the grants or cooperative agreement authorized in subpart 1.”;

(E) in subsection (a)(4)(A)(ii), by striking “subparts 2, 4, and 5” and inserting “subparts 2 and 5”; and

(F) in subsection (a)(4)(B), by striking “grants, contracts, or cooperative agreements authorized under subparts 1, 2, and 3” each place it appears and inserting “grants and cooperative agreement authorized under subpart 1”.

(4) Authorization of Appropriations.— Section 778 (20 U.S.C. 1140r) is repealed.

SEC. 704. REPEAL OF COLLEGE ACCESS CHALLENGE GRANT PROGRAM.

Part E of title VII (20 U.S.C. 1141) is repealed.
TITLE VIII—OTHER REPEALS

SEC. 801. REPEAL OF ADDITIONAL PROGRAMS.


(c) Higher Education Amendments of 1998.—The Higher Education Amendments of 1998 (Public Law 105–244; 112 Stat. 1581 et seq.) is amended by repealing parts D and H of title VIII.


(e) United States Institute of Peace Act.—The United States Institute of Peace Act (22 U.S.C. 4601 et seq.) is repealed.
TITLE IX—AMENDMENTS TO OTHER LAWS

PART A—EDUCATION OF THE DEAF ACT OF 1986


(a) Board of Trustees.—Section 103(a)(1) of the Education of the Deaf Act of 1986 (20 U.S.C. 4303(a)(1)) is amended—

(1) in the matter preceding subparagraph (A), by striking “twenty-one” and inserting “twenty-three”;

(2) in subparagraph (A)—

(A) by striking “three public” and inserting “four public”;

(B) by striking “one shall” and all that follows through “, and” and inserting “two shall be United States Senators, of whom one shall be appointed by the Majority Leader of the Senate and one shall be appointed by the Minority Leader of the Senate, and”; and

(C) by striking “appointed by the Speaker of the House of Representatives” and inserting “, of whom one shall be appointed by the Speaker of the House of Representatives and one shall be appointed by the Minority Leader of the House of Representatives”; and
(3) in subparagraph (B), by striking “eighteen” and inserting “nineteen”.

(b) LAURENT CLERC NATIONAL DEAF EDUCATION CENTER.—Section 104(b)(5) of the Education of the Deaf Act of 1986 (20 U.S.C. 4304(b)(5)) is amended to read as follows:

“(5) The University, for purposes of the elementary and secondary education programs carried out by the Clerc Center, shall—

“(A)(i)(I) provide an assurance to the Secretary that it has adopted and is implementing challenging State academic standards that meet the requirements of section 1111(b)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(b)(1));

“(II) demonstrate to the Secretary that the University is implementing a set of high-quality student academic assessments in mathematics, reading or language arts, and science, and any other subjects chosen by the University, that meet the requirements of section 1111(b)(2) of such Act (20 U.S.C. 6311(b)(2)); and

“(III) demonstrate to the Secretary that the University is implementing an account-
ability system consistent with section 1111(c) of such Act (20 U.S.C. 6311(c)); or

“(ii)(I) select the challenging State academic standards and State academic assessments of a State, adopted and implemented, as appropriate, pursuant to paragraphs (1) and (2) of section 1111(b) of such Act (20 U.S.C. 6311(b)); and

“(II) adopt the accountability system, consistent with section 1111(c) of such Act (20 U.S.C. 6311(c)), of such State; and

“(B) publicly report, except in a case in which such reporting would not yield statistically reliable information or would reveal personally identifiable information about an individual student—

“(i) the results of the academic assessments implemented under subparagraph (A); and

“(ii) the results of the annual evaluation of the programs at the Clerc Center, as determined using the accountability system adopted under subparagraph (A).”.

(d) **Repeal of Authorization of Appropriations for Monitoring and Evaluation.**—Subsection (e) of section 205 of the Education of the Deaf Act of 1986 (20 U.S.C. 4355(e)) is repealed.

(e) **Federal Endowment Funds.**—Section 207 of the Education of the Deaf Act of 1986 (20 U.S.C. 4357) is amended—

(1) in the heading of subsection (b), by striking “FEDERAL PAYMENTS” and inserting “PAYMENTS”;

(2) in subsection (b), by striking paragraphs (1) and (2) and inserting the following:

“(1) From amounts provided by the Secretary from funds appropriated under subsections (a) and (b) of section 212, respectively, the University and NTID may make payments, in accordance with this section, to the Federal endowment fund of the institution involved.

“(2) Subject to paragraph (3), in any fiscal year, the total amount of payments made under paragraph (1) to the Federal endowment fund may not exceed the total amount contributed to the fund from non-Federal sources during such fiscal year.
“(3) For purposes of paragraph (2), the transfer of funds by an institution involved to the Federal endowment fund from another endowment fund of such institution shall not be considered a contribution from a non-Federal source.’’;

(3) in subsection (e), by striking ‘‘Federal payment’’ and inserting ‘‘payment under subsection (b)’’;

(4) in subsection (f), in the matter preceding paragraph (1), by striking ‘‘Federal payments’’ and inserting ‘‘payments’’;

(5) in subsection (g)(1), by striking ‘‘Federal payments to such fund’’ and inserting ‘‘payments made under subsection (b)’’;

(6) by repealing subsection (h); and

(7) by redesignating subsection (i) as subsection (h).

(f) REPEAL OF NATIONAL STUDY.—Section 211 of the Education of the Deaf Act of 1986 (20 U.S.C. 4360) is repealed.

(g) AUTHORIZATION OF APPROPRIATIONS.—Section 212 of the Education of the Deaf Act of 1986 (20 U.S.C. 4360a) is amended—

(1) in subsection (a), by striking ‘‘such sums as may be necessary for each of the fiscal years 2009
through 2014” and inserting “$121,275,000 for each of the fiscal years 2019 through 2024”; and

(2) in subsection (b), by striking “such sums as may be necessary for each of the fiscal years 2009 through 2014” and inserting “$70,016,000 for each of the fiscal years 2019 through 2024”.

(h) TECHNICAL AMENDMENTS.—The Education of the Deaf Act of 1986 is further amended—

(1) in section 112(b)(3) (20 U.S.C. 4332(b)(3)), by striking “Education and Labor” and inserting “Education and the Workforce”;

(2) in section 203 (20 U.S.C. 4353)—

(A) in the heading of subsection (a), by striking “GENERAL ACCOUNTING” and inserting “GOVERNMENT ACCOUNTABILITY”; 

(B) in subsection (a), by striking “General Accounting” and inserting “Government Accountability”; 

(C) in subsection (b)(3), by striking “Education and Labor” and inserting “Education and the Workforce”; and 

(D) in subsection (c)(2)(A), by striking “Education and Labor” and inserting “Education and the Workforce”;
(3) in section 204 (20 U.S.C. 4354), by striking “Education and Labor” and inserting “Education and the Workforce”;

(4) in section 208(a) (20 U.S.C. 4359(a)), by striking “Education and Labor” and inserting “Education and the Workforce”; and

(5) in section 210(b) (20 U.S.C. 4359b(b)), by striking “Education and Labor” and inserting “Education and the Workforce”.

PART B—TRIBALLY CONTROLLED COLLEGES AND UNIVERSITIES ASSISTANCE ACT OF 1978;

DINE’ COLLEGE ACT

SEC. 911. TRIBALLY CONTROLLED COLLEGES AND UNIVERSITIES ASSISTANCE ACT OF 1978.

(a) DEFINITIONS.—Section 2 of the Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1801) is amended—

(1) in subsection (a)—

(A) in paragraph (7), by adding “and” at the end;

(B) in paragraph (8), by striking “; and” and inserting a period; and

(C) by striking paragraph (9); and

(2) in subsection (b)—
(A) by amending paragraph (1) to read as follows:

“(1) Such number shall be calculated based on the number of Indian students who are enrolled—

“(A) at the conclusion of the third week of each academic term; or

“(B) on the fifth day of a shortened program beginning after the conclusion of the third full week of an academic term.”;

(B) in paragraph (3), by striking “for purposes of obtaining” and inserting “solely for the purpose of obtaining”; and

(C) by inserting after paragraph (5), the following:

“(6) Enrollment data from the prior-prior academic year shall be used.”.

(b) Authorization of Appropriations.—The Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1801 et seq.) is amended by inserting after section 2 (25 U.S.C. 1801), the following:


“(a) Titles I and IV.—There are authorized to be appropriated $57,412,000 for each of fiscal years 2019 through 2024 to carry out titles I and IV.
“(b) TITLE V.—There are authorized to be appropri-
ated $7,414,000 for each of fiscal years 2019 through
2024 to carry out title V.”.”.

(c) REPEAL OF PLANNING GRANTS.—Section 104 of
the Tribally Controlled Colleges and Universities Assist-

(d) GRANTS TO TRIBALLY CONTROLLED COLLEGES
AND UNIVERSITIES.—Section 107 of the Tribally Con-
trolled Colleges and Universities Assistance Act of 1978
(25 U.S.C. 1807) is amended—

(1) by striking subsection (c); and

(2) by redesignating subsection (d) as sub-
section (c).

(e) AMOUNT OF GRANTS.—Section 108(b)(1) of the
Tribally Controlled Colleges and Universities Assistance
Act of 1978 (25 U.S.C. 1808(b)(1)) is amended—

(1) by striking “of the funds available for allot-
ment by October 15 or no later than 14 days after
appropriations become available” and inserting “of
the amounts appropriated for any fiscal year on or
before July 1 of that fiscal year”; and

(2) by striking “January 1” and inserting
“September 30”;}
(f) Authorization of Appropriations.—Section 110(a) of the Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1810(a)) is amended—

(1) in paragraph (1)—

(A) by striking “$3,200,000 for fiscal year 2009 and”;

(B) by striking “for each of the five succeeding fiscal years”; and

(C) by inserting “from the amount made available under section 3(a) for each fiscal year” after “necessary”;

(2) in paragraph (2), by striking “for fiscal year 2009” and all that follows through the period at the end and inserting “from the amount made available under section 3(a) for each fiscal year.”;

(3) in paragraph (3), by striking “fiscal year 2009” and all that follows through the period at the end and inserting “from the amount made available under section 3(a) for each fiscal year.”; and

(4) in paragraph (4), by striking “2009” and inserting “2019”.

(h) **REPEAL OF ENDOWMENT PROGRAM.—**

(1) **REPEAL.**—Title III of the Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1831 et seq.) is repealed.

(2) **TRANSITION.—**

(A) **IN GENERAL.**—Subject to subparagraph (B), title III of the Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1831 et seq.), as such title was in effect on the day before the date of the enactment of this Act, shall apply with respect to any endowment fund established or funded under such title before such date of enactment, except that the Secretary of the Interior may not make any grants or Federal capital contributions under such title after such date.

(B) **TERMINATION.**—Subparagraph (A) shall terminate on the date that is 20 years after the date of the enactment of this Act. On or after such date, a tribally controlled college or university may use the corpus (including the Federal and institutional capital contribution) of any endowment fund described in such subparagraph to pay any expenses relating to the
operation or academic programs of such college or university.

(i) **Tribal Economic Development; Authorization of Appropriations.**—Section 403 of the Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1852) is amended by striking “for fiscal year 2009” and all that follows through the period at the end and inserting “from the amount made available under section 3(a) for each fiscal year.”

(j) **Tribally Controlled Postsecondary Career and Technical Institutions.**—Section 504 of the Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1864) is amended by striking “for fiscal year 2009” and all that follows through the period at the end and inserting “from the amount made available under section 3(b) for each fiscal year.”

(k) **Clerical Amendments.**—The Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1801 et seq.), as amended by subsections (a) through (j), is further amended—

(1) by striking “Bureau of Indian Affairs” each place it appears and inserting “Bureau of Indian Education”;
(2) by striking “Navajo Community College Act” each place it appears and inserting “Dine’ College Act”;

(3) by striking “colleges or universities” each place it appears, including in headings, and inserting “colleges and universities” and conforming the font and typeface accordingly; and

(4) in section 109 (25 U.S.C. 1809), by redesignating the second subsection (c) as subsection (d).

SEC. 912. DINE’ COLLEGE ACT.

(a) SHORT TITLE.—The first section of Public Law 92–189 is amended by striking “this Act may be cited as the ‘Navajo Community College Act’” and inserting “this Act may be cited as the ‘Dine’ College Act’”.

(b) REFERENCES.—Any reference to the Navajo Community College Act in any law (other than this Act), regulation, map, document, record, or other paper of the United States shall be deemed to be a reference to the Dine’ College Act.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 5 of Public Law 92–189 is amended—

(1) in subsection (a)(1), by striking “for fiscal years 2009 through 2014” and inserting “from the amount made available under subsection (b)(1) for each fiscal year”; and
(2) in subsection (b)(1), by striking “such sums as are necessary for fiscal years 2009 through 2014” and inserting “$13,600,000 for each of fiscal years 2019 through 2024”.