

I-1

[COMMITTEE PRINT]

MARCH 16, 1998

**AMENDMENT IN THE NATURE
OF A SUBSTITUTE TO H.R. 6
OFFERED BY MR. GOODLING OF PENNSYLVANIA**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Higher Education
3 Amendments of 1998”.

4 SEC. 2. TABLE OF CONTENTS.

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

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. References.
- Sec. 4. General effective date.

TITLE I—GENERAL PROVISIONS

PART A—EXTENSION AND REVISION OF GENERAL PROVISIONS

- Sec. 101. Redesignation and transfer of provisions.
- Sec. 102. Definitions.

PART B—PERFORMANCE-BASED ORGANIZATION FOR THE DELIVERY OF
FEDERAL STUDENT FINANCIAL ASSISTANCE.

- Sec. 111. Performance-based organization for the delivery of Federal student financial assistance.

TITLE II—POSTSECONDARY EDUCATION IMPROVEMENT
PROGRAMS

- Sec. 201. Urban community service.
- Sec. 202. Fund for the Improvement of Postsecondary Education
- Sec. 203. Grants to States for workplace and community transition training for incarcerated youth offenders.
- Sec. 204. Advanced placement fee payment program.

I-2

- Sec. 205. Minority teacher recruitment.
- Sec. 206. Teacher quality enhancement grants.
- Sec. 207. Additional repeal.

TITLE III—INSTITUTIONAL AID

- Sec. 301. Strengthening institutions.
- Sec. 302. Historically black colleges and universities.
- Sec. 303. Minority science and engineering improvement program.
- Sec. 304. General provisions.

TITLE IV—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS

- Sec. 401. Pell Grants.
- Sec. 402. Federal TRIO programs.
- Sec. 403. National early intervention and partnership program.
- Sec. 404. Repeals.
- Sec. 405. Federal supplemental educational opportunity grants.
- Sec. 406. Grants to States for State student incentives.
- Sec. 407. Special programs for students whose families are engaged in migrant and seasonal farmwork.
- Sec. 408. Byrd Scholarships.

PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM

- Sec. 411. Limitation repealed.
- Sec. 412. Advances to reserve funds.
- Sec. 413. Guaranty agency reforms.
- Sec. 414. Scope and duration of program.
- Sec. 415. Limitations on individual federally insured loans and Federal loan insurance.
- Sec. 416. Applicable interest rates.
- Sec. 417. Federally guaranteed student loans.
- Sec. 418. Voluntary agreements with guaranty agencies.
- Sec. 419. Federal consolidation loans.
- Sec. 420. Disbursement.
- Sec. 421. Unsubsidized Stafford loans.
- Sec. 422. Repeal of loan forgiveness.
- Sec. 423. Legal powers and responsibilities.
- Sec. 424. Student loan information.
- Sec. 425. Definitions.
- Sec. 426. Discharge.
- Sec. 427. Debt management options.
- Sec. 428. Special allowances.

PART C—FEDERAL WORK-STUDY PROGRAMS

- Sec. 431. Amendments to part C.

PART D—WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM

- Sec. 436. Selection of institutions.
- Sec. 437. Terms and conditions.
- Sec. 438. Contracts.
- Sec. 439. Funds for administrative expenses.
- Sec. 440. Authority to sell loans.

I-3

PART E—FEDERAL PERKINS LOANS

Sec. 441. Amendments to part E.

PART F—NEED ANALYSIS

Sec. 446. Cost of attendance.

Sec. 447. Data elements.

Sec. 448. Family contribution for dependent students.

Sec. 449. Family contribution for independent students without dependents other than a spouse.

Sec. 450. Family contribution for independent students with dependents other than a spouse.

Sec. 451. Regulations; updated tables and amounts.

Sec. 452. Discretion of student financial aid administrators.

Sec. 453. Treatment of other financial assistance.

PART G—GENERAL PROVISIONS

Sec. 461. Definitions.

Sec. 462. Master calendar.

Sec. 463. Forms and regulations.

Sec. 464. Student eligibility.

Sec. 465. State court judgments.

Sec. 466. Information for students.

Sec. 467. National student loan data system.

Sec. 468. Program participation agreements.

Sec. 469. Quality assurance and regulatory simplification.

Sec. 470. Distance education demonstration programs.

Sec. 471. Garnishment requirements.

Sec. 472. Administrative subpoena authority.

Sec. 473. Advisory committee on student financial assistance.

Sec. 474. Meetings and negotiated rulemaking.

PART H—PROGRAM INTEGRITY

Sec. 476. State postsecondary review program.

Sec. 477. Accrediting agency recognition.

Sec. 478. Eligibility and certification procedures.

Sec. 479. Program review and data.

TITLE V—TRIBALLY CONTROLLED COLLEGE AND UNIVERSITY ASSISTANCE

PART A—TRIBALLY CONTROLLED COLLEGES AND UNIVERSITIES.

Sec. 501. Extension to colleges and universities.

Sec. 502. Program changes.

Sec. 503. Transfer to Higher Education Act.

PART B—REAUTHORIZATION AND TRANSFER OF PROVISIONS FROM TITLE XIII OF THE EDUCATION AMENDMENTS OF 1992

Sec. 511. Reauthorization.

Sec. 512. Transfer to Higher Education Act.

PART C—REAUTHORIZATION AND TRANSFER OF NAVAJO COMMUNITY COLLEGE ACT

I-4

- Sec. 521. Reauthorization.
- Sec. 522. Transfer to Higher Education Act.

PART D—CONFORMING AMENDMENTS.

- Sec. 531. Stylistic consistency.

TITLE VI—INTERNATIONAL AND GRADUATE EDUCATION PROGRAMS

- Sec. 601. International and foreign language studies.
- Sec. 602. Business and international education programs.
- Sec. 603. Institute for International Public Policy.
- Sec. 604. General provisions.
- Sec. 605. Transfer and reauthorization of graduate assistance in areas of national need program.

TITLE VII—CONSTRUCTION, RECONSTRUCTION, AND RENOVATION OF ACADEMIC FACILITIES

- Sec. 701. Extension of prior rights and obligations.
- Sec. 702. Repeal of part A.
- Sec. 703. Extension of authorization of part B.
- Sec. 704. Extension of authorization of part C.

TITLE VIII—ADDITIONAL PROVISIONS

- Sec. 801. Study of transfer of credits.
- Sec. 802. Repeals of previous higher education amendments provisions.

TITLE IX—AMENDMENTS TO THE EDUCATION OF THE DEAF ACT OF 1986

PART A—GALLAUDET UNIVERSITY; NATIONAL TECHNICAL INSTITUTE FOR THE DEAF

SUBPART 1—GALLAUDET UNIVERSITY

- Sec. 901. Board of trustees membership.
- Sec. 902. Elementary and secondary education programs.
- Sec. 903. Agreement with Gallaudet University.

SUBPART 2—NATIONAL INSTITUTE FOR THE DEAF

- Sec. 911. Agreement for the National Technical Institute for the Deaf.

PART B—GENERAL PROVISIONS

- Sec. 921. Definitions.
- Sec. 922. Audits.
- Sec. 923. Reports.
- Sec. 924. Monitoring, evaluation, and reporting.
- Sec. 925. Responsibility of the liaison.
- Sec. 926. Federal endowment programs.
- Sec. 927. Scholarship program.
- Sec. 928. Oversight and effect of agreements.
- Sec. 929. International students.
- Sec. 930. Authorization of appropriations.

I-5

TITLE X—FACULTY RETIREMENT PROVISIONS

Sec. 1001. Voluntary retirement incentive plans.

1 **SEC. 3. REFERENCES.**

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

8 **SEC. 4. GENERAL EFFECTIVE DATE.**

9 Except as otherwise provided in this Act or the
10 amendments made by this Act, the amendments made by
11 this Act shall take effect on October 1, 1998.

12 **TITLE I—GENERAL PROVISIONS**

13 **PART A—EXTENSION AND REVISION OF**

14 **GENERAL PROVISIONS**

15 **SEC. 101. REDESIGNATION AND TRANSFER OF PROVISIONS.**

16 (a) IN GENERAL.—

17 (1) REPEAL OF TITLE I.—Title I (20 U.S.C.
18 1001 et seq.) is repealed.

19 (2) REPEAL OF TITLE XII PROVISIONS.—The
20 following sections of title XII are repealed: sections
21 1206, 1211, and 1212 (20 U.S.C. 1145a, 1145e,
22 1145f)

23 (3) REDESIGNATIONS.—

I-6

1 (A) Title XII is redesignated as title I.

2 (B) Sections 1201, 1202, and 1203 (20
3 U.S.C. 1141, 1142, 1143) are redesignated as
4 sections 101, 102, and 103, respectively.

5 (C) Section 1204(b), as redesignated by
6 section 251 of the Higher Education Amend-
7 ments of 1968 (20 U.S.C. 1144(b); 82 Stat.
8 1042), is redesignated as section 104.

9 (D) Section 1204, as added by section
10 1201 of the Education Amendments of 1980
11 (20 U.S.C. 1144a; 94 Stat. 1495), is redesi-
12 gnated as section 105.

13 (E) Sections 1205, 1207, 1208, 1209,
14 1210, and 1213 (20 U.S.C. 1145, 1145b,
15 1145c, 1145d, 1145d-1, and 1145g) are redesi-
16 gnated as sections 106 through 111, respec-
17 tively.

18 (4) TRANSFER.—Title I (including sections 101
19 through 111), as redesignated by paragraph (3), is
20 transferred to immediately follow the short title of
21 the Higher Education Act of 1965 (20 U.S.C. 1001
22 note).

23 (b) INTERNAL CROSS-REFERENCES.—The Higher
24 Education Act of 1965 is amended—

I-7

1 (1) in section 106 (as redesignated by sub-
2 section (a)(3)), by striking “481(a)” and inserting
3 “101(a)”;

4 (2) in section 402(c)(2)(A), by striking “section
5 1210” and inserting “section 110”;

6 (3) in section 481, by striking “section
7 1201(a)” each place it appears and inserting “sec-
8 tion 101”;

9 (4) in section 485(f)(1)(I), by striking “section
10 1213” and inserting “section 111”;

11 (5) in section 498(j)(2), by striking “section
12 1201(a)(2)” and inserting “section 101(a)(2)”;

13 (6) in section 591(d)(2), by striking “section
14 1201(a)” and inserting “section 101”;

15 (7) in section 631(a)(8), by striking “section
16 1201(a)” each place it appears and inserting “sec-
17 tion 101”; and

18 (8) in section 1081(d), by striking “section
19 1201” and inserting “section 101”.

20 (c) CONFORMING AMENDMENTS.—

21 (1) TITLE 10, UNITED STATES CODE.—Sections
22 2193(e)(1) and 2199(2) of title 10, United States
23 Code, are each amended by striking “1201(a) of the
24 Higher Education Act of 1965 (20 U.S.C. 1141(a))”

I-8

1 and inserting “101 of the Higher Education Act of
2 1965”.

3 (2) TITLE 18, UNITED STATES CODE.—Section
4 207(j)(2)(B) of title 18, United States Code, is
5 amended by striking “1201(a)” and inserting
6 “101”.

7 (3) TITLE 39, UNITED STATES CODE.—Section
8 3626(b)(3) of title 39, United States Code, is
9 amended by striking “1201(a) of the Higher Edu-
10 cation Act of 1965 (20 U.S.C. 1141(a))” and insert-
11 ing “101 of the Higher Education Act of 1965”.

12 (4) ANTI-DRUG ABUSE ACT OF 1988.—Section
13 3601(7) of the Anti-Drug Abuse Act of 1988 (42
14 U.S.C. 11851(7)) is amended by striking “1201(a)
15 of the Higher Education Act of 1965 (20 U.S.C.
16 1141(a))” and inserting “101 of the Higher Edu-
17 cation Act of 1965”.

18 (5) CRANSTON-GONZALEZ NATIONAL AFFORD-
19 ABLE HOUSING ACT.—Section 457(9) of the Cran-
20 ston-Gonzalez National Affordable Housing Act (42
21 U.S.C. 12899f(9)) is amended by striking “1201(a)”
22 and inserting “101”.

23 (6) DEPARTMENT OF STATE AUTHORIZATION
24 ACT, FISCAL YEARS 1984 AND 1985.—Section 803(1)
25 of the Department of State Authorization Act, Fis-

I-9

1 cal Years 1984 and 1985 (20 U.S.C. 4502(1)) is
2 amended by striking “1201(a)” and inserting
3 “101”.

4 (7) EDUCATION FOR ECONOMIC SECURITY
5 ACT.—Section 3(6) of the Education for Economic
6 Security Act (20 U.S.C. 3902(6)) is amended by
7 striking “1201(a)” and inserting “101”.

8 (8) ELEMENTARY AND SECONDARY EDUCATION
9 ACT OF 1965.—The Elementary and Secondary Edu-
10 cation Act of 1965 is amended—

11 (A) in section 7501(4) (20 U.S.C.
12 7601(4)) by striking “1201(a)” and inserting
13 “101”; and

14 (B) in section 14101(17) (20 U.S.C.
15 8801(17)), by striking “1201(a)” and inserting
16 “101”.

17 (9) FEDERAL AGRICULTURE IMPROVEMENT
18 AND REFORM ACT OF 1996.—Section 922 of the Fed-
19 eral Agriculture Improvement and Reform Act of
20 1996 is amended in subsections (a)(1)(B) and (b)(1)
21 by striking “1201 of the Higher Education Act of
22 1965 (20 U.S.C. 1141)” and inserting “101 of the
23 Higher Education Act of 1965”.

24 (10) FOLLOW THROUGH ACT.—Section 670G(5)
25 of the Follow Through Act (42 U.S.C. 9877(5)) is

I-10

1 amended by striking “1201 of the Higher Education
2 Act of 1965” and inserting “101 of the Higher Edu-
3 cation Act of 1965”.

4 (11) FOOD AND AGRICULTURE ACT OF 1977.—
5 Section 1417(h)(1)(A) of the Food and Agriculture
6 Act of 1977 (7 U.S.C. 3152(h)(1)(A)) is amended
7 by striking “1201(a) of the Higher Education Act of
8 1965 (20 U.S.C. 1141(a))” and inserting “101 of
9 the Higher Education Act of 1965”.

10 (12) FOREIGN RELATIONS AUTHORIZATION
11 ACT, FISCAL YEARS 1986 AND 1987.—Section 603(d)
12 of the Foreign Relations Authorization Act, Fiscal
13 Years 1986 and 1987 (20 U.S.C. 4703(d)) is
14 amended by striking “1201(a)” and inserting
15 “101”.

16 (13) GENERAL EDUCATION PROVISIONS ACT.—
17 Section 429(d)(2)(B)(ii) of the General Education
18 Provisions Act (20 U.S.C. 1228c(d)(2)(B)(ii)) is
19 amended by striking “1201(a)” and inserting
20 “101”.

21 (14) HARRY S TRUMAN MEMORIAL SCHOLAR-
22 SHIP ACT.—Section 3(4) of the Harry S Truman
23 Memorial Scholarship Act (20 U.S.C. 2002(4)) is
24 amended by striking “1201(a)” and inserting
25 “101”.

I-11

1 (15) HEAD START ACT.—Section 649(c)(3) of
2 the Head Start Act (42 U.S.C. 9844(c)(3)) is
3 amended by striking “1201(a) of the Higher Edu-
4 cation Act of 1965 (20 U.S.C. 1141(a))” and insert-
5 ing “101 of the Higher Education Act of 1965”.

6 (16) HIGHER EDUCATION AMENDMENTS OF
7 1992.—Section 1371(a)(1)(B) of the Higher Edu-
8 cation Amendments of 1992 (25 U.S.C.
9 3371(a)(1)(B)) is amended by striking “1201(a)”
10 and inserting “101”.

11 (17) INTELLIGENCE AUTHORIZATION ACT, FIS-
12 CAL YEAR 1992.—Section 808(3) of the Intelligence
13 Authorization Act, Fiscal Year 1992 (20 U.S.C.
14 1908(3)) is amended by striking “1201(a) of the
15 Higher Education Act of 1965 (20 U.S.C. 1141(a))”
16 and inserting “101 of the Higher Education Act of
17 1965”.

18 (18) JOB TRAINING PARTNERSHIP ACT.—The
19 Job Training Partnership Act is amended—

20 (A) in section 4(12) (29 U.S.C. 1503(12)),
21 by striking “1201(a)” and inserting “101”; and

22 (B) in section 141(d)(3)(B) (29 U.S.C.
23 1551(d)(3)(B)), by striking “1201(a) of the
24 Higher Education Act of 1965 (20 U.S.C.

I-12

1 1141(a))” and inserting “101 of the Higher
2 Education Act of 1965”.

3 (19) JUSTICE SYSTEM IMPROVEMENT ACT OF
4 1979.—Section 901(a)(17) of the Justice System Im-
5 provement Act of 1979 (42 U.S.C. 3791(a)(17)) is
6 amended by striking “1201(a) of the Higher Edu-
7 cation Act of 1965 (20 U.S.C. 1141(a))” and insert-
8 ing “101 of the Higher Education Act of 1965”.

9 (20) MUTUAL EDUCATIONAL AND CULTURAL
10 EXCHANGE ACT OF 1961.—Section 112(a)(8) of the
11 Mutual Educational and Cultural Exchange Act of
12 1961 (22 U.S.C. 2460(a)(8)) is amended by striking
13 “1201(a) of the Higher Education Act of 1965 (20
14 U.S.C. 1141(a))” and inserting “101 of the Higher
15 Education Act of 1965”.

16 (21) NATIONAL AND COMMUNITY SERVICE ACT
17 OF 1990.—Sections 101(13) and 166(6) of the Na-
18 tional and Community Service Act of 1990 (42
19 U.S.C. 12511(13); 12626(6)) are each amended by
20 striking “1201(a) of the Higher Education Act of
21 1965 (20 U.S.C. 1141(a))” and inserting “101 of
22 the Higher Education Act of 1965”.

23 (22) NATIONAL DEFENSE AUTHORIZATION ACT
24 FOR FISCAL YEAR 1987.—Section 1403(4) of the Na-
25 tional Defense Authorization Act for Fiscal Year

I-13

1 1987 (20 U.S.C. 4702(4)) is amended by striking
2 “1201(a) of the Higher Education Act of 1965 (20
3 U.S.C. 1141(a))” and inserting “101 of the Higher
4 Education Act of 1965”.

5 (23) NATIONAL DEFENSE AUTHORIZATION ACT
6 FOR FISCAL YEAR 1993.—The National Defense Au-
7 thorization Act for Fiscal Year 1993 is amended in
8 section 4451(b)(1) (10 U.S.C. 2701 note) by strik-
9 ing “1201(a) of the Higher Education Act of 1965
10 (20 U.S.C. 1141(a))” and inserting “101 of the
11 Higher Education Act of 1965”.

12 (24) NATIONAL DEFENSE AUTHORIZATION ACT
13 FOR FISCAL YEARS 1992 AND 1993.—Section
14 3132(b)(1) of the National Defense Authorization
15 Act for Fiscal Years 1992 and 1993 (42 U.S.C.
16 7274e(b)(1) is amended by striking “1201(a) of the
17 Higher Education Act of 1965 (20 U.S.C. 1141(a))”
18 and inserting “101 of the Higher Education Act of
19 1965”.

20 (25) NATIONAL DEFENSE AUTHORIZATION ACT
21 FOR FISCAL YEAR 1994.—The National Defense Au-
22 thorization Act for Fiscal Year 1994 is amended—
23 (A) in section 841(c) (10 U.S.C. 2324
24 note), by striking “1201(a) of the Higher Edu-
25 cation Act of 1965 (20 U.S.C. 1141(a))” and

I-14

1 inserting “101 of the Higher Education Act of
2 1965”;

3 (B) in section 1333(i)(D)(3) (10 U.S.C.
4 2701 note), by striking “1201(a) of the Higher
5 Education Act of 1965 (20 U.S.C. 1141(a))”
6 and inserting “101 of the Higher Education
7 Act of 1965”; and

8 (C) in section 1334(k)(3) (10 U.S.C. 2701
9 note), by striking “1201(a) of the Higher Edu-
10 cation Act of 1965 (20 U.S.C. 1141(a))” and
11 inserting “101 of the Higher Education Act of
12 1965”.

13 (26) NATIONAL EDUCATION STATISTICS ACT OF
14 1994.—Section 402(c)(3) of the National Education
15 Statistics Act of 1994 (20 U.S.C. 9001(c)(3)) is
16 amended by striking “1201(a)” and inserting
17 “101”.

18 (27) OLDER AMERICANS ACT OF 1965.—Section
19 102(32) of the Older Americans Act of 1965 (42
20 U.S.C. 3002(32)) is amended by striking “1201(a)
21 of the Higher Education Act of 1965 (20 U.S.C.
22 1141(a))” and inserting “101 of the Higher Edu-
23 cation Act of 1965”.

24 (28) OMNIBUS PARKS AND PUBLIC LANDS MAN-
25 AGEMENT ACT OF 1996.—Section 1007(c)(5) of the

I-15

1 Omnibus Parks and Public Lands Management Act
2 of 1996 (16 U.S.C. 698u-5) is amended by striking
3 “1201(a) of the Higher Education Act of 1965 (20
4 U.S.C. 1441(a))” and inserting “101 of the Higher
5 Education Act of 1965”.

6 (29) PUBLIC LAW 85 OF THE 67TH CON-
7 GRESS.—Public Law 85 of the 67th Congress (42
8 Stat. 208; 25 U.S.C. 13), popularly referred to as
9 the Snyder Act, is amended by striking “1201” and
10 inserting “101”.

11 (30) PUBLIC LAW 416 OF THE 73RD CON-
12 GRESS.—Section 223(h)(4) of the Communication
13 Act of 1934 (47 U.S.C. 223(h)(4)) is amended by
14 striking “1201 of the Higher Education Act of 1965
15 (20 U.S.C. 1141)” and inserting “101 of the Higher
16 Education Act of 1965”.

17 (31) PUBLIC LAW 845 OF THE 80TH CON-
18 GRESS.—Section 112(a)(1) of the Federal Water
19 Pollution Control Act (33 U.S.C. 1262(a)(1)) is
20 amended by striking “1201” and inserting “101”.

21 (32) PUBLIC LAW 88-210.—Section 347(2)(A)
22 of the Carl D. Perkins Vocational and Applied Tech-
23 nology Education Act (20 U.S.C. 2394(2)(A)) is
24 amended by striking “1201(a)” and inserting
25 “101”.

I-16

1 (33) PUBLIC LAW 94-163.—Section
2 362(f)(5)(A) of the Energy Policy and Conservation
3 Act (42 U.S.C. 6322(f)(5)(A)) is amended by strik-
4 ing “1201(a) of the Higher Education Act of 1965
5 (20 U.S.C. 1141(a))” and inserting “101 of the
6 Higher Education Act of 1965”.

7 (34) PUBLIC LAW 99-500.—Section 815(4) of
8 the James Madison Memorial Fellowship Act (20
9 U.S.C. 4514(3)) is amended by striking “1201(a)”
10 and inserting “101”, and by striking “1201(d)” and
11 inserting “101”.

12 (35) REHABILITATION ACT OF 1973.—Sections
13 7(32) and 101(a)(7)(A)(iv)(II) of the Rehabilitation
14 Act of 1973 (29 U.S.C. 706(32); 29 U.S.C.
15 721(a)(7)(A)(iv)(II)) are each amended by striking
16 “1201(a) of the Higher Education Act of 1965 (20
17 U.S.C. 1141(a))” and inserting “101 of the Higher
18 Education Act of 1965”.

19 (36) TECHNOLOGY RELATED ASSISTANCE FOR
20 INDIVIDUALS WITH DISABILITIES ACT OF 1988.—Sec-
21 tion 3(8) of the Technology Related Assistance for
22 Individuals with Disabilities Act of 1988 (29 U.S.C.
23 2202(8)) is amended by striking “1201(a) of the
24 Higher Education Act of 1965 (20 U.S.C. 1141(a))”

I-17

1 and inserting “101 of the Higher Education Act of
2 1965”.

3 (37) TRIBALLY CONTROLLED COMMUNITY COL-
4 LEGE ASSISTANCE ACT OF 1978.—The Tribally Con-
5 trolled Community College Assistance Act of 1978 is
6 amended—

7 (A) in section 2(a)(5) (25 U.S.C.
8 1801(a)(5)), by striking “1201(a)” and insert-
9 ing “101”; and

10 (B) in section 113(b)(2) (25 U.S.C.
11 1813(b)(2)), by striking “1201(a) of the Higher
12 Education Act of 1965 (20 U.S.C. 1141(a))”
13 and inserting “101 of the Higher Education
14 Act of 1965”.

15 (38) VIOLENT CRIME CONTROL AND LAW EN-
16 FORCEMENT ACT OF 1994.—The Violent Crime Con-
17 trol and Law Enforcement Act of 1994 is amend-
18 ed—

19 (A) in sections 200103 and 200202 (42
20 U.S.C. 14092; 14111), by striking “1201(a) of
21 the Higher Education Act of 1965 (20 U.S.C.
22 1141(a))” and inserting “101 of the Higher
23 Education Act of 1965”; and

24 (B) in section 30401 (42 U.S.C. 13791),
25 by striking “a public” through “that Act”, and

I-18

1 inserting “an elementary school as defined in
2 section 14101(14) of the Elementary and Sec-
3 ondary Education Act of 1965, and a secondary
4 school as defined by section 14101(25) of such
5 Act, which are public institutions”.

6 **SEC. 102. DEFINITIONS.**

7 (a) INSTITUTION OF HIGHER EDUCATION.—Section
8 101 (as redesignated by section 101(a)(3) of this Act) is
9 amended by striking subsections (a) and (b) and inserting
10 the following:

11 “(a) INSTITUTION OF HIGHER EDUCATION.—

12 “(1) IN GENERAL.—Subject to paragraphs (2)
13 through (4) of this subsection:

14 “(A) PRINCIPAL CRITERIA.—The term ‘in-
15 stitution of higher education’ means an edu-
16 cational institution in any State that—

17 “(i) admits as regular students only
18 persons having a certificate of graduation
19 from a school providing secondary edu-
20 cation, or the recognized equivalent of such
21 a certificate;

22 “(ii) is legally authorized within such
23 State to provide a program of education
24 beyond secondary education;

I-19

1 “(iii) provides an educational program
2 for which it awards a bachelor’s degree or
3 provides not less than a two-year program
4 that is acceptable for full credit toward
5 such a degree;

6 “(iv) is a public or other nonprofit in-
7 stitution; and

8 “(v) is accredited by a nationally rec-
9 ognized accrediting agency or association,
10 or if not so accredited, is an institution
11 that has been granted preaccreditation sta-
12 tus by such an agency or association that
13 has been recognized by the Secretary for
14 the granting of preaccreditation status,
15 and the Secretary has determined that
16 there is satisfactory assurance that the in-
17 stitution will meet the accreditation stand-
18 ards of such an agency or association with-
19 in a reasonable time.

20 “(B) ADDITIONAL INSTITUTIONS IN-
21 CLUDED.—The term ‘institution of higher edu-
22 cation’ also includes—

23 “(i) any school that provides not less
24 than a one-year program of training to
25 prepare students for gainful employment in

I-20

1 a recognized occupation and that meets the
2 provision of clauses (i), (ii), (iv), and (v) of
3 subparagraph (A); and

4 “(ii) a public or nonprofit private edu-
5 cational institution in any State that, in
6 lieu of the requirement in subparagraph
7 (A)(i), admits as regular students persons
8 who are beyond the age of compulsory
9 school attendance in the State in which the
10 institution is located.

11 “(C) LIST OF ACCREDITING AGENCIES.—
12 For purposes of this subsection, the Secretary
13 shall publish a list of nationally recognized ac-
14 crediting agencies or associations that he deter-
15 mines, pursuant to subpart 2 of part H of title
16 IV of this Act, to be reliable authority as to the
17 quality of the education or training offered.

18 “(2) DEFINITION FOR PURPOSES OF TITLE IV
19 PROGRAMS.—

20 “(A) INCLUSION OF ADDITIONAL INSTITU-
21 TIONS.—Subject to subparagraphs (B) through
22 (D) of this paragraph, the term ‘institution of
23 higher education’ for purposes of title IV of this
24 Act includes, in addition to the institutions cov-

I-21

1 ered by the definition in paragraph (1) of this
2 subsection—

3 “(i) a proprietary institution of higher
4 education;

5 “(ii) a postsecondary vocational insti-
6 tution; and

7 “(iii) only for the purposes of part B
8 of title IV, an institution outside the Unit-
9 ed States that is comparable to an institu-
10 tion of higher education as defined in para-
11 graph (1) of this subsection and that has
12 been approved by the Secretary for the
13 purpose of part B of title IV.

14 “(B) INSTITUTIONS OUTSIDE THE UNITED
15 STATES.—

16 “(i) For the purpose of qualifying as
17 an institution under subparagraph (A)(iii)
18 of this paragraph, the Secretary shall es-
19 tablish criteria by regulation for the ap-
20 proval of institutions outside the United
21 States and for the determination that such
22 institutions are comparable to an institu-
23 tion of higher education as defined in para-
24 graph (1) of this subsection. In the case of
25 a graduate medical school outside the

I-22

1 United States, such criteria shall include a
2 requirement that a student attending a
3 graduate medical school outside the United
4 States is ineligible for loans made, insured,
5 or guaranteed under part B of this title
6 unless—

7 “(I)(aa) at least 60 percent of
8 those enrolled and at least 60 percent
9 of the graduates of the graduate med-
10 ical school outside the United States
11 were not persons described in section
12 484(a)(5) in the year preceding the
13 year for which a student is seeking a
14 loan under part B of title IV; and

15 “(bb) at least 60 percent of the
16 individuals who were students or
17 graduates of the graduate medical
18 school outside the United States (both
19 nationals of the United States and
20 others) taking the examinations ad-
21 ministered by the Educational Com-
22 mission for Foreign Medical Grad-
23 uates received a passing score in the
24 year preceding the year for which a

I-23

1 student is seeking a loan under part
2 B of title IV; or

3 “(II) the institution’s clinical
4 training program was approved by a
5 State as of January 1, 1992.

6 “(ii) For the purpose of qualifying as
7 an institution under subparagraph (A)(iii)
8 of this paragraph, the Secretary shall es-
9 tablish an advisory panel of medical ex-
10 perts that shall—

11 “(I) evaluate the standards of ac-
12 creditation applied to applicant for-
13 eign medical schools; and

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

18 If such accreditation standards are deter-
19 mined not to be comparable, the foreign
20 medical school shall be required to meet
21 the requirements of paragraph (1) of this
22 subsection.

23 “(iii) The failure of an institution out-
24 side the United States to provide, release,
25 or authorize release to the Secretary of

I-24

1 such information as may be required by
2 clause (i) of this subparagraph shall render
3 such institution ineligible for the purpose
4 of part B of title IV.

5 “(iv) If, pursuant to this subpara-
6 graph, an institution loses eligibility to
7 participate in the programs under title IV,
8 then a student enrolled at such institution
9 may, notwithstanding such loss of eligi-
10 bility, continue to be eligible to receive a
11 loan under part B while attending such in-
12 stitution for the academic year succeeding
13 the academic year in which such loss of eli-
14 gibility occurred.

15 “(C) LIMITATIONS BASED ON COURSE OF
16 STUDY OR ENROLLMENT.—An institution shall
17 not be considered to meet the definition of an
18 institution of higher education in subparagraph
19 (A) of this paragraph if such institution—

20 “(i) offers more than 50 percent of
21 such institution’s courses by correspond-
22 ence, unless the institution is an institution
23 that meets the definition in section
24 521(4)(C) of the Carl D. Perkins Voca-

I-25

1 tional and Applied Technology Education
2 Act;

3 “(ii) enrolls 50 percent or more of its
4 students in correspondence courses, unless
5 the institution is an institution that meets
6 the definition in such section, except that
7 the Secretary, at the request of such insti-
8 tution, may waive the applicability of this
9 clause to such institution for good cause,
10 as determined by the Secretary in the case
11 of an institution of higher education that
12 provides a 2-year or 4-year program of in-
13 struction for which the institution awards
14 an associate or baccalaureate degree;

15 “(iii) has a student enrollment in
16 which more than 25 percent of the stu-
17 dents are incarcerated, except that the
18 Secretary may waive the prohibition of this
19 clause for a nonprofit institution that pro-
20 vides a 4-year or a 2-year program of in-
21 struction (or both) for which it awards a
22 bachelor’s or associate’s degree or diploma,
23 respectively; or

24 “(iv) has a student enrollment in
25 which more than 50 percent of the stu-

I-26

1 dents do not have a high school diploma or
2 its recognized equivalent and does not pro-
3 vide a 4-year or a 2-year program of in-
4 struction (or both) for which it awards a
5 bachelor's or associate's degree, respec-
6 tively, except that the Secretary may waive
7 the limitation contained in this clause if a
8 nonprofit institution demonstrates to the
9 satisfaction of the Secretary that it exceeds
10 such limitation because it serves, through
11 contracts with Federal, State, or local gov-
12 ernment agencies, significant numbers of
13 students who do not have a high school di-
14 ploma or its recognized equivalent.

15 “(D) LIMITATIONS BASED ON MANAGE-
16 MENT.—An institution shall not be considered
17 to meet the definition of an institution of higher
18 education in subparagraph (A) of this para-
19 graph if—

20 “(i) the institution, or an affiliate of
21 the institution that has the power, by con-
22 tract or ownership interest, to direct or
23 cause the direction of the management or
24 policies of the institution, has filed for
25 bankruptcy; or

I-27

1 “(ii) the institution, its owner, or its
2 chief executive officer has been convicted
3 of, or has pled nolo contendere or guilty to,
4 a crime involving the acquisition, use, or
5 expenditure of funds under title IV, or has
6 been judicially determined to have commit-
7 ted fraud involving funds under title IV.

8 “(E) CERTIFICATION.—The Secretary
9 shall certify an institution’s qualification as an
10 institution of higher education in accordance
11 with the requirements of subpart 2 of part H.

12 “(F) LOSS OF ELIGIBILITY.—An institu-
13 tion of higher education shall not be considered
14 to meet the definition of an institution of higher
15 education in subparagraph (A) of this para-
16 graph if such institution is removed from eligi-
17 bility for funds under title IV as a result of an
18 action pursuant to part H of title IV.

19 “(3) PROPRIETARY INSTITUTION OF HIGHER
20 EDUCATION.—

21 “(A) PRINCIPAL CRITERIA.—For the pur-
22 pose of this subsection, the term ‘proprietary
23 institution of higher education’ means a school
24 that—

I-28

1 “(i) provides an eligible program of
2 training to prepare students for gainful
3 employment in a recognized occupation;

4 “(ii) meets the requirements of
5 clauses (i) and (ii) of paragraph (1)(A) of
6 this subsection;

7 “(iii) does not meet the requirement
8 of clause (iv) of paragraph (1)(A) of this
9 subsection;

10 “(iv) is accredited by a nationally rec-
11 ognized accrediting agency or association
12 approved by the Secretary pursuant to
13 part H of title IV;

14 “(v) has been in existence for at least
15 2 years; and

16 “(vi) has at least 15 percent of its
17 revenues from sources that are not derived
18 from funds provided under title IV, as de-
19 termined in accordance with regulations
20 prescribed by the Secretary.

21 In determining such 15 percent of revenues for
22 purposes of clause (vi), funds from programs of
23 education and training that do not meet the
24 definition of an eligible program in section
25 481(b), but are provided on a contractual basis

I-29

1 under Federal, State, or local training pro-
2 grams, or under specialized business and indus-
3 try training requests, shall be counted.

4 “(B) ADDITIONAL INSTITUTIONS.—The
5 term ‘proprietary institution of higher edu-
6 cation’ also includes a proprietary educational
7 institution in any State that, in lieu of the re-
8 quirement in clause (i) of paragraph (1)(A) of
9 this subsection, admits as regular students per-
10 sons who are beyond the age of compulsory
11 school attendance in the State in which the in-
12 stitution is located.

13 “(4) POSTSECONDARY VOCATIONAL INSTITU-
14 TION.—

15 “(A) PRINCIPAL CRITERIA.—For the pur-
16 pose of this subsection, the term “postsecond-
17 ary vocational institution” means a school
18 that—

19 “(i) provides an eligible program of
20 training to prepare students for gainful
21 employment in a recognized occupation;

22 “(ii) meets the requirements of
23 clauses (i), (ii), (iv), and (v) of paragraph
24 (1)(A) of this subsection; and

I-30

1 “(iii) has been in existence for at least
2 2 years.

3 “(B) ADDITIONAL INSTITUTIONS.—The
4 term ‘postsecondary vocational institution also
5 includes an educational institution in any State
6 that, in lieu of the requirement in clause (i) of
7 paragraph (1)(A) of this subsection, admits as
8 regular students persons who are beyond the
9 age of compulsory school attendance in the
10 State in which the institution is located.

11 “(b) STATE; FREELY ASSOCIATED STATES.—

12 “(1) STATE.—The term ‘State’ includes, in ad-
13 dition to the several States of the Union, the Com-
14 monwealth of Puerto Rico, the District of Columbia,
15 Guam, American Samoa, the Virgin Islands, the
16 Commonwealth of the Northern Mariana Islands,
17 and the Freely Associated States.

18 “(2) FREELY ASSOCIATED STATES.—The term
19 ‘Freely Associated States’ means the Republic of the
20 Marshall Islands, the Republic of Palau, and the
21 Federated States of Micronesia.”.

22 (b) CONFORMING AMENDMENTS.—

23 (1) Section 481 (20 U.S.C. 1088) is amended—

24 (A) by striking subsections (a), (b), and
25 (c); and

I-31

1 (B) by redesignating subsections (d)
2 through (f) as subsections (a) through (c), re-
3 spectively.

4 (2) Each of the following provisions is amended
5 by striking “section 481” and inserting “section
6 101(a)(2)”: sections 410A(C)(2)(D), 435(a)(1),
7 487(d), 494(c)(1)(A), 494A(b)(2), and 496(j) and
8 (k).

9 (3) Section 498(i) (20 U.S.C. 1099c) is amend-
10 ed by striking “section 481 (other than the require-
11 ments in subsections (b)(5) and (c)(3))” and insert-
12 ing “section 101(a) (other than the requirements in
13 paragraphs (3)(A)(v) and (4)(A)(iii))”.

14 (4) Section 498(j) is amended by striking “sec-
15 tions 481(b)(5) and 481(c)(3)” and inserting “para-
16 graphs (3)(A)(v) and (4)(A)(iii) of section 101(a)”.

17 (5) Section 105(b) (as redesignated by section
18 101(a)(3)(D)) is amended by adding at the end the
19 following new sentence: “This subsection shall cease
20 to be effective on October 1, 2001.”.

1 **PART B—PERFORMANCE-BASED ORGANIZATION**
2 **FOR THE DELIVERY OF FEDERAL STUDENT**
3 **FINANCIAL ASSISTANCE.**

4 **SEC. 111. PERFORMANCE-BASED ORGANIZATION FOR THE**
5 **DELIVERY OF FEDERAL STUDENT FINANCIAL**
6 **ASSISTANCE.**

7 Title I (as amended by part A of this title) is amend-
8 ed—

9 (1) by striking “TITLE I—GENERAL PRO-
10 VISIONS” and inserting the following:

11 **“TITLE I—GENERAL AND**
12 **ADMINISTRATIVE PROVISIONS**

13 **“PART A—GENERAL PROVISIONS”;**

14 and

15 (2) by adding at the end the following new part:

16 **“PART B—ADMINISTRATIVE PROVISIONS FOR**
17 **DELIVERY OF STUDENT FINANCIAL ASSISTANCE**
18 **“SEC. 131. PERFORMANCE-BASED ORGANIZATION FOR THE**
19 **DELIVERY OF FEDERAL STUDENT FINANCIAL**
20 **ASSISTANCE.**

21 “(a) ESTABLISHMENT AND PURPOSE.—

22 “(1) ESTABLISHMENT.—There is established in
23 the Department a Performance-Based Organization
24 (hereafter referred to as the ‘PBO’) which shall be
25 a discrete management unit responsible for manag-
26 ing the information systems supporting the pro-

I-33

1 grams authorized under title IV of this Act, as speci-
2 fied in subsection (b).

3 “(2) PURPOSES.—The purposes of the PBO
4 are—

5 “(A) to improve the level of service to stu-
6 dents and participants in the programs;

7 “(B) to reduce the costs of administering
8 the Federal student financial assistance pro-
9 grams authorized under title IV;

10 “(C) to increase the accountability of the
11 officials responsible for administering the oper-
12 ational aspects of these programs;

13 “(D) to provide greater flexibility in the
14 management of the operational functions of the
15 Federal student financial assistance programs;

16 “(E) to integrate the information systems
17 supporting the Federal student financial assist-
18 ance programs; and

19 “(F) to implement an open, common, inte-
20 grated system for the delivery of student finan-
21 cial assistance under title IV.

22 “(b) AUTHORITY.—

23 “(1) AUTHORITY OF SECRETARY.— Notwith-
24 standing any other provision of this Act, the Sec-
25 retary shall maintain responsibility for the develop-

I-34

1 ment and promulgation of policy relating to the pro-
2 grams of student financial assistance under title IV.
3 In the exercise of its functions, the PBO shall be
4 subject to the direction of the Secretary. The Sec-
5 retary shall—

6 “(A) request the advice of, and work in co-
7 operation with, the Chief Operating Officer in
8 developing regulations, policies, administrative
9 guidance, or procedures affecting the informa-
10 tion systems administered by the PBO, and
11 other functions performed by the PBO;

12 “(B) request cost estimates from the Chief
13 Operating Officer for system changes required
14 by specific policies proposed by the Secretary;

15 “(C) consider the Chief Operating Officer’s
16 comments and estimates prior to finalizing such
17 regulations, policies, administrative guidance, or
18 procedures;

19 “(D) assist the Chief Operating Officer in
20 identifying goals for the administration and
21 modernization of the delivery system for stu-
22 dent financial assistance under title IV; and

23 “(E) if necessary, arrange for additional
24 funding to ensure that the PBO can efficiently
25 perform its functions.

I-35

1 “(2) FUNCTIONS.—The PBO shall carry out
2 the following functions:

3 “(A) All aspects of contracting for the data
4 and information systems supporting student fi-
5 nancial assistance under title IV, including the
6 operational administration of the William D.
7 Ford Federal Direct Loan Program, but not in-
8 cluding the development of policy relating to
9 such programs.

10 “(B) The administrative, accounting, and
11 financial management functions of the delivery
12 system for Federal student assistance, includ-
13 ing—

14 “(i) the collection, processing and
15 transmission of applicant data to students,
16 institutions and authorized third parties,
17 as provided for in section 483;

18 “(ii) technical specifications for soft-
19 ware development and systems supporting
20 the delivery of student financial assistance
21 under title IV;

22 “(iii) information technology and sys-
23 tems infrastructure related to the delivery
24 and management of student financial as-
25 sistance under title IV;

I-36

1 “(iv) all software and hardware acqui-
2 sitions and all information technology con-
3 tracts related to the delivery and manage-
4 ment of student financial assistance under
5 title IV; and

6 “(v) all customer service, training and
7 user support related to the functions de-
8 scribed in clauses (i) through (iv).

9 “(C) Annual development of a budget for
10 the operations and services of the PBO, in con-
11 sultation with the Secretary, and for consider-
12 ation and inclusion in the Department’s annual
13 budget submission.

14 “(D) Annual development of goals, in con-
15 sultation with the Secretary, for the administra-
16 tion and modernization of the system for deliv-
17 ery of student financial assistance under title
18 IV.

19 “(E) Other functions proposed by the Sec-
20 retary, and agreed to by the Chief Operating
21 Officer as are not inconsistent with the func-
22 tions of the PBO.

23 “(3) INDEPENDENCE.—In carrying out its
24 functions, the PBO shall exercise independent con-
25 trol of its budget allocations and expenditures, per-

I-37

1 sonnel decisions and processes, procurements, and
2 other administrative and management functions.

3 “(4) REVIEW OF PBO.—The PBO shall be sub-
4 ject to the usual and customary Federal audit proce-
5 dures, and be subject to review by the Inspector
6 General of the Department.

7 “(c) AUTHORIZATION OF APPROPRIATIONS.—For the
8 purpose of funding the administrative costs incurred by
9 the PBO in administering systems supporting programs
10 under this part, there are authorized to be appropriated
11 such sums as may be necessary for fiscal year 1999 and
12 each of the 4 succeeding fiscal years, except that funds
13 authorized under section 458 shall be made available to
14 the PBO by the Secretary for administrative costs author-
15 ized to be funded under that section.

16 “(d) ORGANIZATIONAL REPORTS.—

17 “(1) PERFORMANCE PLAN.—Within 6 months
18 of the hiring of the Chief Operating Officer, and
19 every 12 months thereafter, the Secretary and the
20 Chief Operating Officer of the Department shall de-
21 velop a performance plan for the PBO that estab-
22 lishes measurable goals and objectives for the orga-
23 nization. In developing this performance plan, the
24 Secretary and the Chief Operating Officer shall con-
25 sult with the Committee on Education and the

I-38

1 Workforce of the House of Representatives, the
2 Committee on Labor and Human Resources of the
3 Senate, and the Advisory Committee on Student Fi-
4 nancial Assistance. The performance plan shall in-
5 clude a concise statement of goals for a modernized
6 system for the delivery of student financial assist-
7 ance under title IV and identify action steps nec-
8 essary to achieve such goals. Such goals shall be
9 used in evaluating the performance of the Chief Op-
10 erating Officer and the PBO pursuant to paragraph
11 (2).

12 “(2) ANNUAL ACCOUNTABILITY REPORT.—The
13 Chief Operating Officer shall prepare and submit an
14 annual accountability report to the Secretary and
15 the Committee on Education and the Workforce of
16 the House of Representatives and the Committee on
17 Labor and Human Resources of the Senate. The ac-
18 countability report shall include—

19 “(A) an independent financial audit of the
20 expenditures of both the PBO and programs
21 administered by it;

22 “(B) financial and performance require-
23 ments applicable to the PBO under the Chief
24 Financial Officer Act of 1990 and the Govern-
25 ment Performance and Results Act of 1993;

I-39

1 “(C) the results achieved by the PBO dur-
2 ing the year relative to the goals established in
3 the organization’s performance plan;

4 “(D) the results of the evaluations of per-
5 formance of the Chief Operating Officer and
6 senior managers under subsections (e)(2) and
7 (f)(2), including the amounts of bonus com-
8 pensation awarded to these individuals;

9 “(E) a discussion of the effectiveness of co-
10 ordination between the PBO and the Secretary;

11 “(F) recommendations for legislative and
12 regulatory changes to improve service to stu-
13 dents and their families, and to or improve pro-
14 gram efficiency and integrity; and

15 “(G) other such information as the Direc-
16 tor of the Office of Management and Budget
17 shall prescribe for performance based organiza-
18 tions.

19 “(e) CHIEF OPERATING OFFICER.—

20 “(1) IN GENERAL.—The management of the
21 PBO shall be vested in a Chief Operating Officer
22 who shall be appointed by the Secretary to a 5-year
23 term and compensated without regard to chapters
24 33, 51, and 53 of title 5, United States Code. The
25 Secretary shall appoint the Chief Operating Officer

I-40

1 within 6 months of the date of enactment of this
2 part. The Secretary shall consult with the Chairmen
3 of the Committee on Education and the Workforce
4 of the House of Representatives and the Committee
5 on Labor and Human Resources of the Senate prior
6 to making an appointment. The appointment shall
7 be made on the basis of demonstrated management
8 ability and expertise in information technology, in-
9 cluding extensive experience in the financial services
10 industry, and without regard to political affiliation
11 or activity. The Secretary may reappoint the Chief
12 Operating Officer to subsequent terms so long as the
13 performance of the Chief Operating Officer, as set
14 forth in the performance agreement, is satisfactory
15 or better. The Chief Operating Officer may be re-
16 moved by—

17 “(A) the President; or

18 “(B) the Secretary, for misconduct or fail-
19 ure to meet performance goals set forth in the
20 performance agreement in paragraph (2).

21 The President or Secretary shall communicate the
22 reasons for any such removal to the appropriate
23 committees of Congress.

24 “(2) PERFORMANCE AGREEMENT.—The Sec-
25 retary and the Chief Operating Officer shall enter

I-41

1 into an annual performance agreement which shall
2 set forth measurable organization and individual
3 goals for the Chief Operating Officer in key oper-
4 ational areas. The agreement shall be subject to re-
5 view and renegotiation at the end of each term. The
6 final agreement shall be transmitted to the Commit-
7 tee on Education and the Workforce of the House
8 of Representatives and the Committee on Labor and
9 Human Resources of the Senate, and made publicly
10 available.

11 “(3) COMPENSATION.—The Chief Operating
12 Officer is authorized to be paid at an annual rate of
13 basic pay not to exceed the maximum rate of basic
14 pay for the Senior Executive Service under section
15 5382 of title 5, United States Code, including any
16 applicable locality-based comparability payment that
17 may be authorized under section 5304(h)(2)(B) of
18 such title 5. In addition, the Chief Operating Officer
19 may receive a bonus in an amount up to, but not in
20 excess of, 50 percent of such annual rate of basic
21 pay, based upon the Secretary’s evaluation of the
22 Chief Operating Officer’s performance in relation to
23 the performance goals set forth in the performance
24 agreement described in paragraph (2). Payment of a
25 bonus under this paragraph may be made to the

I-42

1 Chief Operating Officer only to the extent that such
2 payment does not cause the Chief Operating Offi-
3 cer's total aggregate compensation in a calendar
4 year to equal or exceed the amount of the Presi-
5 dent's salary under section 102 of title 3, United
6 States Code.

7 “(f) SENIOR MANAGEMENT.—

8 “(1) IN GENERAL.—The Chief Operating Offi-
9 cer may appoint up to 5 senior managers as may be
10 necessary without regard to the provisions of title 5,
11 United States Code, governing appointments in the
12 competitive service, and who may be paid without re-
13 gard to the provisions of chapter 51 and subchapter
14 III of chapter 53 of such title relating to classifica-
15 tion and General Schedule pay rates.

16 “(2) PERFORMANCE AGREEMENT.—The Chief
17 Operating Officer shall enter into an annual per-
18 formance agreement with each senior manager ap-
19 pointed under this subsection which shall set forth
20 measurable organization and individual goals in key
21 operational areas. The agreement shall be subject to
22 review and renegotiation at the end of each term.

23 “(3) COMPENSATION.—The Chief Operating
24 Officer is authorized to pay senior managers at an
25 annual rate of basic pay not to exceed 75 percent of

I-43

1 the maximum rate of basic pay for the Senior Exec-
2 utive Service under section 5382 of title 5, United
3 States Code, including any applicable locality-based
4 comparability payment that may be authorized
5 under section 5304(h)(2)(C) of such title 5. In addi-
6 tion, a senior manager may receive a bonus in an
7 amount up to, but not in excess of, 50 percent of
8 such annual rate of basic pay, based upon the Chief
9 Operating Officer's evaluation of the manager's per-
10 formance in relation to the performance goals set
11 forth in the performance agreement described in
12 paragraph (2).

13 “(g) PERSONNEL FLEXIBILITY.—

14 “(1) PERSONNEL CEILINGS.—The PBO shall
15 not be subject to any ceiling relating to the number
16 or grade of employees.

17 “(2) ADMINISTRATIVE FLEXIBILITY.—The
18 Chief Operating Officer shall work with the Office of
19 Personnel Management to develop and implement
20 personnel flexibilities in staffing, classification, and
21 pay that meet the needs of the PBO, subject to com-
22 pliance with title 5, United States Code.

23 “(h) ESTABLISHMENT OF A FAIR AND EQUITABLE
24 SYSTEM FOR MEASURING STAFF PERFORMANCE.—The
25 PBO shall establish an annual performance management

I-44

1 system, subject to compliance with title 5, United States
2 Code and consistent with applicable provisions of law and
3 regulations, which strengthens the organizational effec-
4 tiveness of the PBO by providing for establishing goals
5 or objectives for individual, group, or organizational per-
6 formance (or any combination thereof), consistent with the
7 performance plan of the PBO and its performance plan-
8 ning procedures, including those established under the
9 Government Performance and Results Act of 1993, and
10 communicating such goals or objectives to employees.

11 “(i) PROCUREMENT FLEXIBILITY.—

12 “(1) IN GENERAL.—Except as provided in this
13 subsection, the PBO shall abide by all applicable
14 Federal procurement laws and regulations when pro-
15 curing property and services. The PBO shall—

16 “(A) enter into contracts for information
17 systems supporting the programs authorized
18 under title IV to carry out the functions set
19 forth in subsection (b)(2); and

20 “(B) obtain the services of experts and
21 consultants without regard to section 3109 of
22 title 5, United States Code and set pay in ac-
23 cordance with such section.

24 “(2) PERFORMANCE BASED SERVICING CON-
25 TRACTS.—The Chief Operating Officer shall, to the

I-45

1 extent practicable, maximize the use of performance
2 based servicing contracts, consistent with guidelines
3 for such contracts published by the Office of Federal
4 Procurement Policy, to achieve cost savings and im-
5 prove service.

6 “(3) FEE FOR SERVICE ARRANGEMENTS.—The
7 Chief Operating Officer shall, to the extent prac-
8 ticable and consistent with the purpose of the PBO,
9 utilize services available outside of the Federal Gov-
10 ernment in the delivery of Federal student financial
11 assistance. To achieve this purpose, the PBO is au-
12 thorized to pay fees to an organization that are
13 equivalent to those paid by other entities for such
14 services, if the Chief Operating Officer determines
15 that such organization currently provides an infor-
16 mation system or service that meets the require-
17 ments of the PBO.

18 “(j) FOCUS GROUPS.—To facilitate information shar-
19 ing and customer involvement, the Chief Operating Officer
20 may establish focus groups composed of students, institu-
21 tions, and other participants in the programs authorized
22 by title IV to provide advice on student aid delivery mat-
23 ters.

1 **“SEC. 132. ADMINISTRATIVE SIMPLIFICATION OF STUDENT**
2 **AID DELIVERY.**

3 “(a) IN GENERAL.—The Secretary, and the Chief
4 Operating Officer shall improve the efficiency and effec-
5 tiveness of the student aid delivery system by encouraging
6 and participating in the establishment of voluntary con-
7 sensus standards and requirements for the electronic
8 transmission of information necessary for the administra-
9 tion of programs under title IV.

10 “(b) ADOPTION OF VOLUNTARY CONSENSUS STAND-
11 ARDS.—Except with respect to the common financial re-
12 porting form under section 483(a), the Secretary shall
13 adopt voluntary consensus standards for transactions re-
14 quired under title IV, and common data elements for such
15 transactions, to enable information to be exchanged elec-
16 tronically between systems administered by the Depart-
17 ment and among participants in the Federal student aid
18 delivery system.

19 “(c) REQUIREMENTS FOR ADOPTION OF VOLUNTARY
20 CONSENSUS STANDARDS.—Any voluntary consensus
21 standard adopted under this section shall—

22 “(1) be a standard that has been developed,
23 adopted, or modified by a standard setting organiza-
24 tion that is open to the participation of the various
25 entities engaged in the delivery of Federal student
26 financial assistance; and

I-47

1 “(2) be consistent with the objective of reducing
2 the administrative costs of delivering student finan-
3 cial assistance under title IV.

4 “(d) PARTICIPATION IN STANDARD SETTING ORGA-
5 NIZATIONS.—

6 “(1) The Chief Operating Officer shall partici-
7 pate in the activities of standard setting organiza-
8 tions in carrying out the provisions of this section.

9 “(2) The Chief Operating Officer shall encour-
10 age higher education groups seeking to develop com-
11 mon forms, standards, and procedures in support of
12 the delivery of Federal student financial assistance
13 to conduct these activities within a standard setting
14 organization.

15 “(3) The Chief Operating Officer may pay nec-
16 essary dues and fees associated with participating in
17 standard setting organizations pursuant to this sub-
18 section from funds available under subsection (j).

19 “(e) PROCEDURES FOR ADOPTION AND IMPLEMEN-
20 TATION OF VOLUNTARY CONSENSUS STANDARDS.—In
21 adopting voluntary consensus standards and implementa-
22 tion timetables under this section, including modifications
23 of existing standards, the Secretary shall follow the proce-
24 dures for negotiated rulemaking in section 492.

I-48

1 “(f) INITIAL VOLUNTARY CONSENSUS STANDARDS
2 TO BE ADOPTED.—Through coordinated participation be-
3 tween the Chief Operating Officer and standard setting
4 organizations, the initial standards adopted by the Sec-
5 retary shall include the following:

6 “(1) ELECTRONIC PERSONAL IDENTIFIER NUM-
7 BER.—The Secretary shall adopt standards for a
8 single electronic personal identifier number for stu-
9 dents receiving assistance under title IV.

10 “(2) ELECTRONIC SIGNATURE.—The Secretary,
11 in coordination with the Secretary of Commerce,
12 shall adopt standards specifying procedures for the
13 electronic transmission and authentication of signa-
14 tures with respect to transactions requiring a signa-
15 ture under title IV.

16 “(3) SINGLE INSTITUTIONAL IDENTIFIER.—The
17 Secretary shall adopt standards for a single identi-
18 fier for eligible institutions under title IV.

19 “(g) USE OF CLEARINGHOUSES.—Nothing in this
20 section shall restrict the ability of participating institu-
21 tions and lenders from using a clearinghouse to comply
22 with the standards for the exchange of information estab-
23 lished under this section.

24 “(h) APPLICABILITY TO CURRENT SYSTEMS.—

I-49

1 “(1) GENERAL RULE.—Except as provided in
2 paragraph (2) and (3), this section shall apply to all
3 Department of Education information systems sup-
4 porting the delivery of programs under title IV no
5 later than 12 months from the date of enactment of
6 this part.

7 “(2) NATIONAL STUDENT LOAN DATA SYS-
8 TEM.—This section shall apply to sections 485B(e)
9 and (f) no later than 18 months after the date of
10 enactment of this part.

11 “(3) INTEGRATED POSTSECONDARY EDUCATION
12 DATA SYSTEM.—The Secretary shall coordinate the
13 adoption of voluntary consensus standards under
14 this section to ensure that standards are compatible
15 with the integrated postsecondary education data
16 system (IPEDS).

17 “(i) DATA SECURITY.—Any entity that maintains or
18 transmits information under a transaction covered by this
19 section shall maintain reasonable and appropriate admin-
20 istrative, technical, and physical safeguards—

21 “(1) to ensure the integrity and confidentiality
22 of the information; and

23 “(2) to protect against any reasonably antici-
24 pated security threats, or unauthorized uses or dis-
25 closures of the information.

I-50

1 “(j) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated in any fiscal year or
3 made available from funds appropriated to carry out ac-
4 tivities in this section in any fiscal year such sums as may
5 be necessary to carry out the provisions of this section,
6 except that if no funds are appropriated pursuant to this
7 subsection, the Secretary shall make funds available to
8 carry out this section from amounts appropriated for the
9 operations and expenses of the Department of Education.

10 “(k) DEFINITIONS.—For purposes of this section:

11 “(1) The term ‘voluntary consensus standard’
12 means a standard developed or used by a standard
13 setting organization accredited by the American Na-
14 tional Standards Institute.

15 “(2) The term ‘standard setting organization’
16 means a standard setting organization accredited by
17 the American National Standards Institute that de-
18 velops standards for information transactions, data
19 elements, or any other standard that is necessary to,
20 or will facilitate, the implementation of this section.

21 “(3) For purposes of this section, the term
22 ‘clearinghouse’ means a public or private entity that
23 processes or facilitates the processing of non-
24 standard data elements into data elements conform-
25 ing to standards adopted under this section.”.

II-1

1 **TITLE II—POSTSECONDARY EDU-**
2 **CATION IMPROVEMENT PRO-**
3 **GRAMS**

4 **SEC. 201. URBAN COMMUNITY SERVICE.**

5 (a) DESIGNATION OF TITLE.—The Higher Education
6 Act of 1965 is amended by inserting after title I (20
7 U.S.C. 1001 et seq.) the following:

8 **“TITLE II—POSTSECONDARY**
9 **EDUCATION IMPROVEMENT**
10 **PROGRAMS”.**

11 (b) REDESIGNATION AND TRANSFER OF URBAN
12 COMMUNITY SERVICE PROGRAM.—

13 (1) INTERNAL CROSS-REFERENCES.—Part A of
14 title XI is amended—

15 (A) in section 1102(b), by striking “section
16 1104” and inserting “section 204”;

17 (B) in section 1104(12), by striking “sec-
18 tion 1103(a)(2)(B)” and inserting “section
19 203(a)(2)(B)”; and

20 (C) in section 1108(1), by striking “section
21 1103” and inserting “section 203”.

22 (2) REDESIGNATION.—Part A of title XI (20
23 U.S.C. 1136 et seq.) is redesignated as part A of
24 title II, and sections 1101 through 1109 are redesign-
25 ated as sections 201 through 209.

II-2

1 (3) TRANSFER.—Part A of title II (including
2 sections 201 through 209), as redesignated by para-
3 graph (1), is transferred to immediately follow the
4 heading inserted by subsection (a) of this section.

5 (4) REPEAL.—Part B of title XI (20 U.S.C.
6 1137 et seq.) and the heading of title XI are re-
7 pealed.

8 (c) ALLOWABLE ACTIVITIES.—Section 204 (as redес-
9 ignated by subsection (b)(2)) is amended by adding at the
10 end the following new paragraph:

11 “(14) Improving access to technology in local
12 communities.”.

13 (d) DESIGNATION OF URBAN GRANT INSTITU-
14 TIONS.—Section 207 (as redesignated by subsection
15 (b)(2)) is amended by adding at the end the following new
16 sentence: “The information developed as a result of this
17 section shall be made available to Urban Grant Institu-
18 tions and to any other interested institution of higher edu-
19 cation by any appropriate means, including the Internet.”.

20 (e) AUTHORIZATION OF APPROPRIATIONS.—Section
21 209 (as redesignated by subsection (b)(2)) is amended by
22 striking “1993” and inserting “1999”.

II-3

1 **SEC. 202. FUND FOR THE IMPROVEMENT OF POSTSECOND-**
2 **ARY EDUCATION**

3 (a) REDESIGNATION AND TRANSFER OF PRO-
4 GRAMS.—

5 (1) INTERNAL CROSS-REFERENCE.—Section
6 1004 (20 U.S.C. 1135a-3) is amended by striking
7 “section 1001(b)” each place it appears and insert-
8 ing “section 221(b)”.

9 (2) REDESIGNATION.—Part A of title X (20
10 U.S.C. 1135 et seq.) is redesignated as part B of
11 title II and—

12 (A) sections 1001 through 1003 (20
13 U.S.C. 1135 et seq.) are redesignated as sec-
14 tions 221 through 223; and

15 (B) section 1011 (20 U.S.C. 1135a-11) is
16 redesignated as section 224.

17 (3) TRANSFER.—Part B of title II (including
18 sections 221 through 231), as redesignated by para-
19 graph (1), is transferred to follow part B of title II
20 (as amended by section 202 of this Act).

21 (4) REPEAL.—Section 1004 and parts C and D
22 of title X (20 U.S.C. 1135a-3, 1135e et seq.) and
23 the heading of title X are repealed.

24 (b) ENDOWMENT GRANTS.—Section 221(a) (as re-
25 designated by subsection (a)(2)) is amended—

II-4

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

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

5 (3) by adding at the end the following new
6 paragraph:

7 “(9) awarding an endowment grant, on a com-
8 petitive basis, to a national organization to enable
9 such organization to support the establishment or
10 ongoing work of area program centers that foster
11 the development of local affiliated chapters in high-
12 poverty areas to improve graduation rates and post-
13 secondary attendance through the provision of aca-
14 demic support services and scholarship assistance for
15 the pursuit of postsecondary education.”.

16 (c) SPECIAL PROJECTS.—Section 224 (as redesi-
17 gned by subsection (a)(2)) is amended—

18 (1) by striking paragraphs (1), (2), and (3) of
19 subsection (c) and inserting the following:

20 “(1) articulation agreements between two-year
21 and four-year institutions;

22 “(2) evaluation and dissemination of model pro-
23 grams; and

II-5

1 “(3) international cooperation and student ex-
2 change among postsecondary educational institu-
3 tions.”; and

4 (2) by striking subsection (d).

5 (d) AUTHORIZATION OF APPROPRIATIONS.—

6 (1) COMBINATION OF SUBPARTS.—Part B of
7 title II (as redesignated by subsection (a)) is amend-
8 ed by striking the subpart designations and head-
9 ings.

10 (2) AUTHORIZATION.—Part B of title II (as so
11 redesignated) is amended by adding at the end the
12 following:

13 **“SEC. 225. AUTHORIZATION OF APPROPRIATIONS.**

14 “There are authorized to be appropriated to carry out
15 this part \$30,000,000 for fiscal year 1999 and such sums
16 as may be necessary for each of the 4 succeeding fiscal
17 years.”.

18 **SEC. 203. GRANTS TO STATES FOR WORKPLACE AND COM-**
19 **MUNITY TRANSITION TRAINING FOR INCAR-**
20 **CERATED YOUTH OFFENDERS.**

21 (a) REDESIGNATION AND TRANSFER OF PRO-
22 GRAMS.—

23 (1) REDESIGNATION.—Part E of title X (20
24 U.S.C. 1135g) is redesignated as part C of title II
25 and section 1091 is redesignated as section 231.

II-6

1 (2) TRANSFER.—Part C of title II (including
2 section 231), as redesignated by paragraph (1), is
3 transferred to follow part B of title II (as amended
4 by section 202 of this Act).

5 (b) REAUTHORIZATION.—Section 231(j) (as so reded-
6 ignated) is amended to read as follows:

7 “(j) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated to carry out this section
9 \$5,000,000 for fiscal year 1999 and such sums as may
10 be necessary for each of the four succeeding fiscal years.”.

11 **SEC. 204. ADVANCED PLACEMENT FEE PAYMENT PRO-**
12 **GRAM.**

13 (a) REDESIGNATION AND TRANSFER OF PRO-
14 GRAMS.—

15 (1) REDESIGNATION.—Part G of title XV of
16 the Higher Education Amendments of 1992 (20
17 U.S.C. 1170) is redesignated as part D of title II
18 and section 1545 of such Act is redesignated as sec-
19 tion 241.

20 (2) TRANSFER.—Part D of title II (including
21 section 241), as redesignated by paragraph (1), is
22 transferred to follow part C of title II (as amended
23 by section 203 of this Act).

II-7

1 (b) REAUTHORIZATION.—Section 241(f) (as so reded-
2 ignated) is amended by striking “1993” and inserting
3 “1999”.

4 **SEC. 205. TEACHER QUALITY ENHANCEMENT GRANTS.**

5 Title II is further amended by adding at the end the
6 following new part:

7 **“PART F—TEACHER QUALITY ENHANCEMENT**
8 **GRANTS**

9 **“SEC. 271. PURPOSE.**

10 “The purposes of this part are—

11 “(1) to provide competitive grants to States for
12 assistance in strengthening the quality of the teach-
13 ing force by improving the academic knowledge of
14 teachers in the subject areas in which they teach;

15 “(2) to hold institutions of higher education
16 with teacher preparation programs accountable for
17 preparing teachers who are highly competent in the
18 academic content areas in which they plan to teach,
19 including training in the effective uses of tech-
20 nologies in the classroom; and

21 “(3) to recruit high quality individuals, includ-
22 ing individuals from other occupation, into the
23 teaching force.

24 **“SEC. 272. ELIGIBILITY.**

25 “(a) ELIGIBLE STATES.—

II-8

1 “(1) APPLICATIONS.—To be eligible to receive a
2 grant under this part, a Governor shall, at the time
3 of the initial grant application, submit an application
4 to the Secretary that meets the requirements of this
5 part.

6 “(2) CONTENTS OF APPLICATION.—Such appli-
7 cation shall include a description of how the State
8 intends to use funds provided under this part and
9 such other information and assurances as the Sec-
10 retary may require.

11 **“SEC. 273. USE OF FUNDS.**

12 (a) REQUIRED ACTIVITIES.—The Governor of a State
13 that receives a grant under this subpart shall—

14 (1) use a portion of such grant to carry out one
15 or more of the following activities:

16 (A) reforming State teacher certification
17 requirements to ensure that current and future
18 teachers possess the necessary academic content
19 knowledge in the subject areas in which they
20 are certified and assigned to teach;

21 (B) providing prospective teachers alter-
22 natives to schools of education through pro-
23 grams at colleges of arts and sciences or at
24 nonprofit organizations;

II-9

1 (C) funding programs which establish or
2 expand alternative routes to State certification
3 for highly qualified individuals from other occu-
4 pations;

5 (D) developing and implementing effective
6 mechanisms to expeditiously remove incom-
7 petent or unqualified teachers; and

8 (E) implementing reforms which hold insti-
9 tutions of higher education with teacher prepa-
10 ration programs accountable for preparing
11 teachers who are highly competent in the aca-
12 demic content areas in which they plan to
13 teach; and

14 (2) use a portion of such grant to establish a
15 lighthouse partnership consisting of the Governor,
16 an exemplary institution of higher education which
17 prepares teachers, and a local educational agency
18 and which may also consist of other institutions of
19 higher education, public charter schools, and public
20 and private nonprofit elementary and secondary
21 schools, for the purpose of carrying out one or more
22 of the following activities:

23 (A) creating opportunities for enhance and
24 ongoing professional development which im-
25 proves the academic content knowledge of

II-10

1 teachers in the subject areas in which they are
2 certified to teach or in which they are working
3 toward certification to teach;

4 (B) providing programs designed to imple-
5 ment the successful integration of technology
6 into teaching and learning;

7 (C) implementing reforms which hold insti-
8 tutions of higher education with teacher prepa-
9 ration programs accountable for preparing
10 teachers who are highly competent in the aca-
11 demic content areas in which they plan to
12 teach;

13 (D) reforming State certification require-
14 ments to ensure that current and future teach-
15 ers possess the necessary academic content
16 knowledge in the subject areas in which they
17 are certified to teach; and

18 (E) recruiting minorities, and others, into
19 the teaching and counseling profession, includ-
20 ing education paraprofessionals, former military
21 personnel, and mid-career professionals, by pro-
22 viding financial and other assistance related to
23 instruction, induction, mentoring and support
24 services.

II-11

1 **“SEC. 274. COMPETITIVE AWARDS.**

2 “(a) COMPETITIVE BASIS FOR AWARDS.—The Sec-
3 retary shall make annual grants under this part on a com-
4 petitive basis.

5 “(b) PEER REVIEW PANEL.—The Secretary shall
6 provide the applications submitted by Governors under
7 section 272 to a peer review panel for evaluation. With
8 respect to each application, the peer review panel shall ini-
9 tially recommend the application for funding or for dis-
10 approval.

11 “(c) PRIORITY.—In recommending applications to
12 the Secretary, the panel shall give priority to applications
13 from States with proposals which promise initiatives to re-
14 form State teacher certification requirements which are
15 designed to ensure that current and future teachers pos-
16 sess the necessary academic content knowledge in the sub-
17 ject areas in which they are certified to teach or which
18 include innovative reforms to hold institutions of higher
19 education with teacher preparation programs accountable
20 for preparing teachers who are highly competent in the
21 academic content areas in which they plan to teach.

22 “(d) RANKING OF APPLICATIONS.—With respect to
23 each application recommended for funding, the panel shall
24 assign the application a rank, relative to other rec-
25 ommended applications, based on the priority described in
26 subsection (c), the extent to which the application furthers

II-12

1 the purposes of this part, and the overall quality of the
2 application, based on the quality and scope of State-sup-
3 ported strategies to improve quality of teacher preparation
4 and their teaching force.

5 “(e) RECOMMENDATION OF AMOUNT.—With respect
6 to each application recommended for funding, the panel
7 shall make a recommendation to the Secretary with re-
8 spect to the amount of the grant that should be made.

9 “(f) SECRETARIAL SELECTION.—

10 “(1) IN GENERAL.—Subject to paragraph (2),
11 the Secretary shall determine, based on the peer re-
12 view panel’s recommendations, which applications
13 shall receive funding and the amounts of such
14 grants. In determining grant amounts, the Secretary
15 shall take into account the total amount of funds
16 available for all grants under this part and the types
17 of activities proposed to be carried out.

18 “(2) EFFECT OF RANKING BY PANEL.—In mak-
19 ing grants under this part, the Secretary shall select
20 applications according to the ranking of the applica-
21 tions by the peer review panel, except in cases where
22 the Secretary determines, for good cause, that a var-
23 iation from that order is appropriate.

24 “(g) MATCHING REQUIREMENT.—Each State receiv-
25 ing funds under this part shall provide, from non-Federal

II-13

1 sources, an amount equal to 1/2 of the amount of the
2 grant in cash or in kind to carry out the activities sup-
3 ported by the grant.

4 “(h) LIMITATION ON ADMINISTRATIVE EXPENSES.—
5 A State that receives a grant under this part may use not
6 more than 2 percent of the grant funds for administrative
7 costs.

8 “(i) REPORTING.—

9 “(1) IN GENERAL.—A Governor that receives a
10 grant under this section shall submit an accountabil-
11 ity report to the Secretary and the Committee on
12 Education and the Workforce of the House of Rep-
13 resentatives and the Committee on Labor and
14 Human Resources of the Senate. Such reports shall
15 include a description of the degree to which the
16 State, in using these funds, has made substantial
17 progress in meeting the following goals:

18 “(A) Raising the State academic standards
19 required to enter the teaching profession.

20 “(B) Increasing the percentage of classes
21 taught in core academic subject areas by teach-
22 ers fully certified by the State to teach in those
23 subject areas.

24 “(C) Decreasing shortages of qualified
25 teachers in poor urban and rural areas.

II-14

1 “(D) Increasing opportunities for enhanced
2 and ongoing professional development which im-
3 proves the academic content knowledge of
4 teachers in the subject areas in which they are
5 certified to teach or in which they are working
6 toward certification to teach.

7 “(2) ACCOUNTABILITY OF STATE INSTITUTION
8 OF HIGHER EDUCATION.—Prior to receiving funds
9 under this part, a State shall demonstrate that at
10 least 80 percent of graduates of each of the exem-
11 plary institutions of higher education in any partner-
12 ship described in section 273(a)(2) who enter the
13 field of teaching pass all applicable State qualifica-
14 tion assessments of new teachers, which must in-
15 clude assessments of each prospective teacher’s sub-
16 ject matter knowledge in the content area or areas
17 in which the teacher provides instruction. Prior to
18 each subsequent receipt of funds under this part,
19 such State shall demonstrate that 70 percent of the
20 graduates of each institution of higher education in
21 the State have met such goal and continue to
22 progress to exceed such goal. Such assessment shall
23 be at least as rigorous as those in place on the date
24 of enactment of this Act and shall have qualifying

II-15

1 scores no lower than those in place on date of enact-
2 ment of this Act.

3 “(3) PROVISION TO PEER REVIEW PANEL.—The
4 Secretary shall provide the reports submitted under
5 paragraph (1) to the peer review panel convened
6 under subsection (b). The panel shall use such ac-
7 countability report in recommending applications for
8 subsequent funding under this section.

9 “(i) TEACHERS QUALIFICATIONS PROVIDED TO PAR-
10 ENT UPON REQUEST.—Any local educational agency that
11 participates as an eligible applicant or partner under this
12 part shall make available, upon request and in an under-
13 standable and uniform format, to any parent of a student
14 attending any school in the local educational agency, infor-
15 mation regarding the qualifications of the students class-
16 room teacher, both generally and with regard to the sub-
17 ject matter in which the teacher provides instruction.

18 **“SEC. 275. LIMITATIONS.**

19 “(a) FEDERAL CONTROL PROHIBITED.—Nothing in
20 this part shall be construed to permit, allow, encourage,
21 or authorize any Federal control over any aspect of any
22 private, religious, or home school, whether or not a home
23 school is treated as a private school or home school under
24 State law. This section shall not be construed to bar pri-

II-16

1 vate, religious, or home schools from participation in pro-
2 grams or services under this part.

3 “(b) NO CHANGE IN STATE CONTROL ENCOURAGED
4 OR REQUIRED.—Nothing in this part shall be construed
5 to encourage or require any change in a State’s treatment
6 of any private, religious, or home school, whether or not
7 a home school is treated as a private school or home school
8 under State law.

9 “(c) PROHIBITION ON FUNDS.—None of the funds
10 appropriated under this or any other Act shall be made
11 available by any Federal agency to the National Board for
12 Professional Teaching Standards.

13 “(d) NATIONAL SYSTEM OF TEACHER CERTIFI-
14 CATION PROHIBITED.—Nothing in this part shall be con-
15 strued to permit, allow, encourage, or authorize any na-
16 tional system of teacher certification.

17 **“SEC. 276. AUTHORIZATION OF APPROPRIATIONS.**

18 There are authorized to be appropriated to carry out
19 this part, \$18,500,000 for fiscal years 1999 and such
20 sums as may be necessary for each of the 4 succeeding
21 fiscal years.”.

22 **SEC. 206. ADDITIONAL REPEAL.**

23 Title VIII (20 U.S.C. 1133 et seq.), relating to coop-
24 erative education, is repealed.

III-1

1 TITLE III—INSTITUTIONAL AID**2 SEC. 301. STRENGTHENING INSTITUTIONS.**

3 (a) PROGRAM PURPOSE; USE OF FUNDS.—Section
4 311 (20 U.S.C. 1057) is amended—

5 (1) in subsection (b)(2), by striking “or” at the
6 end of subparagraph (A) and inserting “and”;

7 (2) by striking paragraph (3) of subsection (b);
8 and

9 (3) by adding at the end the following new sub-
10 sections:

11 “(c) AUTHORIZED ACTIVITIES.—Grants awarded
12 under this section shall be used for one or more of the
13 following activities:

14 “(1) purchase, rental, or lease of scientific or
15 laboratory equipment for educational purposes, in-
16 cluding instructional and research purposes;

17 “(2) construction, maintenance, renovation, and
18 improvement in classrooms, libraries, laboratories,
19 and other instructional facilities;

20 “(3) support of faculty exchanges, faculty devel-
21 opment, and faculty fellowships to assist in attaining
22 advanced degrees in their field of instruction;

23 “(4) purchase of library books, periodicals, and
24 other educational materials, including telecommuni-
25 cations program material;

III-2

1 “(5) tutoring, counseling, and student service
2 programs designed to improve academic success;

3 “(6) funds management, administrative man-
4 agement, and acquisition of equipment for use in
5 strengthening funds management;

6 “(7) joint use of facilities, such as laboratories
7 and libraries;

8 “(8) establishing or improving a development
9 office to strengthen or improve contributions from
10 alumni and the private sector;

11 “(9) establishing or improving an endowment
12 fund; and

13 “(10) creating or improving facilities for
14 Internet or other distance learning academic instruc-
15 tion capabilities, including purchase or rental of tele-
16 communications technology equipment or services;
17 and

18 “(11) other activities proposed in the applica-
19 tion submitted pursuant to subsection (c) that—

20 “(A) contribute to carrying out the pur-
21 poses of this section; and

22 “(B) are approved by the Secretary as part
23 of the review and acceptance of such applica-
24 tion.

25 “(d) ENDOWMENT FUND LIMITATIONS.—

III-3

1 “(1) PORTION OF GRANT.—An institution may
2 not use more than 20 percent of its grant under this
3 part for any fiscal year for establishing or improving
4 an endowment fund.

5 “(2) MATCHING REQUIRED.—An institution
6 that uses any portion of its grant under this part for
7 any fiscal year for establishing or improving an en-
8 dowment fund shall provide an equal or greater
9 amount for such purposes from non-Federal funds.

10 “(3) REGULATIONS.—The Secretary shall pub-
11 lish rules and regulations specifically governing the
12 use of funds for establishing or improving an endow-
13 ment fund.”.

14 (b) ENDOWMENT FUND DEFINITION.—Section 312
15 (20 U.S.C. 1058) is amended by adding at the end the
16 following new subsection:

17 “(g) ENDOWMENT FUND.—For the purpose of this
18 part, the term ‘endowment fund’ means a fund that—

19 “(1) is established by State law, by an institu-
20 tion of higher education, or by a foundation that is
21 exempt from Federal income taxation;

22 “(2) is maintained for the purpose of generat-
23 ing income for the support of the institution; and

24 “(3) does not include real estate.”.

III-4

1 (c) DURATION OF GRANT.—Section 313 (20 U.S.C.
2 1059) is amended—

3 (1) in subsection (a), by inserting before the pe-
4 riod at the end the following: “, except that no insti-
5 tution shall be eligible to secure a subsequent 5-year
6 grant award under this part until two calendar years
7 have elapsed since the expiration of its most recent
8 5-year grant award”; and

9 (2) in subsection (b), by inserting “subsection
10 (c) and a grant under” before “section 354(a)(1)”.

11 (d) APPLICATIONS.—Title III is amended by striking
12 section 314 (20 U.S.C. 1059a) and inserting the following:

13 **“SEC. 314. APPLICATIONS.**

14 “Each eligible institution desiring to receive assist-
15 ance under this part shall submit an application in accord-
16 ance with the requirements of section 351.”.

17 (e) HISPANIC-SERVING INSTITUTIONS.—

18 (1) DEFINITION.—Section 316(b) (20 U.S.C.
19 1059c(b)) is amended—

20 (A) by striking paragraph (1)(C) and in-
21 serting the following:

22 “(C) provides assurances that not less than
23 50 percent of its Hispanic students are low-in-
24 come individuals; and”;

25 (B) by striking paragraph (2); and

III-5

1 (C) by redesignating paragraph (3) as
2 paragraph (2).

3 (2) AUTHORIZED ACTIVITIES.—Section
4 316(c)(2) (20 U.S.C. 1059c(c)(2)) is amended—

5 (A) by striking “and” at the end of sub-
6 paragraph (G);

7 (B) by striking the period at the end of
8 subparagraph (H) and inserting “; and”; and

9 (C) by adding at the end the following new
10 subparagraph:

11 “(I) improving and expanding graduate
12 and professional opportunities for Hispanic stu-
13 dents.”.

14 (3) APPLICATIONS.—Section 316(d)(3) (20
15 U.S.C. 1059c(d)(3)) is amended by inserting “or
16 community-based organizations having demonstrated
17 effectiveness” after “one local educational agency”.

18 (f) PROGRAM FOR TRIBALLY CONTROLLED COL-
19 LEGES AND UNIVERSITIES.—Part A of title III is amend-
20 ed by inserting after section 316 (20 U.S.C. 1059c) the
21 following new section:

22 **“SEC. 317. AMERICAN INDIAN TRIBALLY CONTROLLED COL-
23 LEGES AND UNIVERSITIES.**

24 “(a) PROGRAM AUTHORIZED.—The Secretary shall
25 provide grants and related assistance to American Indian

III-6

1 Tribal Colleges and Universities to enable such institu-
2 tions to improve and expand their capacity to serve Indian
3 students.

4 “(b) DEFINITIONS.—For the purposes of this section:

5 “(1) The term ‘Indian’ has the same meaning
6 as in section 2 of the Tribally Controlled Community
7 Colleges Act of 1978.

8 “(2) The term ‘Indian tribe’ has the same
9 meaning as in section 2 of the Tribally Controlled
10 Community Colleges Act of 1978.

11 “(3) The term ‘Tribal College or University’
12 has the meaning give the term ‘tribally controlled
13 college or university’ in section 502 of this Act, and
14 includes an institution listed in the Equity in Edu-
15 cational Land Grant Status Act of 1994.

16 “(4) The term ‘institution of higher education’
17 means an institution of higher education as defined
18 by section 1201(a) of this Act, except that clause (2)
19 of such section shall not be applicable.

20 “(c) AUTHORIZED ACTIVITIES.—Grants awarded
21 under this section shall be used by Tribal Colleges or Uni-
22 versities to assist such institutions to plan, develop, under-
23 take, and carry out authorized activities. Such authorized
24 activities may include—

III-7

1 “(1) purchase, rental, or lease of scientific or
2 laboratory equipment for educational purposes, in-
3 cluding instructional and research purposes;

4 “(2) construction, maintenance, renovation, and
5 improvement in classrooms, libraries, laboratories,
6 and other instructional facilities, including purchase
7 or rental of telecommunications technology equip-
8 ment or services;

9 “(3) support of faculty exchanges, faculty devel-
10 opment, and faculty fellowships to assist in attaining
11 advanced degrees in their field of instruction;

12 “(4) academic instruction in disciplines in
13 which American Indians are underrepresented;

14 “(5) purchase of library books, periodicals, and
15 other educational materials, including telecommuni-
16 cations program material;

17 “(6) tutoring, counseling, and student service
18 programs designed to improve academic success;

19 “(7) funds management, administrative man-
20 agement, and acquisition of equipment for use in
21 strengthening funds management;

22 “(8) joint use of facilities, such as laboratories
23 and libraries;

III-8

1 “(9) establishing or improving a development
2 office to strengthen or improve contributions from
3 alumni and the private sector;

4 “(10) establishing or enhancing a program of
5 teacher education designed to qualify students to
6 teach in elementary or secondary schools, with a
7 particular emphasis on teaching American Indian
8 children and youth, that shall include, as part of
9 such program, preparation for teacher certification;

10 “(11) establishing community outreach pro-
11 grams which will encourage American Indian ele-
12 mentary and secondary students to develop the aca-
13 demic skills and the interest to pursue postsecondary
14 education;

15 “(12) establishing or improving an endowment
16 fund; and

17 “(13) other activities proposed in the applica-
18 tion submitted pursuant to subsection (c) that—

19 “(A) contribute to carrying out the pur-
20 poses of this section; and

21 “(B) are approved by the Secretary as part
22 of the review and acceptance of such applica-
23 tion.

24 “(d) APPLICATION PROCESS.—

III-9

1 “(1) INSTITUTIONAL ELIGIBILITY.—To be eligi-
2 ble to receive assistance under this section, an insti-
3 tution shall be an institution which—

4 “(A) is an eligible institution under section
5 312(b);

6 “(B) is eligible to receive assistance under
7 the Tribally Controlled Community College As-
8 sistance Act of 1978 (Public Law 95-471); or

9 “(C) is eligible to receive funds under the
10 Equity in Educational Land Grant Status Act
11 of 1994.

12 “(2) APPLICATION.—Any institution desiring to
13 receive assistance under this section shall submit an
14 application to the Secretary at such time, and in
15 such manner, as the Secretary may by regulation
16 reasonably require. Each such application shall in-
17 clude—

18 “(A) a 5-year plan for improving the as-
19 sistance provided by the Tribal College or uni-
20 versity to Indian students, increasing the rates
21 at which Indian high school students enroll in
22 higher education, and increasing overall post-
23 secondary retention rates for Indian students;
24 and

III-10

1 “(B) such enrollment data and other infor-
2 mation and assurances as the Secretary may re-
3 quire to demonstrate compliance with (1) (A)
4 and (B).

5 “(3) SPECIAL RULE.—For the purposes of this
6 part, no Tribal College or University which is eligible
7 for and receives funds under this section may con-
8 currently receive other funds under this part or part
9 B.”.

10 **SEC. 302. HISTORICALLY BLACK COLLEGES AND UNIVER-**
11 **SITIES.**

12 (a) USES OF FUNDS.—Section 323(a) (20 U.S.C.
13 1062(a)) is amended—

14 (1) by redesignating paragraph (12) as para-
15 graph (13); and

16 (2) by inserting after paragraph (11) the fol-
17 lowing new paragraph:

18 “(12) Establishing or improving an endowment
19 fund.”.

20 (b) LIMITATIONS.—Section 323(b) is amended by
21 striking paragraph (3) and inserting the following:

22 “(3) ENDOWMENT FUND LIMITATIONS.—

23 “(A) PORTION OF GRANT.—An institution
24 may not use more than 20 percent of its grant

III-11

1 under this part for any fiscal year for establish-
2 ing or improving an endowment fund.

3 “(B) MATCHING REQUIRED.—An institu-
4 tion that uses any portion of its grant under
5 this part for any fiscal year for establishing or
6 improving an endowment fund shall provide an
7 equal or greater amount for such purposes from
8 non-Federal funds.

9 “(C) REGULATIONS.—The Secretary shall
10 publish rules and regulations specifically gov-
11 erning the use of funds for establishing or im-
12 proving an endowment fund.”.

13 (c) PROFESSIONAL OR GRADUATE INSTITUTIONS.—

14 (1) GENERAL AUTHORIZATION.—Section 326(a)
15 (20 U.S.C. 1063b(a)) is amended—

16 (A) in paragraph (1), by inserting “in
17 mathematics or the physical or natural
18 sciences” after “graduate education opportuni-
19 ties”; and

20 (B) in paragraph (2), by striking “except
21 that” and all that follows and inserting the fol-
22 lowing: “, except that no institution shall be re-
23 quired to match any portion of the first
24 \$500,000 of its award from the Secretary.”.

III-12

1 (2) USE OF FUNDS.—Section 326(c)(3) (20
2 U.S.C. 1063b(c)(3)) is amended by striking every-
3 thing after “independence” and inserting a period.

4 (3) ELIGIBILITY.—Section 326(e) (20 U.S.C.
5 1063b(e)) is amended—

6 (A) in paragraph (1)

7 (i) by striking “include—” and insert-
8 ing “are the following:”;

9 (ii) by inserting “and other qualified
10 graduate programs” before the semicolon
11 at the end of subparagraphs (F) through
12 (J);

13 (iii) by striking “and” at the end of
14 subparagraph (O);

15 (iv) by inserting “University” after
16 “Jackson State” in subparagraph (P);

17 (v) by striking the period at the end
18 of such subparagraph and inserting a
19 semicolon; and

20 (vi) by inserting after such subpara-
21 graph the following new subparagraphs:

22 “(Q) Norfolk State University qualified
23 graduate program; and

24 “(R) Tennessee State University qualified
25 graduate program.”; and

III-13

1 (B) by striking paragraphs (2) and (3) and
2 inserting the following:

3 “(2) QUALIFIED GRADUATE PROGRAM.—For
4 the purposes of this section, the term ‘qualified
5 graduate program’ means a graduate or professional
6 program that provides an accredited program of in-
7 struction in the physical or natural sciences, engi-
8 neering, mathematics, or other scientific discipline in
9 which African Americans are underrepresented and
10 has students enrolled in such program at the time
11 of application for a grant under this section.

12 “(3) SPECIAL RULE.—Institutions that were
13 awarded grants under this section prior to October
14 1, 1998, shall continue to receive such grants, sub-
15 ject to the availability of appropriated funds, regard-
16 less of the eligibility of the institutions described in
17 subparagraphs (Q) and (R) of paragraph (1).”; and

18 (D) in paragraph (4), by inserting before
19 the period at the end the following: “, except
20 that the president or chancellor of the institu-
21 tion may decide which graduate or professional
22 school or qualified graduate program will re-
23 ceive funds under the grant in any one fiscal
24 year”.

III-14

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

3 (A) by striking “Of the amount appro-
4 priated” and inserting “Subject to subsection
5 (g), of the amount appropriated”;

6 (B) in paragraph (1)—

7 (i) by striking “\$12,000,000” and in-
8 serting “\$26,000,000”; and

9 (ii) by striking “(A) through (E)” and
10 inserting “(A) through (P)”.

11 (C) by striking paragraph (2) and insert-
12 ing the following:

13 “(2) the next \$1,000,000 in excess of
14 \$26,000,000 shall be available for the purpose of
15 making grants to institutions or programs identified
16 in subparagraphs (Q) and (R) of subsection (e)(1);
17 and

18 “(3)(A) 70 percent of any remainder in excess
19 of \$27,000,000 shall be available to institutions or
20 programs identified in subparagraphs (F) through
21 (R) of such subsection; and

22 “(B) 30 percent of any such remainder shall be
23 available to institutions or programs identified in
24 subparagraphs (A) through (E) of such subsection.”.

III-15

1 (5) HOLD HARMLESS RULE.—Section 326 is
2 further amended by adding at the end the following
3 new subsection:

4 “(g) HOLD HARMLESS RULE.—Notwithstanding
5 paragraph (2) and (3) of subsection (f), no institution or
6 qualified program identified in subsection (e)(1) that re-
7 ceived a grant for fiscal year 1998 and that is eligible to
8 receive a grant in a subsequent fiscal year shall receive
9 a grant amount in any such subsequent fiscal year that
10 is less than the grant amount received for fiscal year 1998,
11 unless the amount appropriated is not sufficient to provide
12 such grant amounts to all such institutions and pro-
13 grams.”.

14 **SEC. 303. MINORITY SCIENCE AND ENGINEERING IMPROVE-**
15 **MENT PROGRAM.**

16 (a) AMENDMENT.—Title III (20 U.S.C. 1051) is
17 amended—

18 (1) by redesignating part D as part E; and

19 (2) by inserting after part C the following new
20 part:

21 **“PART D—MINORITY SCIENCE AND**
22 **ENGINEERING IMPROVEMENT PROGRAM**

23 **“SEC. 341. PROGRAM AUTHORIZED.**

24 “The Secretary shall, in accordance with the provi-
25 sions of this part, carry out a program of making grants

III-16

1 to institutions of higher education that are designed to
2 effect long-range improvements in science and engineering
3 education, and improve support programs for minority
4 students enrolled in science and engineering programs at
5 predominantly minority institutions.

6 **“SEC. 342. USE OF FUNDS.**

7 “Funds appropriated for the purpose of this subpart
8 may be made available for—

9 “(1) providing needed services to groups of mi-
10 nority institutions or providing training for scientists
11 and engineers from eligible minority institutions;

12 “(2) providing needed services to groups of in-
13 stitutions serving significant numbers of minority
14 students or providing training for scientists and en-
15 gineers from such institutions to improve their abil-
16 ity to train minority students in science or engineer-
17 ing;

18 “(3) assisting minority institutions to improve
19 the quality of preparation of their students for grad-
20 uate work or careers in science, mathematics, and
21 technology;

22 “(4) improving access of undergraduate stu-
23 dents at minority institutions to careers in the
24 sciences, mathematics, and engineering;

III-17

1 “(5) improving access of minority students,
2 particularly minority women, to careers in the
3 sciences, mathematics, and engineering;

4 “(6) improving access for pre-college minority
5 students to careers in science, mathematics, and en-
6 gineering through community outreach programs
7 conducted through colleges and universities eligible
8 for support through the Minority Science and Engi-
9 neering Improvement Programs;

10 “(7) disseminating activities, information, and
11 educational materials designed to address specific
12 barriers to the entry of minorities into science and
13 technology, and conducting activities and studies
14 concerning the flow of underrepresented ethnic mi-
15 norities into scientific careers;

16 “(8) supporting curriculum models to encourage
17 minority student participation in research careers in
18 science, mathematics, and technology; and

19 “(9) improving the capability of minority insti-
20 tutions for self-assessment, management, and eval-
21 uation of their science, mathematics, and engineer-
22 ing programs and dissemination of their results.

23 **“SEC. 343. ELIGIBILITY FOR GRANTS.**

24 “The Secretary may make grants under this part to
25 minority institutions (as defined in section 347), organiza-

III-18

1 tions, and entities to enable them to carry out programs
2 and activities authorized by this part:

3 “(1)(A) institutions of higher education grant-
4 ing baccalaureate degrees; and

5 “(B) institutions of higher education granting
6 associate degrees which—

7 “(i) have a curriculum including science or
8 engineering subjects;

9 “(ii) apply jointly with institutions de-
10 scribed in subparagraph (A); and

11 “(iii) have an articulation agreement with
12 institutions described in subparagraph (A) for
13 its science or engineering students; and

14 “(2) consortia of—

15 “(A) institutions which have a curriculum
16 in science or engineering;

17 “(B) graduate institutions which have a
18 curriculum in science or engineering;

19 “(C) Federal Education Research Centers;

20 “(D) research laboratories of, or under
21 contract with, the Department of Energy;

22 “(E) private organizations which have
23 science or engineering facilities; or

III-19

1 “(F) quasi-governmental entities which
2 have a significant scientific or engineering mis-
3 sion;
4 to enable such institutions and consortia to carry
5 programs and activities authorized by this part.

6 **“SEC. 344. GRANT APPLICATION.**

7 “(a) SUBMISSION AND CONTENTS OF APPLICA-
8 TIONS.—An eligible applicant (as determined under sec-
9 tion 343) that desires to receive a grant under this part
10 shall submit to the Secretary an application therefor at
11 such time or times, in such manner, and containing such
12 information as the Secretary may prescribe by regulation.
13 Such application shall set forth—

14 “(1) a program of activities for carrying out
15 one or more of the purposes described in section 342
16 in such detail as will enable the Secretary to deter-
17 mine the degree to which such program will accom-
18 plish such purpose or purposes; and

19 “(2) such other policies, procedures, and assur-
20 ances as the Secretary may require by regulation.

21 “(b) APPROVAL BASED ON LIKELIHOOD OF
22 PROGRESS.—The Secretary shall approve an application
23 only if the Secretary determines that the application sets
24 forth a program of activities which are likely to make sub-

III-20

1 stantial progress toward achieving the purposes of this
2 part.

3 **“SEC. 345. CROSS PROGRAM AND CROSS AGENCY COOPERA-**
4 **TION.**

5 “The Minority Science and Engineering Improvement
6 Programs shall cooperate and consult with other programs
7 within the Department and within Federal, State, and pri-
8 vate agencies which carry out programs to improve the
9 quality of science, mathematics, and engineering edu-
10 cation.

11 **“SEC. 346. ADMINISTRATIVE PROVISIONS.**

12 “(a) TECHNICAL STAFF.—The Secretary shall ap-
13 point, without regard to the provisions of title 5 of the
14 United States Code governing appointments in the com-
15 petitive service, not less than one technical employees with
16 appropriate scientific and educational background to ad-
17 minister the programs under this part who may be paid
18 without regard to the provisions of chapter 51 and sub-
19 chapter III of chapter 53 of such title relating to classi-
20 fication and General Schedule pay rates.

21 “(b) PROCEDURES FOR GRANT REVIEW.—The Sec-
22 retary shall establish procedures for reviewing and evalu-
23 ating grants and contracts made or entered into under
24 such programs. Procedures for reviewing grant applica-
25 tions, based on the peer review system, or contracts for

III-21

1 financial assistance under this title may not be subject to
2 any review outside of officials responsible for the adminis-
3 tration of the Minority Science and Engineering Improve-
4 ment Program.

5 **“SEC. 347. DEFINITIONS.**

6 “For the purpose of this part—

7 “(1) The term ‘minority institution’ means an
8 institution of higher education whose enrollment of
9 a single minority or a combination of minorities (as
10 defined in paragraph (2)) exceeds 50 percent of the
11 total enrollment. The Secretary shall verify this in-
12 formation from the data on enrollments in the high-
13 er education general information surveys (HEGIS)
14 furnished by the institution to the Office for Civil
15 Rights, Department of Education.

16 “(2) The term ‘minority’ means American In-
17 dian, Alaskan Native, Black (not of Hispanic ori-
18 gin), Hispanic (including persons of Mexican, Puerto
19 Rican, Cuban, and Central or South American ori-
20 gin), Pacific Islander or other ethnic group under-
21 represented in science and engineering.

22 “(3) The term ‘science’ means, for the purpose
23 of this program, the biological, engineering, mathe-
24 matical, physical, behavioral, and social sciences, and
25 history and philosophy of science; also included are

III-22

1 interdisciplinary fields which are comprised of over-
2 lapping areas among two or more sciences.”.

3 **SEC. 304. GENERAL PROVISIONS.**

4 (a) APPLICATIONS FOR ASSISTANCE.—Section
5 351(a) (20 U.S.C. 1066(a)) is amended to read as follows:

6 “(a) APPLICATIONS.—

7 “(1) APPLICATIONS REQUIRED.—Any institu-
8 tion which is eligible for assistance under this title
9 shall submit to the Secretary an application for as-
10 sistance at such time, in such form, and containing
11 such information, as may be necessary to enable the
12 Secretary to evaluate its need for assistance. Subject
13 to the availability of appropriations to carry out this
14 title, the Secretary may approve an application for
15 a grant under this title only if the Secretary deter-
16 mines that—

17 “(A) the application meets the require-
18 ments of subsection (b);

19 “(B) the applicant is eligible for assistance
20 in accordance with the part of this title under
21 which the assistance is sought; and

22 “(C) the applicant’s performance goals are
23 sufficiently rigorous as to meet the purposes of
24 this title and the performance objectives and in-
25 dicators for this title established by the Sec-

III-23

1 retary pursuant to the Government Perform-
2 ance and Results Act.

3 “(2) PRELIMINARY APPLICATIONS.—In carrying
4 out paragraph (1), the Secretary shall develop a pre-
5 liminary application for use by eligible institutions
6 applying under part A prior to the submission of the
7 principal application.”.

8 (b) CONTENTS OF APPLICATIONS.—Section 351(b) is
9 amended—

10 (1) in paragraph (5)(A), by inserting “and the
11 Government Performance and Results Act” after
12 “under this title”; and

13 (2) in paragraph (6), by inserting before the
14 semicolon the following: “, except that for purposes
15 of section 317, paragraphs (2) and (3) shall not
16 apply”.

17 (c) WAIVERS.—Section 352(a) (20 U.S.C. 1067(a))
18 is amended—

19 (1) by striking “or” at the end of paragraph
20 (5);

21 (2) by redesignating paragraph (6) as para-
22 graph (7); and

23 (3) by inserting after paragraph (5) the follow-
24 ing new paragraph:

III-24

1 “(6) that is a tribally controlled community col-
2 lege as defined in the Tribally Controlled Commu-
3 nity College Act of 1978; or”.

4 (d) APPLICATION REVIEW PROCESS.—Section 353(a)
5 (20 U.S.C. 1068(a)) is amended—

6 (1) in paragraph (2), by striking “Native Amer-
7 ican colleges and universities” and inserting “Tribal
8 Colleges and Universities”; and

9 (2) in paragraph (3)—

10 (A) by striking subparagraph (A); and

11 (B) by redesignating subparagraphs (B)
12 and (C) as subparagraphs (A) and (B), respec-
13 tively.

14 (e) CONTINUATION AWARDS.—Part D of title III is
15 amended by inserting after section 354 (20 U.S.C. 1069)
16 the following new section:

17 **“SEC. 355. CONTINUATION AWARDS.**

18 “The Secretary shall make continuation awards
19 under this title for the second and succeeding years of a
20 grant only after determining that the recipient is making
21 satisfactory progress in carrying out the grant.”.

22 (f) AUTHORIZATION OF APPROPRIATIONS.—Section
23 360 (20 U.S.C. 1069f) is amended—

24 (1) by striking subsection (a) and inserting the
25 following:

III-25

1 “(a) AUTHORIZATIONS.—

2 “(1) PART A.—(A) There are authorized to be
3 appropriated to carry out part A (other than sections
4 316 and 317), \$135,000,000 for fiscal year 1999,
5 and such sums as may be necessary for each of the
6 4 succeeding fiscal years.

7 “(B) There are authorized to be appropriated
8 to carry out section 316, \$80,000,000 for fiscal year
9 1999, and such sums as may be necessary for each
10 of the 4 succeeding fiscal years.

11 “(C) There are authorized to be appropriated to
12 carry out section 317, \$10,000,000 for fiscal year
13 1999, and such sums as may be necessary for each
14 of the 4 succeeding fiscal years.

15 “(2) PART B.—(A) There are authorized to be
16 appropriated to carry out part B (other than section
17 326), \$135,000,000 for fiscal year 1999, and such
18 sums as may be necessary for each of the 4 succeed-
19 ing fiscal years.

20 “(B) There are authorized to be appropriated
21 to carry out section 326, \$35,000,000 for fiscal year
22 1999, and such sums as may be necessary for each
23 of the 4 succeeding fiscal years.

24 “(3) PART C.—There are authorized to be ap-
25 propriated to carry out part C, \$10,000,000 for fis-

III-26

1 cal year 1999, and such sums as may be necessary
2 for each of the 4 succeeding fiscal years.

3 “(4) PART D.—There are authorized to be ap-
4 propriated to carry out Part D, \$10,000,000 for fis-
5 cal year 1999, and such sums as may be necessary
6 for each of the 4 succeeding fiscal years.”; and

7 (2) by striking subsection (c), (d) and (e).