

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 609  
OFFERED BY MR. BOEHNER OF OHIO**

Strike all after the enacting clause and insert the following:

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

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

4 (b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

Sec. 2. References; effective date.

TITLE I—GENERAL PROVISIONS

Sec. 101. Definition of institution of higher education.

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

“Sec. 102. Institutions outside the United States.

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

Sec. 102. New borrower definition.

Sec. 103. Student speech and association rights.

Sec. 104. National Advisory Committee on Institutional Quality and Integrity.

Sec. 105. Alcohol and drug abuse prevention.

Sec. 106. Prior rights and obligations.

Sec. 107. Limitation on Certain Uses of Funds.

“Sec. 124. Limitation on Certain Uses of Funds.

Sec. 108. Consumer information and public accountability in higher education.

“Sec. 131. Consumer information and public accountability in higher education.

Sec. 109. Databases of student information.

“Sec. 132. Databases of student information prohibited.

Sec. 110. Performance-based organization.

TITLE II—TEACHER PREPARATION

Sec. 201. Teacher quality enhancement grants.

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

“Sec. 201. Purposes; definitions.



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

#### “PART C—CENTERS OF EXCELLENCE

- “Sec. 231. Purposes; definitions.
- “Sec. 232. Centers of excellence.
- “Sec. 233. Authorization of appropriations.
- Sec. 204. Teacher incentive fund program.

#### “PART D—TEACHER INCENTIVE FUND PROGRAM

- “Sec. 241. Purpose; definitions.
- “Sec. 242. Teacher incentive fund grants.
- “Sec. 243. Evaluations.
- “Sec. 244. Authorization of appropriations.
- Sec. 205. Transition.

#### TITLE III—INSTITUTIONAL AID

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

#### TITLE IV—STUDENT ASSISTANCE

##### PART A—GRANTS TO STUDENTS

- Sec. 401. Pell Grants.
- “Sec. 401A. Pell Grants Plus: achievement grants for State scholars.
- Sec. 402. TRIO programs.
- Sec. 403. GEARUP.
- Sec. 404. Federal Supplemental Educational Opportunity Grants.
- Sec. 405. LEAP.
- Sec. 406. HEP/CAMP program.
- Sec. 407. Byrd Scholarship.
- Sec. 408. Child care access.
- Sec. 409. Learning anytime anywhere partnerships.
- Sec. 410. Technical amendments.

##### PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM

- Sec. 421. Reauthorization of Federal Family Education Loan Program.
- Sec. 422. Loan limits.
- Sec. 423. Interest rates and special allowances.
- Sec. 424. Additional loan terms and conditions.



- Sec. 425. Consolidation loan changes.
- Sec. 426. Deferment of student loans for military service.
- Sec. 427. Loan forgiveness for service in areas of national need.
- “Sec. 428K. Loan forgiveness for service in areas of national need.
- Sec. 428. Unsubsidized Stafford loans.
- Sec. 429. Elimination of termination dates from Taxpayer-Teacher Protection Act of 2004.
- Sec. 430. Additional administrative provisions.

#### PART C—FEDERAL WORK-STUDY PROGRAMS

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

#### PART D—FEDERAL DIRECT LOAN PROGRAM

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

#### PART E—FEDERAL PERKINS LOAN PROGRAM

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

#### PART F—NEED ANALYSIS

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

#### PART G—GENERAL PROVISIONS RELATING TO STUDENT FINANCIAL ASSISTANCE

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

#### PART H—PROGRAM INTEGRITY

- Sec. 495. Accreditation.
- Sec. 496. Report to congress on prevention of fraud and abuse in student financial aid programs.



“Sec. 499. Report to Congress on prevention of fraud and abuse in student financial aid programs.

#### TITLE V—DEVELOPING INSTITUTIONS

- Sec. 501. Definitional changes.
- Sec. 502. Assurance of enrollment of needy students.
- Sec. 503. Additional amendments.
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- Sec. 602. Business and international education programs.
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  - “Sec. 621. Program for foreign service professionals.
- Sec. 604. Evaluation, outreach, and dissemination.
  - “Sec. 632. Evaluation, outreach, and dissemination.
- Sec. 605. Advisory Board.
  - “Sec. 633. International Higher Education Advisory Board.
- Sec. 606. Recruiter access to students and student recruiting information; safety.
  - “Sec. 634. Recruiter access to students and student recruiting information.
- “Sec. 635. Student safety.
- Sec. 607. National study of foreign language heritage communities.
  - “Sec. 636. National study of foreign language heritage communities.

#### TITLE VII—TITLE VII AMENDMENTS

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

#### TITLE VIII—CLERICAL AMENDMENTS

- Sec. 801. Clerical amendments.

#### TITLE IX—AMENDMENTS TO OTHER EDUCATION LAWS

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

- Sec. 901. Laurent Clerc National Deaf Education Center.
- Sec. 902. Authority.
- Sec. 903. Agreement for the National Technical Institute for the Deaf.
- Sec. 904. Definitions.
- Sec. 905. Audit.
- Sec. 906. Reports.
- Sec. 907. Liaison for educational programs.
- Sec. 908. Federal endowment programs for Gallaudet University and the National Technical Institute for the Deaf.
- Sec. 909. Oversight and effect of agreements.
- Sec. 910. Authorization of appropriations.
  - “Sec. 1. Short title.



## PART B—ADDITIONAL EDUCATION LAWS

Sec. 921. Cancellation of Student Loan Indebtedness For Survivors of Victims of the September 11, 2001, Attacks.

Sec. 922. Amendment to Higher Education Amendments of 1998.

Sec. 923. Tribally Controlled College or University Assistance Act of 1978.

Sec. 924. Navajo Community College Act.

Sec. 925. Education Amendments of 1992.

Sec. 926. Study of student learning outcomes and public accountability.

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

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

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

11 **TITLE I—GENERAL PROVISIONS**

12 **SEC. 101. DEFINITION OF INSTITUTION OF HIGHER EDU-**  
13 **CATION.**

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

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

19 “(a) INSTITUTION OF HIGHER EDUCATION.—For  
20 purposes of this Act, the term ‘institution of higher edu-



1 cation' means an educational institution in any State  
2 that—

3 “(1) admits as regular students only individuals  
4 who—

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

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

12 “(C) will be dually enrolled in that institu-  
13 tion and a secondary school;

14 “(2) is legally authorized within such State to  
15 provide a program of education beyond secondary  
16 education;

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

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



1           tion standards of such an agency or association  
2           within a reasonable time; and

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

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

6           “(i) provides an educational program  
7           for which the institution awards a bach-  
8           elor’s, graduate, or professional degree;

9           “(ii) provides not less than a 2-year  
10          educational program which is acceptable  
11          for full credit towards such a degree;

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

16          “(iv) awards a degree that is accept-  
17          able for admission to graduate or profes-  
18          sional degree programs, subject to the re-  
19          view and approval of the Secretary; or

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

23          “(i) for which the institution awards a  
24          certificate; and



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

3                   “(b) ADDITIONAL LIMITATIONS.—

4                   “(1) FOR-PROFIT POSTSECONDARY INSTITU-  
5                   TIONS.—

6                   “(A) DURATION OF ACCREDITATION.—A  
7                   for-profit institution shall not be considered to  
8                   be an institution of higher education unless  
9                   such institution is accredited by a nationally  
10                  recognized accrediting agency or association  
11                  and such institution has been in existence for at  
12                  least 2 years.

13                  “(B) INSTITUTIONAL ELIGIBILITY ONLY  
14                  FOR COMPETITIVE GRANTS.—For the purposes  
15                  of any program providing grants to institutions  
16                  for use by the institution (and not for distribu-  
17                  tion among students), a for-profit institution  
18                  shall not be considered to be an institution of  
19                  higher education under this section if such  
20                  grants are awarded on any basis other than  
21                  competition on the merits of the grant proposal  
22                  or application.

23                  “(2) POSTSECONDARY VOCATIONAL INSTITU-  
24                  TIONS.—A nonprofit or public institution that meets  
25                  the criteria of subsection (a)(4)(B) shall not be con-



1       sidered to be an institution of higher education un-  
2       less such institution has been in existence for at  
3       least 2 years.

4               “(3) LIMITATIONS BASED ON MANAGEMENT.—  
5       An institution shall not be considered to meet the  
6       definition of an institution of higher education in  
7       this section if—

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

23              “(B) the institution, the institution’s  
24      owner, or the institution’s chief executive officer  
25      has been convicted of, or has pled nolo



1           contendere or guilty to, a crime involving the  
2           acquisition, use, or expenditure of Federal,  
3           State, or local government funds, or has been  
4           judicially determined to have committed a crime  
5           involving the acquisition, use, or expenditure in-  
6           volving Federal, State, or local government  
7           funds.

8           “(4) LIMITATION ON COURSE OF STUDY OR EN-  
9           ROLLMENT.—An institution shall not be considered  
10          to meet the definition of an institution of higher  
11          education in subsection (a) if such institution—

12                 “(A) offers more than 50 percent of such  
13                 institution’s courses by correspondence (exclud-  
14                 ing courses offered by telecommunications as  
15                 defined in section 484(l)(4)), unless the institu-  
16                 tion is an institution that meets the definition  
17                 in section 3(3)(C) of the Carl D. Perkins Voca-  
18                 tional and Technical Education Act of 1998;

19                 “(B) enrolls 50 percent or more of the in-  
20                 stitution’s students in correspondence courses  
21                 (excluding courses offered by telecommuni-  
22                 cations as defined in section 484(l)(4)), unless  
23                 the institution is an institution that meets the  
24                 definition in section 3(3)(C) of the Carl D. Per-  
25                 kins Vocational and Technical Education Act of



1 1998, except that the Secretary, at the request  
2 of the institution, may waive the applicability of  
3 this subparagraph to the institution for good  
4 cause, as determined by the Secretary in the  
5 case of an institution of higher education that  
6 provides a 2- or 4-year program of instruction  
7 (or both) for which the institution awards an  
8 associate or baccalaureate degree, respectively;

9 “(C) has a student enrollment in which  
10 more than 25 percent of the students are incar-  
11 cerated, except that the Secretary may waive  
12 the limitation contained in this subparagraph  
13 for an institution that provides a 2- or 4-year  
14 program of instruction (or both) for which the  
15 institution awards a bachelor’s degree, or an as-  
16 sociate’s degree or a postsecondary certificate,  
17 respectively; or

18 “(D) has a student enrollment in which  
19 more than 50 percent of the students either do  
20 not meet the requirements of section 484(d)(3)  
21 or do not have a secondary school diploma or  
22 its recognized equivalent, and does not provide  
23 a 2- or 4-year program of instruction (or both)  
24 for which the institution awards an associate’s  
25 degree or a bachelor’s degree, respectively, ex-



1           cept that the Secretary may waive the limita-  
2           tion contained in this subparagraph if an insti-  
3           tution demonstrates to the satisfaction of the  
4           Secretary that the institution exceeds such limi-  
5           tation because the institution serves, through  
6           contracts with Federal, State, or local govern-  
7           ment agencies, significant numbers of students  
8           who do not meet the requirements of section  
9           484(d)(3) or do not have a secondary school di-  
10          ploma or its recognized equivalent.

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

17          “(d) CERTIFICATION.—The Secretary shall certify,  
18         for the purposes of participation in title IV, an institu-  
19         tion’s qualification as an institution of higher education  
20         in accordance with the requirements of subpart 3 of part  
21         H of title IV.

22          “(e) LOSS OF ELIGIBILITY.—An institution of higher  
23         education shall not be considered to meet the definition  
24         of an institution of higher education in this section for  
25         the purposes of participation in title IV if such institution



1 is removed from eligibility for funds under title IV as a  
2 result of an action pursuant to part H of title IV.

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

4 “(a) INSTITUTIONS OUTSIDE THE UNITED  
5 STATES.—

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

23 “(2) MEDICAL AND VETERINARY SCHOOL CRI-  
24 TERIA.—In the case of a graduate medical or veteri-  
25 nary school outside the United States, such criteria



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

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

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

15 “(II) at least 60 percent of the indi-  
16 viduals who were students or graduates of  
17 the graduate medical school outside the  
18 United States or Canada (both nationals of  
19 the United States and others) taking the  
20 examinations administered by the Edu-  
21 cational Commission for Foreign Medical  
22 Graduates received a passing score in the  
23 year preceding the year for which a stu-  
24 dent is seeking a loan under part B of title  
25 IV; or



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

4                   “(B) in the case of a veterinary school lo-  
5                   cated outside the United States that is not a  
6                   public or nonprofit institution, the institution’s  
7                   students complete their clinical training at an  
8                   approved veterinary school located in the  
9                   United States.

10                  “(b) ADVISORY PANEL.—

11                   “(1) IN GENERAL.—For the purpose of quali-  
12                   fying a foreign medical school as an institution of  
13                   higher education only for purposes of part B of title  
14                   IV, the Secretary shall publish qualifying criteria by  
15                   regulation and establish an advisory panel of medical  
16                   experts that shall—

17                   “(A) evaluate the standards of accredita-  
18                   tion applied to applicant foreign medical  
19                   schools; and

20                   “(B) determine the comparability of those  
21                   standards to standards for accreditation applied  
22                   to United States medical schools.

23                   “(2) FAILURE TO RELEASE INFORMATION.—  
24                   The failure of an institution outside the United  
25                   States to provide, release, or authorize release to the



1 Secretary of such information as may be required by  
2 subsection (a)(2) shall render such institution ineli-  
3 gible for the purpose of part B of title IV.”.

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

7 **“SEC. 123. RESTRICTIONS ON FUNDS FOR FOR-PROFIT**  
8 **SCHOOLS.**

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

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

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

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

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



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

3 “(c) INELIGIBILITY FOR CERTAIN PROGRAMS.—Not-  
4 withstanding section 101, a for-profit institution of higher  
5 education shall not be considered an eligible institution for  
6 the programs under titles III and V of this Act.”.

7 (c) CONFORMING AMENDMENTS.—

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

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

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

17 “(d) SATISFACTION OF SECONDARY EDUCATION  
18 STANDARDS.—”.

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

22 (5) Section 487(e)(1)(A)(iii) (20 U.S.C.  
23 1094(e)(1)(A)(iii)) is amended by striking “section  
24 102(a)(1)(C)” and inserting “section 102”.



1 (6) Section 487(d) (20 U.S.C. 1094(d)) is  
2 amended by striking “section 102” and inserting  
3 “section 101”.

4 (7) Subsections (j) and (k) of section 496 (20  
5 U.S.C. 1099b(j), (k)) are each amended by striking  
6 “section 102” and inserting “section 101”.

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

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

13 (10) Section 498(j)(1) (20 U.S.C. 1099c) is  
14 amended by striking “except that such branch shall  
15 not be required to meet the requirements of sections  
16 102(b)(1)(E) and 102(c)(1)(C) prior to seeking such  
17 certification” and inserting “except that such branch  
18 shall not be required to be in existence for at least  
19 2 years prior to seeking such certification”.

20 (11) Section 498B(b) (20 U.S.C. 1099c-2(b))  
21 is amended by striking “section 102(a)(1)(C)” and  
22 inserting “section 102”.

23 **SEC. 102. NEW BORROWER DEFINITION.**

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



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

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

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

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

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

15                   (1) by amending subsection (a) to read as fol-  
16           lows:

17                   “(a) PROTECTION OF RIGHTS.—

18                           “(1) It is the sense of Congress that no student  
19                   attending an institution of higher education on a  
20                   full- or part-time basis should, on the basis of par-  
21                   ticipation in protected speech or protected associa-  
22                   tion, be excluded from participation in, be denied the  
23                   benefits of, or be subjected to discrimination or offi-  
24                   cial sanction under any education program, activity,  
25                   or division of the institution directly or indirectly re-



1 ceiving financial assistance under this Act, whether  
2 or not such program, activity, or division is spon-  
3 sored or officially sanctioned by the institution; and

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

5 “(A) the diversity of institutions and edu-  
6 cational missions is one of the key strengths of  
7 American higher education;

8 “(B) individual colleges and universities  
9 have different missions and each institution  
10 should design its academic program in accord-  
11 ance with its educational goals;

12 “(C) within the context of its institutional  
13 mission, a college should promote intellectual  
14 pluralism and facilitate the free and open ex-  
15 change of ideas;

16 “(D) students should not be intimidated,  
17 harassed, discouraged from speaking out, dis-  
18 criminated against, or subject to official sanc-  
19 tion because of their personal political, ideolog-  
20 ical, or religious beliefs; and

21 “(E) students should be treated equally  
22 and fairly, including evaluation and grading,  
23 without regard to or consideration of their per-  
24 sonal political views or ideological beliefs.



1           “(3) Nothing in paragraph (2) shall be con-  
2           strued to modify, change, or infringe upon any con-  
3           stitutionally protected religious liberty, freedom, ex-  
4           pression, or association.”; and

5           (2) in subsection (b)(1), by inserting after  
6           “higher education” the following: “, if the imposition  
7           of such sanction is done objectively, fairly, and with-  
8           out regard to the student’s personal political, ideo-  
9           logical, or religious beliefs”.

10 **SEC. 104. NATIONAL ADVISORY COMMITTEE ON INSTITU-**  
11 **TIONAL QUALITY AND INTEGRITY.**

12           (a) MEMBERSHIP.—Section 114(b) (20 U.S.C.  
13 1011c(b)) is amended by adding at the end the following  
14 new sentence: “A member of the Committee may continue  
15 to serve after the expiration of a term until a successor  
16 has been appointed.”.

17           (b) EXTENSION.—Section 114(g) (20 U.S.C.  
18 1011c(g)) is amended by striking “2004” and inserting  
19 “2012”.

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

21           Section 120(e)(5) (20 U.S.C. 1011i(e)(5)) is  
22 amended—

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



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

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

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

7 **SEC. 107. LIMITATION ON CERTAIN USES OF FUNDS.**

8           Part B of title I is further amended by adding after  
9 section 123 (as added by section 101(b) of this Act) the  
10 following new section:

11 **“SEC. 124. LIMITATION ON CERTAIN USES OF FUNDS.**

12           “No funds made available to carry out this Act may  
13 be used—

14           “(1) for publicity or propaganda purposes not  
15 authorized by the Congress before the date of enact-  
16 ment of the College Access and Opportunity Act of  
17 2005; or

18           “(2) unless authorized by law in effect on such  
19 date of enactment, to produce any prepackaged news  
20 story intended for broadcast or distribution unless  
21 such story includes a clear a notification contained  
22 within the text or audio of such story stating that  
23 the prepackaged news story was prepared or funded  
24 by the Department of Education.”.



1 **SEC. 108. CONSUMER INFORMATION AND PUBLIC AC-**  
2 **COUNTABILITY IN HIGHER EDUCATION.**

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

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

7 “(a) PURPOSE.—It is the purpose of this section to—

8 “(1) provide students and families with an  
9 easy-to-use, comprehensive web-based tool for re-  
10 searching and comparing institutions of higher edu-  
11 cation;

12 “(2) increase the transparency of college cost,  
13 price, and financial aid; and

14 “(3) raise public awareness of information  
15 available about postsecondary education, particularly  
16 among low-income families, non-traditional student  
17 populations, and first-generation college students.

18 “(b) COLLEGE OPPORTUNITY ON-LINE (COOL)  
19 WEBSITE RE-DESIGN PROCESS.—In carrying out this  
20 section, the Secretary—

21 “(1) shall identify the data elements that are of  
22 greatest importance to prospective students, enrolled  
23 students, and their families, paying particular atten-  
24 tion to low-income, non-traditional student popu-  
25 lations, and first-generation college students;



1           “(2) shall convene a group of individuals with  
2 expertise in the collection and reporting of data re-  
3 lated to institutions of higher education, the meas-  
4 urement of institutional compliance costs, consumer  
5 use of data related to institutions of higher edu-  
6 cation, general consumer marketing, and college  
7 intervention services to—

8           “(A) determine the relevance of particular  
9 data elements to prospective students, enrolled  
10 students, and families;

11           “(B) assess the cost-effectiveness of var-  
12 ious ways in which institutions of higher edu-  
13 cation might produce the data desired by con-  
14 sumers;

15           “(C) determine the general comparability  
16 of the data across institutions of higher edu-  
17 cation;

18           “(D) make recommendations regarding the  
19 inclusion of specific data items and the most ef-  
20 fective and least burdensome methods to insti-  
21 tutions of higher education of collecting and re-  
22 porting useful data; and

23           “(3) shall assure that the redesigned COOL  
24 website—



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

4           “(B) includes clear and uniform informa-  
5 tion determined to be relevant to prospective  
6 students, enrolled students, and families;

7           “(C) provides comparable information, by  
8 assuring that data is based on accepted criteria  
9 and common definitions;

10           “(D) includes a sorting function that per-  
11 mits users to customize their search for and  
12 comparison of institutions of higher education  
13 based on the information identified through the  
14 process as prescribed in paragraph (1) as being  
15 of greatest relevance to choosing an institution  
16 of higher education.

17           “(c) DATA COLLECTION.—

18           “(1) DATA SYSTEM.—The Secretary shall con-  
19 tinue to redesign the relevant parts of the Integrated  
20 Postsecondary Education Data System to include  
21 additional data as required by this section and to  
22 continue to improve the usefulness and timeliness of  
23 data collected by such systems in order to inform  
24 consumers about institutions of higher education.



1           “(2) COLLEGE CONSUMER PROFILE.—The Sec-  
2           retary shall publish, for each academic year and in  
3           accordance with standard definitions developed by  
4           the Commissioner of Education Statistics (including  
5           definitions developed under section 131(a)(3)(A) as  
6           in effect on the day before the date of enactment of  
7           the College Access and Opportunity Act of 2005),  
8           from at least all institutions of higher education par-  
9           ticipating in programs under title IV the following  
10          information:

11                   “(A) The tuition and fees charged for a  
12                   first-time, full-time undergraduate student.

13                   “(B) The room and board charges for such  
14                   a student.

15                   “(C) The cost of attendance for a first-  
16                   time, full-time undergraduate student, con-  
17                   sistent with the provisions of section 472.

18                   “(D) The average amount of financial as-  
19                   sistance received by a first-time full-time under-  
20                   graduate student, including—

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

23                           “(ii) institutional and other assist-  
24                           ance; and



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

3                   “(E) The number of first-time, full-time  
4                   students receiving financial assistance described  
5                   in each clause of subparagraph (D).

6                   “(F) The average net price for first-time,  
7                   full-time students receiving Federal, State, or  
8                   institutional grant or loan assistance.

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

11                  “(H) Student enrollment information, in-  
12                  cluding information on the number and percent-  
13                  age of full-time and part-time students, the  
14                  number and percentage of resident and non-  
15                  resident students.

16                  “(I) Faculty/student ratios.

17                  “(J) Faculty information, including the  
18                  total number of faculty and the percentage of  
19                  faculty who are full-time employees of the insti-  
20                  tution and the percentage who are part-time.

21                  “(K) Completion and graduation rates.

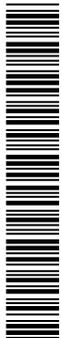
22                  “(L) A link to the institution of higher  
23                  education with information of interest to stu-  
24                  dents including mission, accreditation, student  
25                  services (including services for students with



1 disabilities), transfer of credit policies and, if  
2 appropriate, placement rates and other meas-  
3 ures of success in preparing students for entry  
4 into or advancement in the workforce.

5 “(M) Any additional information that the  
6 Secretary may require.

7 “(d) DATA DISSEMINATION.—The Secretary shall  
8 make available, at a minimum, the data collected pursuant  
9 to this section, including an institution’s college afford-  
10 ability index as calculated in accordance with subsection  
11 (e). Such data shall be made available in a manner that  
12 permits the review and comparison of data submissions  
13 of individual institutions of higher education. Such data  
14 shall be presented in a form that is easily accessible and  
15 understandable and allows parents and students to make  
16 informed decisions based on the prices for typical full-time  
17 undergraduate students and the institution’s rate of cost  
18 increase. The Secretary shall work with public and private  
19 entities to promote broad public awareness, particularly  
20 among middle and high school students and their families,  
21 of the information made available under this section, in-  
22 cluding by distribution to students who participate in or  
23 receive benefits from Federally funded education pro-  
24 grams and other Federal programs determined by the Sec-  
25 retary.



1 “(e) COLLEGE AFFORDABILITY INDEX.—

2 “(1) IN GENERAL.—The Secretary shall, on the  
3 basis of the data submitted under subsection (a),  
4 calculate a college affordability index for each insti-  
5 tution of higher education submitting such data and  
6 shall make the index available in accordance with  
7 subsection (d) as soon as operationally possible on  
8 the Department’s college opportunity online Web  
9 site.

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

12 “(A) the percentage increase in the tuition  
13 and fees charged for a first-time, full-time, full-  
14 year undergraduate student between the first of  
15 the 3 most recent preceding academic years and  
16 the last of those 3 academic years; divided by

17 “(B) the percentage increase in the Con-  
18 sumer Price Index—All Urban Consumers  
19 (Current Series) from July of the first of those  
20 3 academic years to July of the last of those 3  
21 academic years.

22 “(f) OUTCOMES AND ACTIONS.—

23 “(1) RESPONSE FROM INSTITUTION.—Effective  
24 on June 30, 2009, an institution that has a college  
25 affordability index that exceeds 2.0 for any 3-year



1 interval ending on or after that date shall provide a  
2 report to the Secretary, in such a form, at such  
3 time, and containing such information as the Sec-  
4 retary may require. Such report shall include—

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

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

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

14 “(D) if determinations of tuition and fee  
15 increases are not within the exclusive control of  
16 the institution, a description of the agency or  
17 instrumentality of State government or other  
18 entity that participates in such determinations  
19 and the authority exercised by such agency, in-  
20 strumentality, or entity.

21 “(2) INFORMATION TO THE PUBLIC.—Upon re-  
22 ceipt of the institution’s report and management  
23 plan under paragraph (1), the Secretary shall make  
24 the institution’s report required under paragraph (1)



1 available to the public in accordance with subsection  
2 (b).

3 “(3) CONSEQUENCES FOR 2-YEAR CONTINU-  
4 ATION OF FAILURE.—If the Secretary determines  
5 that the institution has failed to comply with the  
6 management plan and action plan submitted by the  
7 institution under this subsection following the next  
8 2 academic years that begin after the submission of  
9 such plans, and has failed to reduce the college af-  
10 fordability index below 2.0 for such 2 academic  
11 years, the Secretary—

12 “(A) shall make available to the public a  
13 detailed report provided by the institution on all  
14 costs and expenditures, and on all tuition and  
15 fees charged to students, for such 2 academic  
16 years;

17 “(B) shall place the institution on an af-  
18 fordability alert status and shall make the in-  
19 formation regarding the institution’s failure  
20 available in accordance with subsection (d);

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

23 “(D) may require the institution to submit  
24 to a review and audit by the Inspector General



1 of the Department of Education to determine  
2 the cause of the institution's failure.

3 “(4) INFORMATION TO STATE AGENCIES.—Any  
4 institution that reports under paragraph (1)(C) that  
5 an agency or instrumentality of State government or  
6 other entity participates in the determinations of tui-  
7 tion and fee increases shall, prior to submitting any  
8 information to the Secretary under this subsection,  
9 submit such information to, and request the com-  
10 ments and input of, such agency, instrumentality, or  
11 entity. With respect to any such institution, the Sec-  
12 retary shall provide a copy of any communication by  
13 the Secretary with that institution to such agency,  
14 instrumentality, or entity.

15 “(5) EXEMPTIONS.—

16 “(A) RELATIVE PRICE EXEMPTION.—The  
17 Secretary shall, for any 3-year interval for  
18 which college affordability indexes are computed  
19 under paragraph (1), determine and publish the  
20 dollar amount that, for each class of institution  
21 described in subparagraph (C) represents the  
22 maximum tuition and fees charged for a full-  
23 time undergraduate student in the least costly  
24 quartile of institutions within each such class  
25 during the last year of such 3-year interval. An



1 institution that has a college affordability index  
2 computed under paragraph (1) that exceeds 2.0  
3 for any such 3-year interval, but that, on aver-  
4 age during such 3-year interval, charges less  
5 than such maximum tuition and fees shall not  
6 be subject to the actions required by subpara-  
7 graph (B) or (C) of paragraph (1), or any ac-  
8 tion under paragraph (3), unless such institu-  
9 tion, for a subsequent 3-year interval, charges  
10 more than such maximum tuition and fees.

11 “(B) DOLLAR INCREASE EXEMPTION.—An  
12 institution that has a college affordability index  
13 computed under paragraph (1) that exceeds 2.0  
14 for any 3-year interval, but that exceeds such  
15 2.0 by a dollar amount that is less than \$500,  
16 shall not be subject to the actions required by  
17 subparagraph (B) or (C) of paragraph (1), or  
18 any action under paragraph (3), unless such in-  
19 stitution has a college affordability index for a  
20 subsequent 3-year interval that exceeds 2.0 by  
21 more than such dollar amount.

22 “(C) CLASSES OF INSTITUTIONS.—For  
23 purposes of subparagraph (B), the classes of in-  
24 stitutions shall be those sectors used by the In-  
25 tegrated Postsecondary Education Data Sys-



1           tem, based on whether the institution is public,  
2           nonprofit private, or for-profit private, and  
3           whether the institution has a 4-year, 2-year, or  
4           less than 2-year program of instruction.

5           “(g) FINES.—In addition to actions authorized in  
6 section 487(c), the Secretary may impose a fine in an  
7 amount not to exceed \$25,000 on an institution of higher  
8 education for failing to provide the information described  
9 in this section in a timely and accurate manner, or for  
10 failing to otherwise cooperate with the National Center for  
11 Education Statistics regarding efforts to obtain data on  
12 the cost and price of higher education under this section  
13 and pursuant to the program participation agreement en-  
14 tered into under section 487.

15           “(h) GAO STUDY AND REPORT.—

16           “(1) GAO STUDY.—The Comptroller General  
17 shall conduct a study of the policies and procedures  
18 implemented by institutions in increasing the afford-  
19 ability of postsecondary education. Such study shall  
20 include information with respect to—

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

22           “(i) have reduced their college afford-  
23 ability indexes; or

24           “(ii) are, as determined under sub-  
25 section (f)(5)(A), within the least costly



1           quartile of institutions within each class  
2           described in subsection (f)(5)(C);

3           “(B) policies implemented to stem the in-  
4           crease in tuition and fees and institutional  
5           costs;

6           “(C) the extent to which room and board  
7           costs and prices changed;

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

10          “(E) the extent to which the institution’s  
11          policies affected student body demographics and  
12          time to completion;

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

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

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

20          “(I) other information as necessary to de-  
21          termine best practices in increasing the afford-  
22          ability of postsecondary education.

23          “(2) INTERIM AND FINAL REPORTS.—The  
24          Comptroller General shall submit an interim and a  
25          final report regarding the findings of the study re-



1       quired by paragraph (1) to the appropriate author-  
2       izing committees of Congress. The interim report  
3       shall be submitted not later than July 31, 2011, and  
4       the final report shall be submitted not later than  
5       July 31, 2013.

6       “(i) STUDENT AID RECIPIENT SURVEY.—

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

11               “(A) to identify the population of students  
12      receiving Federal student aid;

13               “(B) to describe the income distribution  
14      and other socioeconomic characteristics of fed-  
15      erally aided students;

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

19               “(D) to describe the debt burden of edu-  
20      cational loan recipients and their capacity to  
21      repay their education debts, and the impact of  
22      such debt burden on career choices;

23               “(E) to describe the role played by the  
24      price of postsecondary education in the deter-



1           mination by students of what institution to at-  
2           tend; and

3           “(F) to describe how the increased costs of  
4           textbooks and other instructional materials af-  
5           fects the costs of postsecondary education to  
6           students.

7           “(2) SURVEY DESIGN.—The survey shall be  
8           representative of full-time and part-time, under-  
9           graduate, graduate, and professional and current  
10          and former students in all types of institutions, and  
11          designed and administered in consultation with the  
12          Congress and the postsecondary education commu-  
13          nity.

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

17          “(j) REGULATIONS.—The Secretary is authorized to  
18          issue such regulations as may be necessary to carry out  
19          the provisions of this section.”.

20   **SEC. 109. DATABASES OF STUDENT INFORMATION.**

21          Part C of title I is further amended by adding at the  
22          end the following new section:



1 **“SEC. 132. DATABASES OF STUDENT INFORMATION PRO-**  
2 **HIBITED.**

3 “(a) PROHIBITION.—Except as described in (b),  
4 nothing in this Act shall be construed to authorize the de-  
5 sign, development, creation, implementation, or mainte-  
6 nance of a nationwide database of personally identifiable  
7 information on individuals receiving assistance, attending  
8 institutions receiving assistance, or otherwise involved in  
9 any studies or other collections of data under this Act,  
10 including a student unit record system, an education bar  
11 code system, or any other system that tracks individual  
12 students over time.

13 “(b) EXCEPTION.—The provisions of subsection (a)  
14 shall not affect the loan obligation enforcement activities  
15 described in section 485B of this Act.”.

16 **SEC. 110. PERFORMANCE-BASED ORGANIZATION.**

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

18 (1) in subsection (a)(2)(B)—

19 (A) by inserting “unit” after “to reduce  
20 the”; and

21 (B) by inserting “and, to the extent prac-  
22 ticable, the total costs of administering those  
23 programs” after “those programs”;

24 (2) in subsection (c)—

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



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

4 (C) in paragraph (2)(B), by striking  
5 “Chief Financial Officer Act of 1990 and” and  
6 inserting “Chief Financial Officers Act of  
7 1990,” and by inserting before the period at the  
8 end the following: “, and other relevant stat-  
9 utes”; and

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

## 12 **TITLE II—TEACHER** 13 **PREPARATION**

### 14 **SEC. 201. TEACHER QUALITY ENHANCEMENT GRANTS.**

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

### 17 **“PART A—TEACHER QUALITY ENHANCEMENT** 18 **GRANTS FOR STATES AND PARTNERSHIPS**

#### 19 **“SEC. 201. PURPOSES; DEFINITIONS.**

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

21 “(1) improve student academic achievement;

22 “(2) improve the quality of the current and fu-  
23 ture teaching force by improving the preparation of  
24 prospective teachers and enhancing professional de-  
25 velopment activities;



1           “(3) hold institutions of higher education ac-  
2           countable for preparing highly qualified teachers;  
3           and

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

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

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

10           “(A) when referring to an organizational  
11           unit of an institution of higher education, any  
12           academic unit that offers 1 or more academic  
13           majors in disciplines or content areas cor-  
14           responding to the academic subject matter  
15           areas in which teachers provide instruction; and

16           “(B) when referring to a specific academic  
17           subject matter area, the disciplines or content  
18           areas in which academic majors are offered by  
19           the arts and science organizational unit.

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

24           “(3) HIGHLY QUALIFIED.—The term ‘highly  
25           qualified’ when used with respect to an individual



1 means that the individual is highly qualified as de-  
2 termined under section 9101 of the Elementary and  
3 Secondary Education Act of 1965 (20 U.S.C. 7801)  
4 or section 602 of the Individuals with Disabilities  
5 Education Act (20 U.S.C. 1401).

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

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

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

15 “(ii) that is among those serving the high-  
16 est number or percentage of children from fam-  
17 ilies with incomes below the poverty line in the  
18 State, but this clause applies only in a State  
19 that has no local educational agency meeting  
20 the requirements of clause (i); or

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



1           “(B)(i) for which there is a high percent-  
2           age of teachers not teaching in the academic  
3           subjects or grade levels that the teachers were  
4           trained to teach; or

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

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

14          “(6) PROFESSIONAL DEVELOPMENT.—The  
15          term ‘professional development’ has the meaning  
16          given such term in section 9101 of the Elementary  
17          and Secondary Education Act of 1965 (20 U.S.C.  
18          7801).

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

24          “(8) SCIENTIFICALLY BASED RESEARCH.—The  
25          term ‘scientifically based research’ has the meaning



1 given such term in section 9101 of the Elementary  
2 and Secondary Education Act of 1965 (20 U.S.C.  
3 7801).

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

6 “(A) are based on scientifically based re-  
7 search;

8 “(B) enable teachers to effectively convey  
9 and explain subject matter content;

10 “(C) lead to increased student academic  
11 achievement; and

12 “(D) use strategies that—

13 “(i) are specific to subject matter;

14 “(ii) include ongoing assessment of  
15 student learning;

16 “(iii) focus on identification and tai-  
17 loring of academic instruction to students’s  
18 specific learning needs; and

19 “(iv) focus on classroom management.

20 **“SEC. 202. STATE GRANTS.**

21 “(a) IN GENERAL.—From amounts made available  
22 under section 210(1) for a fiscal year, the Secretary is  
23 authorized to award grants under this section, on a com-  
24 petitive basis, to eligible States to enable the eligible



1 States to carry out the activities described in subsection  
2 (d).

3 “(b) ELIGIBLE STATE.—

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

6 “(A) the Governor of a State; or

7 “(B) in the case of a State for which the  
8 constitution or law of such State designates an-  
9 other individual, entity, or agency in the State  
10 to be responsible for teacher certification and  
11 preparation activity, such individual, entity, or  
12 agency.

13 “(2) CONSULTATION.—The Governor or the in-  
14 dividual, entity, or agency designated under para-  
15 graph (1)(B) shall consult with the Governor, State  
16 board of education, State educational agency, State  
17 agency for higher education, or State agency respon-  
18 sible for early childhood education and programs, as  
19 appropriate, with respect to the activities assisted  
20 under this section.

21 “(3) CONSTRUCTION.—Nothing in this sub-  
22 section shall be construed to negate or supersede the  
23 legal authority under State law of any State agency,  
24 State entity, or State public official over programs



1 that are under the jurisdiction of the agency, entity,  
2 or official.

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

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

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

9 “(3) includes a description of how the eligible  
10 State intends to use funds provided under this sec-  
11 tion;

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

14 “(5) demonstrates the State has submitted and  
15 is actively implementing a plan that meets the re-  
16 quirements of sections 1111(h)(1)(C)(viii) and 1119  
17 of the Elementary and Secondary Education Act of  
18 1965 (20 U.S.C. 6311(h)(1)(C)(viii) and 6319); and

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

21 “(d) USES OF FUNDS.—An eligible State that re-  
22 ceives a grant under this section shall use the grant funds  
23 to reform teacher preparation requirements, to coordinate  
24 with State activities under section 2113(c) of the Elemen-  
25 tary and Secondary Education Act of 1965 (20 U.S.C.



1 6613(c)), and to ensure that current and future teachers  
2 are highly qualified, by carrying out one or more of the  
3 following activities:

4 “(1) REFORMS.—Ensuring that all teacher  
5 preparation programs in the State are preparing  
6 teachers who are highly qualified, are able to under-  
7 stand scientifically based research and its applica-  
8 bility, and are able to use advanced technology effec-  
9 tively in the classroom, including use for instruc-  
10 tional techniques to improve student academic  
11 achievement, by assisting such programs—

12 “(A) to retrain faculty; and

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

15 “(i) are based on rigorous academic  
16 content, scientifically based research (in-  
17 cluding scientifically based reading re-  
18 search), and challenging State student aca-  
19 demic content standards; and

20 “(ii) promote strong teaching skills.

21 “(2) CERTIFICATION OR LICENSURE REQUIRE-  
22 MENTS.—Reforming teacher certification (including  
23 recertification) or licensing requirements to ensure  
24 that—



1           “(A) teachers have the subject matter  
2           knowledge and teaching skills in the academic  
3           subjects that the teachers teach that are nec-  
4           essary to help students meet challenging State  
5           student academic achievement standards; and

6           “(B) such requirements are aligned with  
7           challenging State academic content standards.

8           “(3) ALTERNATIVES TO TRADITIONAL TEACHER  
9           PREPARATION AND STATE CERTIFICATION.—Pro-  
10          viding prospective teachers with alternative routes to  
11          State certification and traditional preparation to be-  
12          come highly qualified teachers through—

13          “(A) innovative approaches that reduce un-  
14          necessary barriers to State certification while  
15          producing highly qualified teachers, which may  
16          include articulation agreements between institu-  
17          tions of higher education;

18          “(B) programs that provide support to  
19          teachers during their initial years in the profes-  
20          sion; and

21          “(C) alternative routes to State certifi-  
22          cation of teachers for qualified individuals, in-  
23          cluding mid-career professionals from other oc-  
24          cupations, former military personnel, and recent



1 college graduates with records of academic dis-  
2 tinction.

3 “(4) INNOVATIVE PROGRAMS.—Planning and  
4 implementing innovative programs to enhance the  
5 ability of institutions of higher education to prepare  
6 highly qualified teachers, such as charter colleges of  
7 education or university and local educational agency  
8 partnership schools, that—

9 “(A) permit flexibility in meeting State re-  
10 quirements as long as graduates, during their  
11 initial years in the profession, increase student  
12 academic achievement;

13 “(B) provide long-term data gathered from  
14 teachers’ performance over multiple years in the  
15 classroom on the ability to increase student aca-  
16 demic achievement;

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

19 “(D) create performance measures that  
20 can be used to document the effectiveness of in-  
21 novative methods for preparing highly qualified  
22 teachers.

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



1           “(A) merit-based performance systems that  
2           reward teachers who increase student academic  
3           achievement; and

4           “(B) strategies that provide differential  
5           and bonus pay in high-need local educational  
6           agencies to retain—

7                   “(i) principals;

8                   “(ii) highly qualified teachers who  
9                   teach in high-need academic subjects, such  
10                  as reading, mathematics, and science;

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

16                  “(iv) special education teachers;

17                  “(v) teachers specializing in teaching  
18                  limited English proficient children; and

19                  “(vi) highly qualified teachers in  
20                  urban and rural schools or districts.

21           “(6) TEACHER ADVANCEMENT.—Developing, or  
22           assisting local educational agencies in developing,  
23           teacher advancement and retention initiatives that  
24           promote professional growth and emphasize multiple  
25           career paths (such as paths to becoming a highly



1 qualified mentor teacher or exemplary teacher) and  
2 pay differentiation.

3 “(7) TEACHER REMOVAL.—Developing and im-  
4 plementing effective mechanisms to ensure that local  
5 educational agencies and schools are able to remove  
6 expeditiously incompetent or unqualified teachers  
7 consistent with procedures to ensure due process for  
8 the teachers.

9 “(8) TECHNICAL ASSISTANCE.—Providing tech-  
10 nical assistance to low-performing teacher prepara-  
11 tion programs within institutions of higher education  
12 identified under section 208(a).

13 “(9) TEACHER EFFECTIVENESS.—Developing—

14 “(A) systems to measure the effectiveness  
15 of teacher preparation programs and profes-  
16 sional development programs; and

17 “(B) strategies to document gains in stu-  
18 dent academic achievement or increases in  
19 teacher mastery of the academic subjects the  
20 teachers teach as a result of such programs.

21 “(10) TEACHER RECRUITMENT AND RETEN-  
22 TION.—Undertaking activities that—

23 “(A) develop and implement effective  
24 mechanisms to ensure that local educational



1 agencies and schools are able effectively to re-  
2 recruit and retain highly qualified teachers; or

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

4 “(11) EARLY CHILDHOOD EDUCATOR.—Devel-  
5 oping strategies—

6 “(A) to improve the qualifications of pre-  
7 school teachers, which may include State certifi-  
8 cation for such teachers;

9 “(B) to improve and expand preschool  
10 teacher preparation programs; and

11 “(C) to reduce unnecessary burdens to the  
12 attainment of a bachelor’s degree in early child-  
13 hood education and increase the number of bi-  
14 lingual early childhood educators, which may in-  
15 clude developing articulation agreements be-  
16 tween institutions of higher education.

17 “(12) GIFTED AND TALENTED STUDENTS.—In-  
18 corporating the learning needs of gifted and talented  
19 students into the activities described in paragraph  
20 (1), (2), or (3) in order to ensure that new teachers  
21 possess the basic knowledge and skills necessary to  
22 meet the educational needs of gifted and talented  
23 students.

24 “(13) NEW-TEACHER MENTORING ON THE  
25 NEEDS OF GIFTED AND TALENTED STUDENTS.—



1       Establishing or expanding new-teacher mentoring  
2       and assessment programs (including induction and  
3       evaluation programs) that are a part of a licensure  
4       process which is designed to demonstrate that new  
5       teachers possess basic knowledge of the classroom  
6       indicators of giftedness, are able to identify student  
7       learning differences among gifted students, and are  
8       able to provide instruction to accommodate such dif-  
9       ferences.

10           “(14) SPECIAL EDUCATION, MATH, AND  
11       SCIENCE FACULTY.—Supporting the development of  
12       new special education, math, and science faculty po-  
13       sitions in institutions of higher education dedicated  
14       to the preparation of highly qualified special edu-  
15       cation, math, and science teachers (as defined by  
16       section 9101 of the Elementary and Secondary Edu-  
17       cation Act or section 602 of the Individuals with  
18       Disabilities Education Act), with matching funds  
19       from institutions of higher education and a commit-  
20       ment to continue new faculty positions when Federal  
21       funding ends.

22           “(15) SUBJECT AREA EVALUATION.—Assessing  
23       the performance of teacher preparation programs  
24       within institutions of higher education in the State  
25       using an assessment which provides comparisons



1 across such schools in the State based upon indica-  
2 tors including teacher candidate knowledge in sub-  
3 ject areas in which such candidate has been pre-  
4 pared to teach. Such information shall be made pub-  
5 licly available and widely disseminated.

6 “(e) EVALUATION.—

7 “(1) EVALUATION SYSTEM.—An eligible State  
8 that receives a grant under this section shall develop  
9 and utilize a system to evaluate annually the effec-  
10 tiveness of teacher preparation programs and profes-  
11 sional development activities within the State in pro-  
12 ducing gains in—

13 “(A) the teacher’s annual contribution to  
14 improving student academic achievement, as  
15 measured by State academic assessments re-  
16 quired under section 1111(b)(3) of the Elemen-  
17 tary and Secondary Education Act of 1965 (20  
18 U.S.C. 6311(b)(3)); and

19 “(B) teacher mastery of the academic sub-  
20 jects they teach, as measured by pre- and post-  
21 participation tests of teacher knowledge, as ap-  
22 propriate.

23 “(2) USE OF EVALUATION SYSTEM.—Such eval-  
24 uation system shall be used by the State to  
25 evaluate—



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

3           “(B) the quality of its teacher education  
4           programs.

5           “(3) PUBLIC REPORTING.—The State shall  
6           make the information described in paragraph (1)  
7           widely available through public means, such as post-  
8           ing on the Internet, distribution to the media, and  
9           distribution through public agencies.

10 **“SEC. 203. PARTNERSHIP GRANTS.**

11           “(a) GRANTS.—From amounts made available under  
12           section 210(2) for a fiscal year, the Secretary is author-  
13           ized to award grants under this section, on a competitive  
14           basis, to eligible partnerships to enable the eligible part-  
15           nerships to carry out the activities described in subsections  
16           (d) and (e).

17           “(b) DEFINITIONS.—

18           “(1) ELIGIBLE PARTNERSHIPS.—In this part,  
19           the term ‘eligible partnership’ means an entity  
20           that—

21           “(A) shall include—

22           “(i) a partner institution;

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

24           “(iii) a high-need local educational  
25           agency; and



1                   “(iv) a public or private educational  
2                   organization; and

3                   “(B) may include a Governor, State edu-  
4                   cational agency, the State board of education,  
5                   the State agency for higher education, an insti-  
6                   tution of higher education not described in sub-  
7                   paragraph (A), a public charter school, a public  
8                   or private elementary school or secondary  
9                   school, a public or private educational organiza-  
10                  tion, a business, a science-, mathematics-, or  
11                  technology-oriented entity, a faith-based or  
12                  community organization, a prekindergarten pro-  
13                  gram, a teacher organization, an education  
14                  service agency, a consortia of local educational  
15                  agencies, or a nonprofit telecommunications en-  
16                  tity.

17                  “(2) PARTNER INSTITUTION.—In this section,  
18                  the term ‘partner institution’ means an institution of  
19                  higher education, the teacher training program of  
20                  which demonstrates that—

21                  “(A) graduates from the teacher training  
22                  program exhibit strong performance on State-  
23                  determined qualifying assessments for new  
24                  teachers through—



1 “(i) demonstrating that the graduates  
2 of the program who intend to enter the  
3 field of teaching have passed all of the ap-  
4 plicable State qualification assessments for  
5 new teachers, which shall include an as-  
6 sessment of each prospective teacher’s sub-  
7 ject matter knowledge in the content area  
8 or areas in which the teacher intends to  
9 teach; or

10 “(ii) being ranked among the highest-  
11 performing teacher preparation programs  
12 in the State as determined by the State—

13 “(I) using criteria consistent with  
14 the requirements for the State report  
15 card under section 207(a); and

16 “(II) using the State report card  
17 on teacher preparation required under  
18 section 207(a); or

19 “(B) the teacher training program requires  
20 all the students of the program to participate in  
21 intensive clinical experience, to meet high aca-  
22 demic standards, and—

23 “(i) in the case of secondary school  
24 candidates, to successfully complete an  
25 academic major in the subject area in



1           which the candidate intends to teach or to  
2           demonstrate competence through a high  
3           level of performance in relevant content  
4           areas; and

5                   “(ii) in the case of elementary school  
6           candidates, to successfully complete an  
7           academic major in the arts and sciences or  
8           to demonstrate competence through a high  
9           level of performance in core academic sub-  
10          ject areas.

11          “(c) APPLICATION.—Each eligible partnership desir-  
12          ing a grant under this section shall submit an application  
13          to the Secretary at such time, in such manner, and accom-  
14          panied by such information as the Secretary may require.  
15          Each such application shall—

16                   “(1) contain a needs assessment of all the part-  
17          ners with respect to teaching and learning and a de-  
18          scription of how the partnership will coordinate with  
19          other teacher training or professional development  
20          programs, and how the activities of the partnership  
21          will be consistent with State, local, and other edu-  
22          cation reform activities that promote student aca-  
23          demic achievement;

24                   “(2) contain a resource assessment that de-  
25          scribes the resources available to the partnership,



1 the intended use of the grant funds, including a de-  
2 scription of how the grant funds will be used in ac-  
3 cordance with subsection (f), and the commitment of  
4 the resources of the partnership to the activities as-  
5 sisted under this part, including financial support,  
6 faculty participation, time commitments, and con-  
7 tinuation of the activities when the grant ends;

8 “(3) contain a description of—

9 “(A) how the partnership will meet the  
10 purposes of this part;

11 “(B) how the partnership will carry out  
12 the activities required under subsection (d) and  
13 any permissible activities under subsection (e);

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

16 “(D) how faculty of the teacher prepara-  
17 tion program at the partner institution will  
18 serve, over the term of the grant, with highly  
19 qualified teachers in the classrooms of the high-  
20 need local educational agency included in the  
21 partnership;

22 “(E) how the partnership will ensure that  
23 teachers, principals, and superintendents in pri-  
24 vate elementary and secondary schools located  
25 in the geographic areas served by an eligible



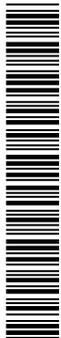
1 partnership under this section will participate  
2 equitably in accordance with section 9501 of  
3 the Elementary and Secondary Education Act  
4 of 1965 (20 U.S.C. 7881);

5 “(F) how the partnership will design and  
6 implement a clinical program component that  
7 includes close supervision of student teachers by  
8 faculty of the teacher preparation program at  
9 the partner institution and mentor teachers;

10 “(G) how the partnership will design and  
11 implement an induction program to support all  
12 new teachers through the first 3 years of teach-  
13 ing that includes mentors who are trained and  
14 compensated by the partnership for their work  
15 with new teachers; and

16 “(H) how the partnership will collect, ana-  
17 lyze, and use data on the retention of all teach-  
18 ers in schools located in the geographic areas  
19 served by the partnership to evaluate the effec-  
20 tiveness of its teacher support system; and

21 “(4) contain a certification from the high-need  
22 local educational agency included in the partnership  
23 that it has reviewed the application and determined  
24 that the grant proposed will comply with subsection  
25 (f).



1           “(d) REQUIRED USES OF FUNDS.—An eligible part-  
2 nership that receives a grant under this section shall use  
3 the grant funds to reform teacher preparation require-  
4 ments, to coordinate with State activities under section  
5 2113(c) of the Elementary and Secondary Education Act  
6 of 1965 (20 U.S.C. 6613(c)), and to ensure that current  
7 and future teachers are highly qualified, by carrying out  
8 one or more of the following activities:

9           “(1) REFORMS.—Implementing reforms within  
10 teacher preparation programs to ensure that such  
11 programs are preparing teachers who are highly  
12 qualified, are able to understand scientifically based  
13 research and its applicability, and are able to use  
14 advanced technology effectively in the classroom, in-  
15 cluding use for instructional techniques to improve  
16 student academic achievement, by—

17                   “(A) retraining faculty; and

18                   “(B) designing (or redesigning) teacher  
19 preparation programs so they—

20                           “(i) are based on rigorous academic  
21 content, scientifically based research (in-  
22 cluding scientifically based reading re-  
23 search), and challenging State student aca-  
24 demic content standards; and

25                           “(ii) promote strong teaching skills.



1           “(2) CLINICAL EXPERIENCE AND INTER-  
2           ACTION.—Providing sustained and high-quality  
3           preservice and in-service clinical experience, includ-  
4           ing the mentoring of prospective teachers by exem-  
5           plary teachers, substantially increasing interaction  
6           between faculty at institutions of higher education  
7           and new and experienced teachers, principals, and  
8           other administrators at elementary schools or sec-  
9           ondary schools, and providing support for teachers,  
10          including preparation time and release time, for such  
11          interaction.

12          “(3) PROFESSIONAL DEVELOPMENT.—Creating  
13          opportunities for enhanced and ongoing professional  
14          development that improves the academic content  
15          knowledge of teachers in the subject areas in which  
16          the teachers are certified to teach or in which the  
17          teachers are working toward certification to teach,  
18          and that promotes strong teaching skills.

19          “(4) TEACHER PREPARATION.—Developing, or  
20          assisting local educational agencies in developing,  
21          professional development activities that—

22                  “(A) provide training in how to teach and  
23                  address the needs of students with different  
24                  learning styles, particularly students with dis-  
25                  abilities, limited English proficient students,



1           gifted and talented students, and students with  
2           special learning needs; and

3           “(B) provide training in methods of—

4                   “(i) improving student behavior in the  
5           classroom; and

6                   “(ii) identifying early and appropriate  
7           interventions to help students described in  
8           subparagraph (A) learn.

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

12                   “(1) ALTERNATIVES TO TRADITIONAL TEACHER  
13          PREPARATION AND STATE CERTIFICATION.—Pro-  
14          viding prospective teachers with alternative routes to  
15          State certification and traditional preparation to be-  
16          come highly qualified teachers through—

17                   “(A) innovative approaches that reduce un-  
18          necessary barriers to teacher preparation pro-  
19          ducing highly qualified teachers, which may in-  
20          clude articulation agreements between institu-  
21          tions of higher education;

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

24                   “(C) alternative routes to State certifi-  
25          cation of teachers for qualified individuals, in-



1 including mid-career professionals from other oc-  
2 cupations, former military personnel, and recent  
3 college graduates with records of academic dis-  
4 tinction.

5 “(2) DISSEMINATION AND COORDINATION.—  
6 Broadly disseminating information on effective prac-  
7 tices used by the partnership, and coordinating with  
8 the activities of the Governor, State board of edu-  
9 cation, State higher education agency, and State  
10 educational agency, as appropriate.

11 “(3) MANAGERIAL AND LEADERSHIP SKILLS.—  
12 Developing and implementing professional develop-  
13 ment programs for principals and superintendents  
14 that enable them to be effective school leaders and  
15 prepare all students to meet challenging State aca-  
16 demic content and student academic achievement  
17 standards.

18 “(4) TEACHER RECRUITMENT.—Activities—  
19 “(A) to encourage students to become  
20 highly qualified teachers, such as extra-  
21 curricular enrichment activities; and

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

23 “(5) CLINICAL EXPERIENCE IN SCIENCE, MATH-  
24 EMATICS, AND TECHNOLOGY.—Creating opportuni-  
25 ties for clinical experience and training, by participa-



1       tion in the business, research, and work environ-  
2       ments with professionals, in areas relating to  
3       science, mathematics, and technology for teachers  
4       and prospective teachers, including opportunities for  
5       use of laboratory equipment, in order for the teacher  
6       to return to the classroom for at least 2 years and  
7       provide instruction that will raise student academic  
8       achievement.

9               “(6) COORDINATION WITH COMMUNITY COL-  
10       LEGES.—Coordinating with community colleges to  
11       implement teacher preparation programs, including  
12       through distance learning or articulation agree-  
13       ments, for the purposes of allowing prospective  
14       teachers—

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

17               “(B) to become highly qualified teachers.

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

20               “(A) includes minimum qualifications for  
21       mentors;

22               “(B) provides training and stipends for  
23       mentors;

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



1           “(D) provides regular and ongoing oppor-  
2           tunities for mentors and mentees to observe  
3           each other’s teaching methods in classroom set-  
4           tings during the school day;

5           “(E) establishes an evaluation and ac-  
6           countability plan for activities conducted under  
7           this paragraph that includes rigorous objectives  
8           to measure the impact of such activities; and

9           “(F) provides for a report to the Secretary  
10          on an annual basis regarding the partnership’s  
11          progress in meeting the objectives described in  
12          subparagraph (E).

13          “(8) COMPUTER SOFTWARE FOR MULTI-  
14          LINGUAL EDUCATION.—Training teachers to use  
15          computer software for multilingual education to ad-  
16          dress the needs of limited English proficient stu-  
17          dents.

18          “(9) GIFTED AND TALENTED STUDENTS.—In-  
19          creasing the knowledge and skills of preservice  
20          teachers participating in activities under subsection  
21          (d) in the educational and related needs of gifted  
22          and talented students by, among other strategies, in-  
23          fusing teacher coursework with units on the charac-  
24          teristics of high-ability learners, using assessments  
25          to identify preexisting knowledge and skills among



1 students, and developing teaching strategies that are  
2 driven by the learner's progress.

3 “(10) REDUCING THE SHORTAGE OF HIGHLY  
4 QUALIFIED SPECIAL EDUCATION, MATH, AND  
5 SCIENCE TEACHERS.—Increasing the number of  
6 highly qualified special education, math, and science  
7 teachers (as defined by section 9101 of the Elemen-  
8 tary and Secondary Education Act or section 602 of  
9 the Individuals with Disabilities Education Act)  
10 through such activities as recruitment, scholarships  
11 for tuition, and new teacher mentoring.

12 “(f) SPECIAL RULE.—At least 50 percent of the  
13 funds made available to an eligible partnership under this  
14 section shall be used directly to benefit the high-need local  
15 educational agency included in the partnership. Any entity  
16 described in subsection (b)(1)(A) may be the fiscal agent  
17 under this section.

18 “(g) CONSTRUCTION.—Nothing in this section shall  
19 be construed to prohibit an eligible partnership from using  
20 grant funds to coordinate with the activities of more than  
21 one Governor, State board of education, State educational  
22 agency, local educational agency, or State agency for high-  
23 er education.

24 “(h) SUPPLEMENT, NOT SUPPLANT.—Funds made  
25 available under this section shall be used to supplement,



1 and not supplant, other Federal, State, and local funds  
2 that would otherwise be expended to carry out the pur-  
3 poses of this section.

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

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

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

12 “(1) an eligible State described in section  
13 202(b); or

14 “(2) an eligible partnership described in section  
15 203(b).

16 “(c) APPLICATION.—Any eligible applicant desiring  
17 to receive a grant under this section shall submit an appli-  
18 cation to the Secretary at such time, in such form, and  
19 containing such information as the Secretary may require,  
20 including—

21 “(1) a description of the assessment that the el-  
22 ible applicant, and the other entities with whom  
23 the eligible applicant will carry out the grant activi-  
24 ties, have undertaken to determine the most critical



1 needs of the participating high-need local edu-  
2 cational agencies;

3 “(2) a description of the activities the eligible  
4 applicant will carry out with the grant, including the  
5 extent to which the applicant will use funds to re-  
6 cruit minority students to become highly qualified  
7 teachers; and

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

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

14 “(1)(A) to award scholarships to help students,  
15 such as individuals who have been accepted for their  
16 first year, or who are enrolled in their first or second  
17 year, of a program of undergraduate education at an  
18 institution of higher education, pay the costs of tui-  
19 tion, room, board, and other expenses of completing  
20 a teacher preparation program;

21 “(B) to provide support services, if needed to  
22 enable scholarship recipients—

23 “(i) to complete postsecondary education  
24 programs; or



1                   “(ii) to transition from a career outside of  
2                   the field of education into a teaching career;  
3                   and

4                   “(C) for followup services provided to former  
5                   scholarship recipients during the recipients first 3  
6                   years of teaching; or

7                   “(2) to develop and implement effective mecha-  
8                   nisms to ensure that high-need local educational  
9                   agencies and schools are able effectively to recruit  
10                  highly qualified teachers.

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

15                  “(1) to develop and implement effective mecha-  
16                  nisms to recruit into the teaching profession employ-  
17                  ees from—

18                          “(A) high-demand industries, including  
19                          technology industries; and

20                          “(B) the fields of science, mathematics,  
21                          and engineering;

22                          “(2) to conduct outreach and coordinate with  
23                          inner city and rural secondary schools to encourage  
24                          students to pursue teaching as a career;



1           “(3) to develop and implement dual degree pro-  
2           grams that enable students at institutions of higher  
3           education to earn two undergraduate degrees con-  
4           currently, one of such degrees being in education  
5           and the other in the subject matter of the student’s  
6           choosing; and

7           “(4) to recruit high achieving students, bilin-  
8           gual students, and other qualified candidates into  
9           early childhood education programs.

10          “(f) SERVICE REQUIREMENTS.—

11                 “(1) IN GENERAL.—The Secretary shall estab-  
12                 lish such requirements as the Secretary determines  
13                 necessary to ensure that recipients of scholarships  
14                 under this section who complete teacher education  
15                 programs—

16                         “(A) subsequently teach in a high-need  
17                         local educational agency for a period of time  
18                         equivalent to—

19                                 “(i) one year; increased by

20                                 “(ii) the period for which the recipient  
21                                 received scholarship assistance; or

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

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



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

5 **“SEC. 205. ADMINISTRATIVE PROVISIONS.**

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

7 “(1) DURATION.—

8 “(A) ELIGIBLE STATES AND ELIGIBLE AP-  
9 PPLICANTS.—Grants awarded to eligible States  
10 and eligible applicants under this part shall be  
11 awarded for a period not to exceed 3 years.

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

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

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

22 “(b) PEER REVIEW.—

23 “(1) PANEL.—The Secretary shall provide the  
24 applications submitted under this part to a peer re-  
25 view panel for evaluation. With respect to each ap-



1       plication, the peer review panel shall initially rec-  
2       ommend the application for funding or for dis-  
3       approval.

4               “(2) PRIORITY.—In recommending applications  
5       to the Secretary for funding under this part, the  
6       panel shall—

7                       “(A) with respect to grants under section  
8       202, give priority to eligible States that—

9                               “(i) have initiatives to reform State  
10       teacher certification requirements that are  
11       based on rigorous academic content, sci-  
12       entifically based research, including sci-  
13       entifically based reading research, and  
14       challenging State student academic content  
15       standards;

16                               “(ii) have innovative reforms to hold  
17       institutions of higher education with teach-  
18       er preparation programs accountable for  
19       preparing teachers who are highly qualified  
20       and have strong teaching skills; or

21                               “(iii) have innovative efforts aimed at  
22       reducing the shortage of highly qualified  
23       teachers in high poverty urban and rural  
24       areas; and



1                   “(B) with respect to grants under section  
2                   203—

3                   “(i) give priority to applications from  
4                   broad-based eligible partnerships that in-  
5                   volve businesses and community organiza-  
6                   tions; and

7                   “(ii) take into consideration—

8                   “(I) providing an equitable geo-  
9                   graphic distribution of the grants  
10                  throughout the United States; and

11                  “(II) the potential of the pro-  
12                  posed activities for creating improve-  
13                  ment and positive change.

14                  “(3) SECRETARIAL SELECTION.—The Secretary  
15                  shall determine, based on the peer review process,  
16                  which application shall receive funding and the  
17                  amounts of the grants. In determining grant  
18                  amounts, the Secretary shall take into account the  
19                  total amount of funds available for all grants under  
20                  this part and the types of activities proposed to be  
21                  carried out.

22                  “(c) MATCHING REQUIREMENTS.—

23                  “(1) STATE GRANTS.—Each eligible State re-  
24                  ceiving a grant under section 202 or 204 shall pro-  
25                  vide, from non-Federal sources, an amount equal to



1 50 percent of the amount of the grant (in cash or  
2 in kind) to carry out the activities supported by the  
3 grant.

4 “(2) PARTNERSHIP GRANTS.—Each eligible  
5 partnership receiving a grant under section 203 or  
6 204 shall provide, from non-Federal sources (in cash  
7 or in kind), an amount equal to 25 percent of the  
8 grant for the first year of the grant, 35 percent of  
9 the grant for the second year of the grant, and 50  
10 percent of the grant for each succeeding year of the  
11 grant.

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

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

17 “(a) STATE GRANT ACCOUNTABILITY REPORT.—An  
18 eligible State that receives a grant under section 202 shall  
19 submit an annual accountability report to the Secretary,  
20 the Committee on Health, Education, Labor, and Pen-  
21 sions of the Senate, and the Committee on Education and  
22 the Workforce of the House of Representatives. Such re-  
23 port shall include a description of the degree to which the  
24 eligible State, in using funds provided under such section,



1 has made substantial progress in meeting the following  
2 goals:

3           “(1) PERCENTAGE OF HIGHLY QUALIFIED  
4           TEACHERS.—Increasing the percentage of highly  
5           qualified teachers in the State as required by section  
6           1119 of the Elementary and Secondary Education  
7           Act of 1965 (20 U.S.C. 6319) and section 602 of  
8           the Individuals with Disabilities Act (20 U.S.C.  
9           1401).

10           “(2) STUDENT ACADEMIC ACHIEVEMENT.—In-  
11           creasing student academic achievement for all stu-  
12           dents, which may be measured through the use of  
13           value-added assessments, as defined by the eligible  
14           State.

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

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



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

4           “(6) INCREASING OPPORTUNITIES FOR RE-  
5           SEARCH-BASED PROFESSIONAL DEVELOPMENT.—In-  
6           creasing opportunities for enhanced and ongoing  
7           professional development that—

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

13                   “(B) promotes strong teaching skills.

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

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



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

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

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

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

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

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

17 “(c) REVOCATION OF GRANT.—

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

24 “(2) REVOCATION.—



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

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

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



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

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

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

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

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

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



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

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

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

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



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

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

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

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

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



1 grants are located. Such report shall be published  
2 and made available annually.

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

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

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

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

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



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

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

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

24           “(ii) A comparison of the institution or  
25 program’s pass rate for students who have com-



1           pleted at least 50 percent of the requirements  
2           for the teacher preparation program with the  
3           average pass rate for institutions and programs  
4           in the State.

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

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

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



1           “(C) STATEMENT.—In States that require  
2 approval or accreditation of teacher education  
3 programs, a statement of whether the institu-  
4 tion’s program is so approved or accredited,  
5 and by whom.

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

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

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

23          “(e) DATA QUALITY.—Either—

24           “(1) the Governor of the State; or



1           “(2) in the case of a State for which the con-  
2           stitution or law of such State designates another in-  
3           dividual, entity, or agency in the State to be respon-  
4           sible for teacher certification and preparation activ-  
5           ity, such individual, entity, or agency;

6 shall attest annually, in writing, as to the reliability, valid-  
7 ity, integrity, and accuracy of the data submitted pursuant  
8 to this section.

9 **“SEC. 208. STATE FUNCTIONS.**

10           “(a) STATE ASSESSMENT.—In order to receive funds  
11 under this Act, a State shall have in place a procedure  
12 to identify and assist, through the provision of technical  
13 assistance, low-performing programs of teacher prepara-  
14 tion within institutions of higher education. Such State  
15 shall provide the Secretary an annual list of such low-per-  
16 forming institutions that includes an identification of  
17 those institutions at risk of being placed on such list. Such  
18 levels of performance shall be determined solely by the  
19 State and may include criteria based upon information col-  
20 lected pursuant to this part. Such assessment shall be de-  
21 scribed in the report under section 207(a). A State receiv-  
22 ing Federal funds under this title shall develop plans to  
23 close or reconstitute underperforming programs of teacher  
24 preparation within institutions of higher education.



1           “(b) TERMINATION OF ELIGIBILITY.—Any institu-  
2 tion of higher education that offers a program of teacher  
3 preparation in which the State has withdrawn the State’s  
4 approval or terminated the State’s financial support due  
5 to the low performance of the institution’s teacher prepa-  
6 ration program based upon the State assessment described  
7 in subsection (a)—

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

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

14 **“SEC. 209. GENERAL PROVISIONS.**

15           “(a) METHODS.—In complying with sections 207 and  
16 208, the Secretary shall ensure that States and institu-  
17 tions of higher education use fair and equitable methods  
18 in reporting and that the reporting methods do not allow  
19 identification of individuals.

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

24           “(1) the Secretary shall, to the extent prac-  
25 ticable, collect data comparable to the data required



1 under this part from States, local educational agen-  
2 cies, institutions of higher education, or other enti-  
3 ties that administer such assessments to teachers or  
4 prospective teachers; and

5 “(2) notwithstanding any other provision of this  
6 part, the Secretary shall use such data to carry out  
7 requirements of this part related to assessments or  
8 pass rates.

9 “(c) LIMITATIONS.—

10 “(1) FEDERAL CONTROL PROHIBITED.—Noth-  
11 ing in this part shall be construed to permit, allow,  
12 encourage, or authorize any Federal control over any  
13 aspect of any private, religious, or home school,  
14 whether or not a home school is treated as a private  
15 school or home school under State law. This section  
16 shall not be construed to prohibit private, religious,  
17 or home schools from participation in programs or  
18 services under this part.

19 “(2) NO CHANGE IN STATE CONTROL ENCOUR-  
20 AGED OR REQUIRED.—Nothing in this part shall be  
21 construed to encourage or require any change in a  
22 State’s treatment of any private, religious, or home  
23 school, whether or not a home school is treated as  
24 a private school or home school under State law.



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

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

7           “There are authorized to be appropriated to carry out  
8           this part \$300,000,000 for fiscal year 2006 and such sums  
9           as may be necessary for each of the 5 succeeding fiscal  
10          years, of which—

11           “(1) 45 percent shall be available for each fiscal  
12          year to award grants under section 202;

13           “(2) 45 percent shall be available for each fiscal  
14          year to award grants under section 203; and

15           “(3) 10 percent shall be available for each fiscal  
16          year to award grants under section 204.”.

17   **SEC. 202. PREPARING TOMORROW’S TEACHERS TO USE**  
18                                   **TECHNOLOGY.**

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

23          (b) PERMISSIBLE USES OF FUNDS.—Section  
24          223(b)(1)(E) of the Higher Education Act of 1965 (20  
25          U.S.C. 1043(b)(1)(E)) is amended to read as follows:



1                   “(E) To use technology to collect, manage,  
2                   and analyze data to improve teaching, learning,  
3                   and decisionmaking for the purpose of increas-  
4                   ing student academic achievement.”.

5           (c) AUTHORIZATION OF APPROPRIATIONS.—Section  
6 224 of the Higher Education Act of 1965 (20 U.S.C.  
7 1044) is amended by striking “each of fiscal years 2002  
8 and 2003.” and inserting “fiscal year 2006 and each of  
9 the 5 succeeding fiscal years.”.

10 **SEC. 203. CENTERS OF EXCELLENCE.**

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

14                   **“PART C—CENTERS OF EXCELLENCE**

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

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

17                   “(1) to help recruit and prepare teachers, in-  
18                   cluding minority teachers, to meet the national de-  
19                   mand for a highly qualified teacher in every class-  
20                   room; and

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

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



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

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

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

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

11          “(iii) a Tribal College or University  
12          (as defined in section 316);

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

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

17          “(B) a consortium of institutions described  
18          in subparagraph (A); or

19          “(C) an institution described in subpara-  
20          graph (A), or a consortium described in sub-  
21          paragraph (B), in partnership with any other  
22          institution of higher education, but only if the  
23          center of excellence established under section  
24          232 is located at an institution described in  
25          subparagraph (A).



1           “(2) HIGHLY QUALIFIED.—The term ‘highly  
2 qualified’ when used with respect to an individual  
3 means that the individual is highly qualified as de-  
4 termined under section 9101 of the Elementary and  
5 Secondary Education Act of 1965 (20 U.S.C. 7801)  
6 or section 602 of the Individuals with Disabilities  
7 Education Act (20 U.S.C. 1401).

8           “(3) SCIENTIFICALLY BASED READING RE-  
9 SEARCH.—The term ‘scientifically based reading re-  
10 search’ has the meaning given such term in section  
11 1208 of the Elementary and Secondary Education  
12 Act of 1965 (20 U.S.C. 6368).

13           “(4) SCIENTIFICALLY BASED RESEARCH.—The  
14 term ‘scientifically based research’ has the meaning  
15 given such term in section 9101 of the Elementary  
16 and Secondary Education Act of 1965 (20 U.S.C.  
17 7801).

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

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

23           “(b) USE OF FUNDS.—Grants provided by the Sec-  
24 retary under this part shall be used to ensure that current



1 and future teachers are highly qualified, by carrying out  
2 one or more of the following activities:

3 “(1) Implementing reforms within teacher prep-  
4 aration programs to ensure that such programs are  
5 preparing teachers who are highly qualified, are able  
6 to understand scientifically based research, and are  
7 able to use advanced technology effectively in the  
8 classroom, including use for instructional techniques  
9 to improve student academic achievement, by—

10 “(A) retraining faculty; and

11 “(B) designing (or redesigning) teacher  
12 preparation programs that—

13 “(i) prepare teachers to close student  
14 achievement gaps, are based on rigorous  
15 academic content, scientifically based re-  
16 search (including scientifically based read-  
17 ing research), and challenging State stu-  
18 dent academic content standards; and

19 “(ii) promote strong teaching skills.

20 “(2) Providing sustained and high-quality  
21 preservice clinical experience, including the men-  
22 toring of prospective teachers by exemplary teachers,  
23 substantially increasing interaction between faculty  
24 at institutions of higher education and new and ex-  
25 perience teachers, principals, and other administra-



1       tors at elementary schools or secondary schools, and  
2       providing support, including preparation time, for  
3       such interaction.

4               “(3) Developing and implementing initiatives to  
5       promote retention of highly qualified teachers and  
6       principals, including minority teachers and prin-  
7       cipals, including programs that provide—

8                       “(A) teacher or principal mentoring from  
9                       exemplary teachers or principals; or

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

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

17               “(5) Disseminating information on effective  
18       practices for teacher preparation and successful  
19       teacher certification and licensure assessment prepa-  
20       ration strategies.

21               “(6) Activities authorized under sections 202,  
22       203, and 204.

23               “(c) APPLICATION.—Any eligible institution desiring  
24       a grant under this section shall submit an application to



1 the Secretary at such a time, in such a manner, and ac-  
2 companied by such information the Secretary may require.

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

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

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

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

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

17 **SEC. 204. TEACHER INCENTIVE FUND PROGRAM.**

18 Title II of the Higher Education Act of 1965 (20  
19 U.S.C. 1021 et seq.), as amended by section 203 of this  
20 Act, is further amended by adding at the end the fol-  
21 lowing:

22 **“PART D—TEACHER INCENTIVE FUND PROGRAM**

23 **“SEC. 241. PURPOSE; DEFINITIONS.**

24 “(a) PURPOSE.—The purpose of this part is to assist  
25 States, local educational agencies, and non-profit or for-



1 profit organizations to develop and implement, or expand,  
2 innovative compensation systems to provide financial re-  
3 wards for teachers and principals who raise student aca-  
4 demic achievement and close the achievement gap, espe-  
5 cially in the highest-need local educational agencies.

6 “(b) DEFINITIONS.—For purposes of this part:

7 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-  
8 tity’ means—

9 “(A) a local educational agency, including  
10 a charter school that is a local educational  
11 agency;

12 “(B) a State educational agency, or other  
13 State agency designated by the chief executive  
14 of the State; or

15 “(C) a partnership of—

16 “(i) one or more agencies described in  
17 subparagraph (A) or (B), or both; and

18 “(ii) at least one non-profit or for-  
19 profit organization.

20 “(2) HIGH-NEED LOCAL EDUCATIONAL AGEN-  
21 CY.—The term ‘high-need local educational agency’  
22 has the meaning given that term in section 201.

23 **“SEC. 242. TEACHER INCENTIVE FUND GRANTS.**

24 “(a) PROGRAM AUTHORIZED.—



1           “(1) IN GENERAL.—From the amounts appro-  
2           priated to carry out this part, the Secretary is au-  
3           thorized to award competitive grants of up to 5  
4           years in length to eligible entities to develop and im-  
5           plement, or expand, a comprehensive performance-  
6           based compensation system for teachers and prin-  
7           cipals for one or more local educational agencies.

8           “(2) COMPREHENSIVE PERFORMANCE-BASED  
9           COMPENSATION SYSTEMS.—A comprehensive per-  
10          formance-based compensation system developed and  
11          implemented, or expanded with funds under this  
12          part—

13                 “(A) shall differentiate levels of compensa-  
14                 tion primarily on the basis of increases in stu-  
15                 dent academic achievement; and

16                 “(B) may—

17                         “(i) differentiate levels of compensa-  
18                         tion on the basis of high-quality teachers’  
19                         and principals’ employment and success in  
20                         hard-to-staff schools or high-need subject  
21                         areas; and

22                         “(ii) recognize teachers’ and prin-  
23                         cipals’ skills and knowledge as dem-  
24                         onstrated through—



1                   “(I) successful fulfillment of ad-  
2                   ditional responsibilities or job func-  
3                   tions; and

4                   “(II) evidence of high achieve-  
5                   ment and mastery of content knowl-  
6                   edge and teaching skills.

7           “(b) USE OF FUNDS.—A grantee shall use grant  
8 funds provided under this part only to design and imple-  
9 ment, or expand, in collaboration with teachers, principals,  
10 other school administrators, and members of the public,  
11 a compensation system consistent with the requirements  
12 of this part. Authorized activities under this part may in-  
13 clude the following:

14                   “(1) Developing appraisal systems that reflect  
15                   clear and fair measures of student academic achieve-  
16                   ment.

17                   “(2) Conducting outreach within the local edu-  
18                   cational agency (or agencies) or the State to gain  
19                   input on how to construct the appraisal system and  
20                   to develop support for it.

21                   “(3) Paying, as part of a comprehensive per-  
22                   formance-based compensation system, bonuses and  
23                   increased salaries to teachers and principals who  
24                   raise student academic achievement, so long as the  
25                   grantee uses an increasing share of non-Federal



1 funds to pay these monetary rewards each year of  
2 the grant.

3 “(4) Paying, as part of a comprehensive per-  
4 formance-based compensation system, additional bo-  
5 nuses to teachers who both raise student academic  
6 achievement and either teach in high-poverty schools  
7 or teach subjects that are difficult to staff, or both,  
8 so long as the grantee uses an increasing share of  
9 non-Federal funds to pay these monetary rewards  
10 each year of the grant.

11 “(5) Paying, as part of a comprehensive per-  
12 formance-based compensation system, additional bo-  
13 nuses to principals who both raise student academic  
14 achievement and serve in high-poverty schools, so  
15 long as the grantee uses an increasing share of non-  
16 Federal funds to pay these monetary rewards each  
17 year of the grant.

18 “(c) APPLICATIONS.—To be eligible to receive a grant  
19 under this part, an eligible entity shall submit an applica-  
20 tion that includes—

21 “(1) a description of the local educational agen-  
22 cy or local educational agencies to be served by the  
23 project, including such demographic information as  
24 the Secretary may request;



1           “(2) information on student academic achieve-  
2           ment and the quality of the teachers and principals  
3           in the local educational agency or agencies to be  
4           served by the project;

5           “(3) a description of the performance-based  
6           teacher and principal compensation system that the  
7           applicant proposes to develop and implement or ex-  
8           pand;

9           “(4) a description of how the applicant will use  
10          grant funds under this part in each year of the  
11          grant;

12          “(5) an explanation of how the applicant will  
13          meet the requirement in subsection (b)(3) and how  
14          the grantee will continue its performance-based com-  
15          pensation system after the grant ends;

16          “(6) a description of the support and commit-  
17          ment from teachers, the community or local edu-  
18          cational agency or agencies for the development and  
19          implementation, or expansion, of a performance-  
20          based teacher and principal compensation system;

21          “(7) a description of how teacher, principal and  
22          student performance will be measured and the base-  
23          line measurement units; and

24          “(8) a description, if applicable, of how the ap-  
25          plicant will define the term ‘high-quality’ for the



1 purposes of subsection (a)(2)(B)(i), through the use  
2 of measurable indicators, such as effectiveness in  
3 raising student academic achievement, or dem-  
4 onstrated mastery of subject matter knowledge.

5 “(d) PRIORITY.—The Secretary shall give priority to  
6 applications for projects that would establish comprehen-  
7 sive performance-based compensation systems in high-  
8 need local educational agencies.

9 **“SEC. 243. EVALUATIONS.**

10 “The Secretary shall conduct an independent evalua-  
11 tion of the program under this part and may use up to  
12 1 percent of the funds made available under this part or  
13 \$1,000,000, whichever is less, for any fiscal year for the  
14 cost of the evaluation.

15 **“SEC. 244. AUTHORIZATION OF APPROPRIATIONS.**

16 “There are authorized to be appropriated to carry out  
17 this part \$100,000,000 for fiscal year 2006 and such sums  
18 as may be necessary for each of the 5 succeeding fiscal  
19 years.”.

20 **SEC. 205. TRANSITION.**

21 The Secretary of Education shall take such actions  
22 as the Secretary determines to be appropriate to provide  
23 for the orderly implementation of this title.



1     **TITLE III—INSTITUTIONAL AID**

2     **SEC. 301. TITLE III GRANTS FOR AMERICAN INDIAN TRIB-**  
3                   **ALLY CONTROLLED COLLEGES AND UNIVER-**  
4                   **SITIES.**

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

8           “(b) DEFINITIONS.—

9                   “(1) ELIGIBLE INSTITUTIONS.—For purposes  
10 of this section, Tribal Colleges and Universities are  
11 the following:

12                           “(A) any of the following institutions that  
13 qualify for funding under the Tribally Con-  
14 trolled College or University Assistance Act of  
15 1978 or is listed in Equity in Educational Land  
16 Grant Status Act of 1994 (7 U.S.C. 301 note):  
17 Bay Mills Community College; Blackfeet Com-  
18 munity College; Cankdeska Cikana Community  
19 College; Chief Dull Knife College; College of  
20 Menominee Nation; Crownpoint Institute of  
21 Technology; Diné College; D–Q University;  
22 Fond du Lac Tribal and Community College;  
23 Fort Belknap College; Fort Berthold Commu-  
24 nity College; Fort Peck Community College;  
25 Haskell Indian Nations University; Institute of



1 American Indian and Alaska Native Culture  
2 and Arts Development; Lac Courte Oreilles  
3 Ojibwa Community College; Leech Lake Tribal  
4 College; Little Big Horn College; Little Priest  
5 Tribal College; Nebraska Indian Community  
6 College; Northwest Indian College; Oglala  
7 Lakota College; Saginaw Chippewa Tribal Col-  
8 lege; Salish Kootenai College; Si Tanka Univer-  
9 sity—Eagle Butte Campus; Sinte Gleska Uni-  
10 versity; Sisseton Wahpeton Community College;  
11 Sitting Bull College; Southwestern Indian Poly-  
12 technic Institute; Stone Child College; Tohono  
13 O’Odham Community College; Turtle Mountain  
14 Community College; United Tribes Technical  
15 College; and White Earth Tribal and Commu-  
16 nity College; and

17 “(B) any other institution that meets the  
18 definition of tribally controlled college or uni-  
19 versity in section 2 of the Tribally Controlled  
20 College or University Assistance Act of 1978,  
21 and meets all other requirements of this sec-  
22 tion.

23 “(2) INDIAN.—The term ‘Indian’ has the mean-  
24 ing given the term in section 2 of the Tribally Con-



1 trolled College or University Assistance Act of  
2 1978.”.

3 (b) DISTANCE LEARNING.—Subsection (c)(2) of such  
4 section is amended—

5 (1) by amending subparagraph (B) to read as  
6 follows:

7 “(B) construction, maintenance, renova-  
8 tion, and improvement in classrooms, libraries,  
9 laboratories, and other instructional facilities,  
10 including purchase or rental of telecommuni-  
11 cations technology equipment or services, and  
12 the acquisition of real property adjacent to the  
13 campus of the institution on which to construct  
14 such facilities;”;

15 (2) in subparagraph (C), by inserting before the  
16 semicolon at the end the following: “, or advanced  
17 degrees in tribal governance or tribal public policy”;

18 (3) in subparagraph (D), by inserting before  
19 the semicolon at the end the following: “, in tribal  
20 governance, or tribal public policy”;

21 (4) by striking “and” at the end of subpara-  
22 graph (K);

23 (5) by redesignating subparagraph (L) as sub-  
24 paragraph (M); and



1 (6) by inserting after subparagraph (K) the fol-  
2 lowing new subparagraph:

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

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

8 “(d) APPLICATION AND ALLOTMENT.—

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

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

18 “(3) ALLOTMENTS TO INSTITUTIONS.—

19 “(A) ALLOTMENT: PELL GRANT BASIS.—  
20 From the amount appropriated to carry out  
21 this section for any fiscal year, the Secretary  
22 shall allot to each eligible institution a sum  
23 which bears the same ratio to one-half that  
24 amount as the number of Pell Grant recipients  
25 in attendance at such institution at the end of



1 the award year preceding the beginning of that  
2 fiscal year bears to the total number of Pell  
3 Grant recipients at all eligible institutions.

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

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

18 “(4) SPECIAL RULES.—

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



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

4 **SEC. 302. ALASKA NATIVE AND NATIVE HAWAIIAN-SERVING**  
5 **INSTITUTIONS.**

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

8           (1) by amending subparagraph (B) to read as  
9           follows:

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

18           (2) in subparagraph (C), by inserting before the  
19           semicolon at the end the following: “, or advanced  
20           degrees in tribal governance or tribal public policy”;

21           (3) in subparagraph (D), by inserting before  
22           the semicolon at the end the following: “, in tribal  
23           governance, or tribal public policy”;

24           (4) by striking “and” at the end of subpara-  
25           graph (G);



1 (5) by striking the period at the end of sub-  
2 paragraph (H) and inserting “; and”; and

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

5 “(I) development or improvement of facili-  
6 ties for Internet use or other distance learning  
7 academic instruction capabilities.”.

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

11 “(3) ENDOWMENT FUNDS.—

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

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



1           “(C) APPLICABILITY OF OTHER PROVI-  
2           SIONS.—The provisions of part C regarding the  
3           establishment or increase of an endowment  
4           fund, that the Secretary determines are not in-  
5           consistent with this paragraph, shall apply to  
6           funds used under subparagraph (A).”.

7           (c) APPLICATION PROCESS.—Section 317(d)(2) is  
8           amended by striking “Such application shall include—”  
9           and all that follows through “may require.”.

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

11           (a) USE OF FUNDS.—

12                 (1) FACILITIES AND EQUIPMENT.—

13                         (A) UNDERGRADUATE INSTITUTIONS.—

14                         Paragraph (2) of section 323(a) (20 U.S.C.  
15                         1062(a)) is amended to read as follows:

16                         “(2) Construction, maintenance, renovation,  
17                         and improvement in classrooms, libraries, labora-  
18                         tories, and other instructional facilities, including  
19                         purchase or rental of telecommunications technology  
20                         equipment or services, and the acquisition of real  
21                         property adjacent to the campus of the institution  
22                         on which to construct such facilities.”.

23                         (B) GRADUATE AND PROFESSIONAL

24                         SCHOOLS.—Paragraph (2) of section 326(c) is  
25                         amended to read as follows:



1           “(2) construction, maintenance, renovation, and  
2           improvement in classrooms, libraries, laboratories,  
3           and other instructional facilities, including purchase  
4           or rental of telecommunications technology equip-  
5           ment or services, and the acquisition of real property  
6           adjacent to the campus of the institution on which  
7           to construct such facilities;”.

8           (2) OUTREACH AND COLLABORATION.—Para-  
9           graph (11) of section 323(a) is amended to read as  
10          follows:

11          “(11) Establishing community outreach pro-  
12          grams and collaborative partnerships between part B  
13          institutions and local elementary or secondary  
14          schools. Such partnerships may include mentoring,  
15          tutoring, or other instructional opportunities that  
16          will boost student academic achievement and assist  
17          elementary and secondary school students in devel-  
18          oping the academic skills and the interest to pursue  
19          postsecondary education.”.

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

22                 (1) by redesignating subsection (c) as sub-  
23                 section (d); and

24                 (2) by inserting after subsection (b) the fol-  
25                 lowing new subsection:



1 “(c) TECHNICAL ASSISTANCE.—

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

6 “(2) TECHNICAL ASSISTANCE SERVICES.—  
7 Technical assistance services may include assistance  
8 with enrollment management, financial management,  
9 and strategic planning.

10 “(3) REPORT.—The institution shall report to  
11 the Secretary on an annual basis, in such form as  
12 the Secretary requires, on the use of funds under  
13 this subsection.”.

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

19 (d) MINIMUM GRANTS.—Section 324(d)(1) (20  
20 U.S.C. 1063(d)(1)) is amended by inserting before the pe-  
21 riod at the end the following: “, except that, if the amount  
22 appropriated to carry out this part for any fiscal year ex-  
23 ceeds the amount required to provide to each institution  
24 an amount equal to the total amount received by such in-  
25 stitution under subsections (a), (b), and (c) for the pre-



1 ceding fiscal year, then the amount of such excess appro-  
2 priation shall first be applied to increase the minimum al-  
3 lotment under this subsection to \$750,000”.

4 (e) ELIGIBLE GRADUATE OR PROFESSIONAL  
5 SCHOOLS.—

6 (1) GENERAL AUTHORITY.—Section 326(a)(1)  
7 (20 U.S.C. 1063b(a)(1)) is amended—

8 (A) by inserting “(A)” after “subsection  
9 (e) that”;

10 (B) by inserting before the period at the  
11 end the following: “, (B) is accredited by a na-  
12 tionally recognized accrediting agency or asso-  
13 ciation determined by the Secretary to be a reli-  
14 able authority as to the quality of training of-  
15 fered, and (C) according to such an agency or  
16 association, is in good standing”.

17 (2) ELIGIBLE INSTITUTIONS.—Section  
18 326(e)(1) (20 U.S.C. 1063b(e)(1)) is amended—

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

21 (B) by striking the period at the end of  
22 subparagraph (R) and inserting a semicolon;  
23 and

24 (C) by adding at the end the following new  
25 subparagraphs:



1           “(S) Alabama State University qualified  
2 graduate program;

3           “(T) Prairie View A & M University quali-  
4 fied graduate program;

5           “(U) Coppin State University qualified  
6 graduate program; and

7           “(V) Delaware State University qualified  
8 graduate program.”.

9           (3) CONFORMING AMENDMENT.—Section  
10 326(e)(3) (20 U.S.C. 1063b(e)(3)) is amended—

11           (A) by striking “1998” and inserting  
12 “2005”; and

13           (B) by striking “(Q) and (R)” and insert-  
14 ing “(S), (T), (U), and (V)”.

15           (f) PROFESSIONAL OR GRADUATE INSTITUTIONS.—  
16 Section 326(f) (20 U.S.C. 1063b(f)) is amended—

17           (1) in paragraph (1)—

18           (A) by striking “\$26,600,000” and insert-  
19 ing “\$54,500,000”; and

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

21           (2) in paragraph (2)—

22           (A) by striking “\$26,600,000 but not in  
23 excess of \$28,600,000” and inserting  
24 “\$54,500,000, but not in excess of  
25 \$58,500,000”; and



1 (B) by striking “subparagraphs (Q) and  
2 (R)” and inserting “subparagraphs (S), (T),  
3 (U), and (V)”; and  
4 (3) in paragraph (3)—

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

7 (B) by striking “(R)” and inserting “(V)”.

8 (g) HOLD HARMLESS.—Section 326(g) (20 U.S.C.  
9 1063b(g)) is amended by striking “1998” and inserting  
10 “2005”.

11 **SEC. 304. TECHNICAL AMENDMENTS.**

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

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

14 (A) by redesignating paragraphs (7)  
15 through (12) as paragraphs (8) through (13),  
16 respectively; and

17 (B) by inserting after paragraph (6) the  
18 following:

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

23 (2) in section 312(b)(1)(A) (20 U.S.C.  
24 1058(b)(1)(A)), by striking “subsection (c)” and in-  
25 serting “subsection (d)”;



1           (3) in section 312(b)(1)(F) (20 U.S.C.  
2 1058(b)(1)(F)), by inserting “which is” before “lo-  
3 cated”;

4           (4) in section 312(b)(1) (20 U.S.C.  
5 1058(b)(1)), by redesignating subparagraphs (E)  
6 and (F) as subparagraphs (F) and (G), respectively,  
7 and by inserting after subparagraph (D) the fol-  
8 lowing new subparagraph:

9           “(E) which provides a program that is not  
10 less than a 2-year educational program that is  
11 acceptable for full credit toward a bachelor’s de-  
12 gree;”;

13           (5) in section 316(c)(2) (20 U.S.C.  
14 1059c(c)(2))—

15           (A) by redesignating subparagraphs (G)  
16 through (M) (as redesignated by section  
17 301(b)(2) of this Act) as subparagraphs (H)  
18 through (N), respectively;

19           (B) by inserting after subparagraph (F)  
20 the following:

21           “(G) education or counseling services de-  
22 signed to improve the financial literacy and eco-  
23 nomic literacy of students and, as appropriate,  
24 their parents;” and



1 (C) in subparagraph (N), as redesignated  
2 by subparagraph (A), by striking “subpara-  
3 graphs (A) through (K)” and inserting “sub-  
4 paragraphs (A) through (M)”;

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

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

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

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

12 “(I) education or counseling services de-  
13 signed to improve the financial literacy and eco-  
14 nomic literacy of students and, as appropriate,  
15 their parents.”;

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

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

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

22 (C) by inserting after paragraph (6) the  
23 following:

24 “(7) Education or counseling services designed  
25 to improve the financial literacy and economic lit-



1 eracy of students and, as appropriate, their par-  
2 ents.”;

3 (8) in section 324(d)(2) (20 U.S.C.  
4 1063(d)(2)), by striking “section 360(a)(2)(A)” and  
5 inserting “section 399(a)(2)(A)”;

6 (9) in section 326(e)(1) (20 U.S.C.  
7 1063b(e)(1)), in the matter preceding subparagraph  
8 (A), by inserting a colon after “the following”;

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

11 (11) in section 342(5)(C) (20 U.S.C.  
12 1066a(5)(C))—

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

15 (B) by striking “technology,,” and insert-  
16 ing “technology,”;

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

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

22 (14) in section 391(b)(7)(E) (20 U.S.C.  
23 1068(b)(7)(E)), by striking “subparagraph (E)” and  
24 inserting “subparagraph (D)”; and



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

3 (b) REPEAL.—Section 1024 (20 U.S.C. 1135b–3), as  
4 transferred by section 301(a)(5) of the Higher Education  
5 Amendments of 1998 (Public Law 105–244; 112 Stat.  
6 1636), is repealed.

7 **SEC. 305. TITLE III AUTHORIZATIONS.**

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

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

11 (2) by striking “4 succeeding fiscal years” each  
12 place it appears and inserting “5 succeeding fiscal  
13 years”;

14 (3) in paragraph (1)—

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

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

19 (4) in paragraph (2)—

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

22 and

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



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

### 3 **TITLE IV—STUDENT ASSISTANCE**

#### 4 **PART A—GRANTS TO STUDENTS**

##### 5 **SEC. 401. PELL GRANTS.**

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

9 (b) DIRECT PAYMENT.—Section 401(a) (20 U.S.C.  
10 1070a(a)) is further amended—

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

12 (2) by redesignating paragraph (3) as para-  
13 graph (2).

14 (c) MAXIMUM PELL GRANT INCREASE.— Paragraph  
15 (2)(A) of section 401(b) 20 U.S.C. 1070a(b)(2)(A) is  
16 amended to read as follows:

17 “(2)(A) The amount of the Federal Pell Grant for  
18 a student eligible under this part shall be \$6,000 for aca-  
19 demic years 2006–2007 through 2012–2013, less an  
20 amount equal to the amount determined to be the expected  
21 family contribution with respect to that student for that  
22 year.”.

23 (d) TUITION SENSITIVITY.—Section 401(b) is further  
24 amended—

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



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

3 (e) MULTIPLE GRANTS.—Paragraph (5) of section  
4 401(b) (as redesignated by subsection (d)(2)) is amended  
5 to read as follows:

6 “(5) YEAR-ROUND PELL GRANTS.—

7 “(A) IN GENERAL.—The Secretary shall,  
8 for students enrolled full time in a baccalaureate degree program of study at an eligible  
9 institution, award such students two Pell grants  
10 during a single award year to permit such students to accelerate progress toward their degree  
11 objectives by enrolling in academic programs for  
12 12 months rather than 9 months.

13 “(B) LIMITATION.—The Secretary shall  
14 limit the awarding of additional Pell grants  
15 under this paragraph in a single award year to  
16 students attending baccalaureate degree granting institutions that have a graduation rate as  
17 reported by the Integrated Postsecondary Education Data System for the 4 preceding academic  
18 years of at least 30 percent.

19 “(C) EVALUATION.—The Secretary shall  
20 conduct an evaluation of the program under  
21 this paragraph and submit to the Congress an  
22  
23  
24  
25



1 evaluation report no later than October 1,  
2 2011.

3 “(D) REGULATIONS REQUIRED.—The Sec-  
4 retary shall promulgate regulations imple-  
5 menting this paragraph.”.

6 (f) INELIGIBILITY BASED ON INVOLUNTARY CIVIL  
7 COMMITMENT FOR SEXUAL OFFENSES.—Paragraph (7)  
8 of section 401(b) (as redesignated by subsection (d)(2))  
9 is amended by inserting before the period the following:  
10 “or who is subject to an involuntary civil commitment  
11 upon completion of a period of incarceration for a sexual  
12 offense (as determined under regulations of the Sec-  
13 retary)”.

14 (g) PELL GRANT ELIGIBILITY DURATION.—Section  
15 401(c) (20 U.S.C. 1070a(c)) is amended—

16 (1) in paragraph (1)—

17 (A) by striking “The period” and inserting  
18 in lieu thereof “Subject to paragraph (5), the  
19 period”; and

20 (B) by striking the period at the end there-  
21 of and inserting “but shall be subject to the  
22 limitation described in paragraph (5)).”; and

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



1 “(5) The period during which a student may receive  
2 Federal Pell Grants shall not exceed the equivalent of 18  
3 semesters or 27 quarters in duration (as determined by  
4 the Secretary by regulation), without regard to whether  
5 the student is enrolled on a full-time basis during any por-  
6 tion of that period, and including any period of time for  
7 which the student received Federal Pell Grants prior to  
8 the date of enactment of the College Access and Oppor-  
9 tunity Act of 2005.”.

10 (h) ELIGIBILITY PERIOD.—Section 401(c)(2) (20  
11 U.S.C. 1070a(c)(2)) is amended by inserting “, for not  
12 more than one academic year,” after “which are deter-  
13 mined by the institution” in the first sentence.

14 (i) PELL GRANTS PLUS: ACHIEVEMENT GRANTS FOR  
15 STATE SCHOLARS PROGRAM.—

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

19 **“SEC. 401A. PELL GRANTS PLUS: ACHIEVEMENT GRANTS**  
20 **FOR STATE SCHOLARS.**

21 “(a) GRANTS AUTHORIZED.—From sums appro-  
22 priated to carry out section 401, the Secretary shall estab-  
23 lish a program to award Pell Grants Plus to students  
24 who—



1           “(1) have successfully completed a rigorous  
2 high school program of study established by a State  
3 or local educational agency in consultation with a  
4 State coalition assisted by the Center for State  
5 Scholars;

6           “(2) are enrolled full-time in the first academic  
7 year of undergraduate education, and have not been  
8 previously enrolled in a program of undergraduate  
9 education; and

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

12           “(b) AMOUNT OF GRANTS.—

13           “(1) IN GENERAL.—Except as provided in para-  
14 graph (2), the amount of the grant awarded under  
15 this section shall be \$1,000.

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

22           “(c) SELECTION OF RECIPIENTS.—

23           “(1) PROCEDURES ESTABLISHED BY REGULA-  
24 TION.—The Secretary shall establish by regulation  
25 procedures for the determination of eligibility of stu-



1       dents for the grants awarded under this section.  
2       Such procedures shall include measures to ensure  
3       that eligibility is determined in a timely and accu-  
4       rate manner consistent with the requirements of sec-  
5       tion 482 and the submission of the financial aid  
6       form required by section 483.

7               “(2) REQUIRED INFORMATION.—Each eligible  
8       student desiring an award under this section shall  
9       submit at such time and in such manner such infor-  
10      mation as the Secretary may reasonably require.

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

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

18              “(B) obtain a grade point average of at  
19      least 3.0 (or the equivalent as determined under  
20      regulations prescribed by the Secretary) for the  
21      first year of undergraduate education; and

22              “(C) be enrolled full-time and fulfill the re-  
23      quirements for satisfactory progress described  
24      in section 484(c).



1           “(d) EVALUATION, AND REPORTS.—The Secretary  
2 shall monitor the progress, retention, and completion rates  
3 of the students to whom awards are provided under this  
4 section. In doing so, the Secretary shall evaluate the im-  
5 pact of the Pell Grants Plus Program and report, not less  
6 than biennially, to the authorizing committees of the  
7 House of Representatives and the Senate.”.

8           (2) CONFORMING AMENDMENT.—Chapter 3 of  
9           subpart 2 of part A of title IV (20 U.S.C. 1070a–  
10           31 through 1070a–35) is repealed.

11 **SEC. 402. TRIO PROGRAMS.**

12           (a) DURATION OF GRANTS.—

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

16           “(2) DURATION.—Grants or contracts awarded  
17           under this chapter shall be awarded for a period of  
18           5 years, except that—

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

21           “(B) grants under section 402H shall be  
22           awarded for a period determined by the Sec-  
23           retary.”.

24           (2) TRANSITION TO SYNCHRONOUS GRANT PE-  
25           RIODS.—Notwithstanding section 402A(b)(2) of the



1 Higher Education Act of 1965 (as in effect both  
2 prior to and after the amendment made by para-  
3 graph (1) of this subsection), the Secretary of Edu-  
4 cation may continue an award made before the date  
5 of enactment of this Act under section 402B, 402C,  
6 402D, 402E, or 402F of such Act as necessary to  
7 permit all the awards made under such a section to  
8 expire at the end of the same fiscal year, and there-  
9 after to expire at the end of 5 years as provided in  
10 the amendment made by paragraph (1) of this sub-  
11 section.

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

14 “(3) MINIMUM GRANTS.—Unless the institution  
15 or agency requests a smaller amount, individual  
16 grants for programs authorized under this chapter  
17 shall be no less than \$200,000, except that indi-  
18 vidual grants for programs authorized under section  
19 402G shall be no less than \$170,000.”.

20 (c) PRIOR EXPERIENCE; NOVICE APPLICANTS.—Sec-  
21 tion 402A(c)(2) (20 U.S.C. 1070a–11(c)(2)) is  
22 amended—

23 (1) by striking “In making grants” and insert-  
24 ing “(A) Subject to subparagraph (B), in making  
25 grants”; and



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

3           “(B) From the amount available under sub-  
4 section (f) for a program under this chapter (other  
5 than a program under section 402G or 402H) for  
6 any fiscal year in which the Secretary conducts a  
7 competition for the award of grants or contracts  
8 under such program, the Secretary shall reserve 10  
9 percent of such available amount for purposes of  
10 funding applications from novice applicants. If the  
11 Secretary determines that there are an insufficient  
12 number of qualified novice applicants to utilize the  
13 amount so reserved, the Secretary shall restore the  
14 unutilized remainder of the amount reserved for use  
15 by applicants qualifying under subparagraph (A).”.

16       (d) APPLICATION STATUS.—Section 402A(c) (20  
17 U.S.C. 1070a–11(c)) is amended by striking paragraph  
18 (7).

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

23       (f) HOMELESS AND UNACCOMPANIED YOUTH.—Sec-  
24 tion 402A(e) is further amended by adding at the end the  
25 following new paragraph:



1 “(3) Notwithstanding this subsection and subsection  
2 (g)(4), individuals who are homeless or unaccompanied  
3 youth as defined in section 725 of the McKinney-Vento  
4 Homeless Assistance Act shall be eligible to participate in  
5 programs under sections 402B, 402C, 402D, and 402F  
6 of this chapter.”.

7 (g) AUTHORIZATION OF APPROPRIATIONS.—Section  
8 402A(f) (20 U.S.C. 1070a–11(f)) is amended by striking  
9 “\$700,000,000 for fiscal year 1999, and such sums as  
10 may be necessary for each of the 4 succeeding fiscal years”  
11 and inserting “\$836,500,000 for fiscal year 2006 and  
12 such sums as may be necessary for each of the 5 suc-  
13 ceeding fiscal years”.

14 (h) DEFINITION.—Section 402A(g) (20 U.S.C.  
15 1070a–11(g)) is amended—

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

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

20 (3) by inserting before paragraph (3), as redesi-  
21 gnated, the following:

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

24 “(A) is geographically apart from the main  
25 campus of the institution;



1 “(B) is permanent in nature; and

2 “(C) offers courses in educational pro-  
3 grams leading to a degree, certificate, or other  
4 recognized educational credential.

5 “(2) DIFFERENT POPULATION.—The term ‘dif-  
6 ferent population’ means a group of individuals, with  
7 respect to whom an entity seeks to serve through an  
8 application for funding under this chapter, that—

9 “(A) is separate and distinct from any  
10 other population that the entity seeks to serve  
11 through an application for funding under this  
12 chapter; or

13 “(B) while sharing some of the same needs  
14 as another population that the entity seeks to  
15 serve through an application for funding under  
16 this chapter, has distinct needs for specialized  
17 services.”.

18 (i) EDUCATION AND COUNSELING SERVICES.—Chap-  
19 ter 1 of subpart 2 of part A of title IV is further  
20 amended—

21 (1) in section 402B(b) (20 U.S.C. 1070a-  
22 12(b))—

23 (A) by redesignating paragraphs (3)  
24 through (10) as paragraphs (4) through (11),  
25 respectively;



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

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

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

11 (2) in section 402C (20 U.S.C. 1070a-13)—

12 (A) in subsection (b)—

13 (i) by redesignating paragraphs (2)  
14 through (12) as paragraphs (3) through  
15 (13), respectively;

16 (ii) by inserting after paragraph (1)  
17 the following:

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

22 (iii) in paragraph (12), as redesign-  
23 ated by clause (i), by inserting “, specifi-  
24 cally in the fields of math and science”  
25 after “postsecondary education”; and



1 (iv) in paragraph (13), as redesignig-  
2 nated by clause (i), by striking “para-  
3 graphs (1) through (11)” and inserting  
4 “paragraphs (1) through (12)”; and

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

8 (3) in section 402D(b) (20 U.S.C. 1070a-  
9 14(b))—

10 (A) by redesignating paragraphs (2)  
11 through (10) as paragraphs (3) through (11),  
12 respectively;

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

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

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

23 (4) in section 402E(b) (20 U.S.C. 1070a-  
24 15(b))—



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

3 (B) by inserting after paragraph (6) the  
4 following:

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

9 (5) in section 402F(b) (20 U.S.C. 1070a-  
10 16(b))—

11 (A) by redesignating paragraphs (4)  
12 through (10) as paragraphs (5) through (11),  
13 respectively;

14 (B) by inserting after paragraph (3) the  
15 following:

16 “(4) education or counseling services designed  
17 to improve the financial literacy and economic lit-  
18 eracy of students and, as appropriate, their par-  
19 ents;”; and

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

24 (j) MAXIMUM STIPENDS.—Section 402C(e) (20  
25 U.S.C. 1070a-13(e)) is amended—



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

2 and

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

4 (k) STUDENT SUPPORT SERVICES.—Section  
5 402D(d)(6) (20 U.S.C. 1070a–14(d)(6)) is amended—

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

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

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

12 “(C) working with other entities that serve  
13 low-income working adults to increase access to  
14 and successful progress in postsecondary edu-  
15 cation by low-income working adults seeking  
16 their first postsecondary degree or certificate.”.

17 (l) POSTBACCALAUREATE ACHIEVEMENT MAXIMUM  
18 STIPENDS.—Section 402E(e)(1) (20 U.S.C. 1070a–  
19 15(e)(1)) is amended by striking “\$2,800” and inserting  
20 “\$5,000”.

21 (m) EDUCATIONAL OPPORTUNITY CENTERS: APPLI-  
22 CATION APPROVAL.—Section 402F(c) (20 U.S.C. 1070a–  
23 16(c)) is amended—

24 (1) by striking “and” at the end of paragraph

25 (2);



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

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

5           “(4) consider the extent to which the proposed  
6           project would provide services to low-income working  
7           adults in the region to be served, in order to in-  
8           crease access to postsecondary education by low-in-  
9           come working adults.”.

10 **SEC. 403. GEARUP.**

11           (a) DURATION OF AWARDS.—Section 404A(b) (20  
12 U.S.C. 1070a–21(b)) is amended—

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

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

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

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



1       “(d) CONTINUING ELIGIBILITY.—An eligible entity  
2 shall not cease to be an eligible entity upon the expiration  
3 of any grant under this chapter (including a continuation  
4 award).”.

5       (c) CONTINUITY OF SERVICE.—

6           (1)       COHORT       APPROACH.—Section  
7 404B(g)(1)(B) (20 U.S.C. 1070a–22(g)(1)(B)) is  
8 amended by inserting “and provide the option of  
9 continued services through the student’s first year of  
10 attendance at an eligible institution of higher edu-  
11 cation” after “grade level”.

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

14           (A) in subsection (b)(2)(A), by inserting  
15 “and students in the first year of attendance at  
16 an eligible institution of higher education” after  
17 “grade 12”; and

18           (B) in subsection (c), by inserting “, and  
19 may consider students in their first year of at-  
20 tendance at an eligible institution,” after  
21 “grade 12”.

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

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



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

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

5 “(B) describe activities for coordinating,  
6 complementing, and enhancing services under  
7 this chapter provided by other eligible entities  
8 in the State; and”.

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

14 (f) HOMELESS AND UNACCOMPANIED YOUTH.—Sec-  
15 tion 404D is further amended by adding at the end the  
16 following new subsection:

17 “(e) HOMELESS AND UNACCOMPANIED YOUTH.—  
18 Notwithstanding any other provision of this chapter, indi-  
19 viduals who are homeless or unaccompanied youth as de-  
20 fined in section 725 of the McKinney-Vento Homeless As-  
21 sistance Act shall be eligible to participate in programs  
22 under this section.”.

23 (g) REAUTHORIZATION.—Section 404H (20 U.S.C.  
24 1070a–28) is amended by striking “\$200,000,000 for fis-  
25 cal year 1999 and such sums as may be necessary for each



1 of the 4 succeeding fiscal years” and inserting  
2 “\$306,500,000 for fiscal year 2006 and such sums as may  
3 be necessary for each of the 5 succeeding fiscal years”.

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

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

13 (b) PRIORITY OF AWARDS.—Paragraph (2) of section  
14 413C(c) (20 U.S.C. 1070b-2(c)(2)) is amended to read as  
15 follows:

16 “(2) In carrying out paragraph (1) of this subsection,  
17 each institution of higher education shall, in the agree-  
18 ment made under section 487, assure that the selection  
19 procedures—

20 “(A) will give a priority for supplemental grants  
21 under this subpart to students who receive Pell  
22 Grants and meet the requirements of section 484;  
23 and

24 “(B) will award no more than 10 percent of  
25 each institution’s allocation received under section



1 413D to students who did not receive Federal Pell  
2 Grants in a prior year.”.

3 (c) PHASEOUT OF ALLOCATION BASED ON PREVIOUS  
4 ALLOCATIONS.—

5 (1) AMENDMENT.—Subsection (a) of section  
6 413D (20 U.S.C. 1070b–3(a)) is amended to read as  
7 follows:

8 “(a) ALLOCATION BASED ON PREVIOUS ALLOCA-  
9 TION.—

10 “(1) BASE GUARANTEE.—From the amount ap-  
11 propriated pursuant to section 413A(b) for each fis-  
12 cal year after fiscal year 2007, the Secretary shall,  
13 subject to paragraph (2), first allocate to each eligi-  
14 ble institution an amount equal to the following per-  
15 centage of the amount such institution received  
16 under subsection (a) of this section for fiscal year  
17 2007 (as such subsection was in effect with respect  
18 to allocations for such fiscal year):

19 “(A) 80 percent for fiscal years 2008 and  
20 2009;

21 “(B) 60 percent for fiscal years 2010 and  
22 2011;

23 “(C) 40 percent for fiscal years 2012 and  
24 2013;



1           “(D) 20 percent for fiscal years 2014 and  
2           2015; and

3           “(E) 0 percent for fiscal year 2016 and  
4           any succeeding fiscal year.

5           “(2) RATABLE REDUCTIONS FOR INSUFFICIENT  
6           APPROPRIATIONS.—

7           “(A) REDUCTION OF BASE GUARANTEE.—  
8           If the amount appropriated for any fiscal year  
9           is less than the amount required to be allocated  
10          to all institutions under this subsection, then  
11          the amount of the allocation to each such insti-  
12          tution shall be ratably reduced.

13          “(B) ADDITIONAL APPROPRIATIONS ALLO-  
14          CATION.—If additional amounts are appro-  
15          priated for any such fiscal year, such reduced  
16          amounts shall be increased on the same basis as  
17          they were reduced (until the amount allocated  
18          equals the amount required to be allocated  
19          under this subsection).

20          “(3) ADDITIONAL ALLOCATIONS FOR CERTAIN  
21          INSTITUTIONS.—

22          “(A) ALLOCATIONS PERMITTED.—Notwith-  
23          standing any other provision of this section, the  
24          Secretary may allocate an amount equal to not  
25          more than 10 percent of the amount by which



1 the amount appropriated in any fiscal year to  
2 carry out this subpart exceeds \$700,000,000  
3 among eligible institutions described in sub-  
4 paragraph (B).

5 “(B) ELIGIBLE INSTITUTIONS.—An other-  
6 wise eligible institution may receive a portion of  
7 the allocation described in subparagraph (A)  
8 if—

9 “(i) not less than 10 percent of the  
10 students attending the institution receive  
11 Federal Pell Grants; and

12 “(ii)(I) in the case of an institution  
13 that offers programs of at least 4 years in  
14 duration, if its graduation rate for Federal  
15 Pell Grant recipients attending the institu-  
16 tion and graduating within the period of  
17 time equal to normal duration of the long-  
18 est undergraduate program offered by the  
19 institution, as measured from the first day  
20 of their enrollment, exceeds the median  
21 rate for the class of institution (as defined  
22 in section 131(f)(5)(C)); or

23 “(II) in the case of an institution that  
24 offers programs of at least 2, but less than  
25 4, years in duration, if its rate for Federal



1 Pell Grant recipients attending the institu-  
2 tion and graduating or transferring to an  
3 institution that offers programs of at least  
4 4 years in duration within the period of  
5 time equal to the normal duration of the  
6 program offered, as measured from the  
7 first day of their enrollment, exceeds the  
8 median rate for the class of institution (as  
9 defined in section 131(f)(5)(C)).”.

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

15 (d) BOOKS AND SUPPLIES.—Section 413D(c)(3)(D)  
16 (20 U.S.C. 1070–3(c)(3)(D)) is amended by striking  
17 “\$450” and inserting “\$600”.

18 **SEC. 405. LEAP.**

19 Section 415A(b)(1) (20 U.S.C. 1070c(b)(1)) is  
20 amended—

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

22 and

23 (2) by striking “4 succeeding” and inserting “5  
24 succeeding”.



1 **SEC. 406. HEP/CAMP PROGRAM.**

2 Section 418A (20 U.S.C. 1070d-2) is amended—

3 (1) in subsection (b)(1)(B)(i), by inserting “, or  
4 whose spouse” after “themselves”;

5 (2) in subsection (b)(3)(B), by inserting “, in-  
6 cluding preparation for college entrance exams,”  
7 after “program”;

8 (3) in subsection (b)(8), by inserting “, includ-  
9 ing child care and transportation” after “supportive  
10 services”;

11 (4) by striking “and” at the end of subsection  
12 (b)(7), by striking the period at the end of sub-  
13 section (b)(8) and inserting “; and”, and by adding  
14 at the end of subsection (b) the following new para-  
15 graph:

16 “(9) follow-up activity and reporting require-  
17 ments, except that not more than 2 percent of the  
18 funds provided under this section may be used for  
19 such purposes.”;

20 (5) in subsection (c)(1)(A), by inserting “, or  
21 whose spouse” after “themselves”;

22 (6) in subsection (c)(1)(B), by striking clause  
23 (i) and inserting the following:

24 “(i) personal, academic, career, and eco-  
25 nomic education or personal finance counseling  
26 as an ongoing part of the program;”;



1 (7) in subsection (c)(2)(B), by inserting “(in-  
2 cluding mentoring and guidance of such students)”  
3 after “services”;

4 (8) in subsection (c)(2), by striking “and” at  
5 the end of subparagraph (A), by striking the period  
6 at the end of subparagraph (B) and inserting “;  
7 and”, and by adding at the end of subsection (c)(2)  
8 the following new subparagraph:

9 “(C) for students in any program that  
10 does not award a bachelor’s degree, encour-  
11 aging the transfer to, and persistence in, such  
12 a program, and monitoring the rate of such  
13 transfer, persistence, and completion.”;

14 (9) in subsection (e), by striking “section  
15 402A(c)(1)” and inserting “section 402A(c)(2)”;  
16 and

17 (10) in subsection (h)—

18 (A) in paragraph (1), by striking  
19 “\$15,000,000 for fiscal year 1999 and such  
20 sums as may be necessary for each of the 4  
21 succeeding fiscal years” and inserting  
22 “\$24,000,000 for fiscal year 2006 and such  
23 sums as may be necessary for each of the 5  
24 succeeding fiscal years”; and



1 (B) in paragraph (2), by striking  
2 “\$5,000,000 for fiscal year 1999 and such  
3 sums as may be necessary for each of the 4  
4 succeeding fiscal years” and inserting  
5 “\$16,000,000 for fiscal year 2006 and such  
6 sums as may be necessary for each of the 5  
7 succeeding fiscal years”.

8 **SEC. 407. BYRD SCHOLARSHIP.**

9 Section 419K (20 U.S.C. 1070d–41) is amended—  
10 (1) by striking “1999” and inserting “2006”;  
11 and  
12 (2) by striking “4 succeeding” and inserting “5  
13 succeeding”.

14 **SEC. 408. CHILD CARE ACCESS.**

15 Section 419N(g) (20 U.S.C. 1070e(g)) is amended—  
16 (1) by striking “1999” and inserting “2006”;  
17 and  
18 (2) by striking “4 succeeding” and inserting “5  
19 succeeding”.

20 **SEC. 409. LEARNING ANYTIME ANYWHERE PARTNERSHIPS.**

21 (a) REPEAL.—Subpart 8 of part A of title IV (20  
22 U.S.C. 1070f—1070f–6) is repealed.  
23 (b) CONFORMING AMENDMENT.—Section 400(b) (20  
24 U.S.C. 1070(b)) is amended by striking “through 8” and  
25 inserting “through 7”.



1 **SEC. 410. TECHNICAL AMENDMENTS.**

2 Part A of title IV is further amended as follows:

3 (1) Section 419C(b)(1) (20 U.S.C. 1070d–  
4 33(b)(1)) is amended by inserting “and” after the  
5 semicolon at the end thereof.

6 (2) Section 419D(d) (20 U.S.C. 1070d–34(d))  
7 is amended by striking “Public Law 95–1134” and  
8 inserting “Public Law 95–134”.

9 **PART B—FEDERAL FAMILY EDUCATION LOAN**  
10 **PROGRAM**

11 **SEC. 421. REAUTHORIZATION OF FEDERAL FAMILY EDU-**  
12 **CATION LOAN PROGRAM.**

13 (a) **AUTHORIZATION OF APPROPRIATIONS.**—Section  
14 421(b)(5) (20 U.S.C. 1071(b)(5)) is amended by striking  
15 “administrative cost allowance” and inserting “loan proc-  
16 essing and issuance fee”.

17 (b) **EXTENSION OF AUTHORITY.**—

18 (1) **FEDERAL INSURANCE LIMITATIONS.**—Sec-  
19 tion 424(a) (20 U.S.C. 1074(a)) is amended—

20 (A) by striking “2004” and inserting  
21 “2012”; and

22 (B) by striking “2008” and inserting  
23 “2016”.

24 (2) **GUARANTEED LOANS.**—Section 428(a)(5)  
25 (20 U.S.C. 1078(a)(5)) is amended—



1 (A) by striking “2004” and inserting  
2 “2012”; and

3 (B) by striking “2008” and inserting  
4 “2016”.

5 (3) CONSOLIDATION LOANS.—Section 428C(e)  
6 (20 U.S.C. 1078–3(e)) is amended by striking  
7 “2004” and inserting “2012”.

8 **SEC. 422. LOAN LIMITS.**

9 (a) FEDERAL INSURANCE LIMITS.—Section  
10 425(a)(1)(A) (20 U.S.C. 1075(a)(1)(A)) is amended—

11 (1) in clause (i)(I), by striking “\$2,625” and  
12 inserting “\$3,500”; and

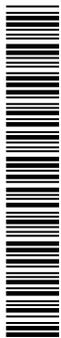
13 (2) in clause (ii)(I), by striking “\$3,500” and  
14 inserting “\$4,500”.

15 (b) GUARANTEE LIMITS.—Section 428(b)(1)(A) (20  
16 U.S.C. 1078(b)(1)(A)) is amended—

17 (1) in clause (i)(I), by striking “\$2,625” and  
18 inserting “\$3,500”; and

19 (2) in clause (ii)(I), by striking “\$3,500” and  
20 inserting “\$4,500”.

21 (c) COUNTING OF CONSOLIDATION LOANS AGAINST  
22 LIMITS.—Section 428C(a)(3)(B) (20 U.S.C. 1078–  
23 3(a)(3)(B)) is amended by adding at the end the following  
24 new clause:



1           “(ii) Loans made under this section shall, to  
2           the extent used to pay off the outstanding principal  
3           balance on loans made under this title, excluding  
4           capitalized interest, be counted against the applica-  
5           ble limitations on aggregate indebtedness contained  
6           in sections 425(a)(2), 428(b)(1)(B), 428H(d), 455,  
7           and 464(a)(2)(B).”.

8           (d) **EFFECTIVE DATE.**—The amendments made by  
9           this section shall apply with respect to any loan made, in-  
10          sured, or guaranteed under part B or part D of title IV  
11          of the Higher Education Act of 1965 for which the first  
12          disbursement of principal is made on or after July 1,  
13          2007.

14          **SEC. 423. INTEREST RATES AND SPECIAL ALLOWANCES.**

15          (a) **FFEL INTEREST RATE.**—Section 427A (20  
16          U.S.C. 1077a(k)) is amended—

17                  (1) in subsection (k)—

18                          (A) by striking “, AND BEFORE JULY 1,  
19                          2006” in the heading of such subsection; and

20                          (B) by striking “, and before July 1,  
21                          2006,” each place it appears other than para-  
22                          graph (4);

23                  (2) by striking subsection (l); and

24                  (3) by redesignating subsections (m) and (n) as  
25          subsections (l) and (m), respectively.



1 (b) DIRECT LOAN INTEREST RATES.—Section  
2 455(b) (20 U.S.C. 1087e(b)) is amended—

3 (1) in paragraph (6)—

4 (A) by striking “, AND BEFORE JULY 1,  
5 2006” in the heading of such paragraph; and

6 (B) by striking “, and before July 1,  
7 2006,” each place it appears other than sub-  
8 paragraph (D);

9 (2) by striking paragraph (7); and

10 (3) by redesignating paragraphs (8) and (9) as  
11 paragraphs (7) and (8), respectively.

12 (c) CONSOLIDATION LOANS.—

13 (1) FFEL CONSOLIDATION LOANS.—Section  
14 427A(k) (20 U.S.C. 1077a(k)) is further amended—

15 (A) by redesignating paragraph (5) as  
16 paragraph (6); and

17 (B) by inserting after paragraph (4) the  
18 following new paragraph:

19 “(5) VARIABLE RATE FOR CONSOLIDATION  
20 LOANS.—With respect to any consolidation loan  
21 under section 428C for which the application is re-  
22 ceived by an eligible lender on or after July 1, 2006,  
23 the applicable rate of interest shall, during any 12-  
24 month period beginning on July 1 and ending on



1 June 30, be determined on the preceding June 1  
2 and be equal to—

3 “(A) the bond equivalent rate of 91-day  
4 Treasury bills auctioned at the final auction  
5 held prior to such June 1; plus

6 “(B) 2.3 percent,  
7 except that such rate shall not exceed 8.25 percent,  
8 and the rate determined under paragraph (3) shall  
9 apply in lieu of the rate determined under this para-  
10 graph in the case of any such consolidation loan that  
11 is used to repay loans each of which was made under  
12 section 428B or was a Federal Direct PLUS Loan  
13 (or both).”.

14 (2) DIRECT CONSOLIDATION LOANS.—Section  
15 455(b)(6) (20 U.S.C. 1087e(b)(6)) is further  
16 amended—

17 (A) by redesignating subparagraph (E) as  
18 subparagraph (F); and

19 (B) by inserting after subparagraph (D)  
20 the following new subparagraph:

21 “(E) VARIABLE RATE FOR CONSOLIDATION  
22 LOANS.—With respect to any Federal Direct  
23 Consolidation loan for which the application is  
24 received on or after July 1, 2006, the applicable  
25 rate of interest shall, during any 12-month pe-



1           riod beginning on July 1 and ending on June  
2           30, be determined on the preceding June 1 and  
3           be equal to—

4                   “(i) the bond equivalent rate of 91-  
5                   day Treasury bills auctioned at the final  
6                   auction held prior to such June 1; plus

7                   “(ii) 2.3 percent,

8           except that such rate shall not exceed 8.25 per-  
9           cent, and the rate determined under subpara-  
10          graph (C) shall apply in lieu of the rate deter-  
11          mined under this subparagraph in the case of  
12          any such consolidation loan that is used to  
13          repay loans each of which was made under sec-  
14          tion 428B or was a Federal Direct PLUS Loan  
15          (or both).”.

16          (d) CONSOLIDATION LOAN CONFORMING AMEND-  
17          MENT.—Section 428C(e)(1)(A)(ii) (20 U.S.C. 1078-  
18          3(c)(1)(A)(ii)) is amended by striking “section  
19          427A(l)(3)” and inserting “section 427A(k)(5)”.

20          (e) CONFORMING AMENDMENTS FOR SPECIAL AL-  
21          LOWANCES.—

22                  (1) AMENDMENT.—Subparagraph (I) of section  
23          438(b)(2) (20 U.S.C. 1087-1(b)(2)) is amended—

24                          (A) by striking clause (ii) and inserting the  
25          following:



1                   “(ii) IN SCHOOL AND GRACE PE-  
2                   RIOD.—In the case of any loan for which  
3                   the first disbursement is made on or after  
4                   January 1, 2000, and for which the appli-  
5                   cable interest rate is described in section  
6                   427A(k)(2), clause (i)(III) of this subpara-  
7                   graph shall be applied by substituting  
8                   ‘1.74 percent’ for ‘2.34 percent’.”;

9                   (B) in clause (iii)—

10                   (i) by striking “or (l)(2)”; and

11                   (ii) by striking “, subject to clause (v)  
12                   of this subparagraph”;

13                   (C) in clause (iv)—

14                   (i) by striking “or (l)(3)” and insert-  
15                   ing “or (k)(5)”; and

16                   (ii) by striking “, subject to clause  
17                   (vi) of this subparagraph”; and

18                   (D) by striking clauses (v), (vi), and (vii)

19                   and inserting the following:

20                   “(v) RECAPTURE OF EXCESS INTER-  
21                   EST.—

22                   “(I) EXCESS CREDITED.—With  
23                   respect to a loan on which the applica-  
24                   ble interest rate is determined under  
25                   section 427A(k) and for which the



1 first disbursement of principal is  
2 made on or after July 1, 2006, if the  
3 applicable interest rate for any 3-  
4 month period exceeds the special al-  
5 lowance support level applicable to  
6 such loan under this subparagraph for  
7 such period, then an adjustment shall  
8 be made by calculating the excess in-  
9 terest in the amount computed under  
10 subclause (II) of this clause, and by  
11 crediting the excess interest to the  
12 Government not less often than annu-  
13 ally.

14 “(II) CALCULATION OF EX-  
15 CESS.—The amount of any adjust-  
16 ment of interest on a loan to be made  
17 under this subsection for any quarter  
18 shall be equal to—

19 “(aa) the applicable interest  
20 rate minus the special allowance  
21 support level determined under  
22 this subparagraph; multiplied by

23 “(bb) the average daily prin-  
24 cipal balance of the loan (not in-  
25 cluding unearned interest added



1 to principal) during such cal-  
2 endar quarter; divided by

3 “(cc) four.

4 “(III) SPECIAL ALLOWANCE SUP-  
5 PORT LEVEL.—For purposes of this  
6 clause, the term ‘special allowance  
7 support level’ means, for any loan, a  
8 number expressed as a percentage  
9 equal to the sum of the rates deter-  
10 mined under subclauses (I) and (III)  
11 of clause (i), and applying any substi-  
12 tution rules applicable to such loan  
13 under clauses (ii), (iii), and (iv) in de-  
14 termining such sum.”.

15 (2) EFFECTIVE DATE.—The amendments made  
16 by this subsection shall not apply with respect to  
17 any special allowance payment made under section  
18 438 of the Higher Education Act of 1965 (20 U.S.C  
19 1087–1) before July 1, 2006.

20 **SEC. 424. ADDITIONAL LOAN TERMS AND CONDITIONS.**

21 (a) FEDERAL DEFAULT FEES.—

22 (1) IN GENERAL.—Subparagraph (H) of section  
23 428(b)(1)) (20 U.S.C. 1078(b)(1)(H)) is amended to  
24 read as follows:

25 “(H) provides—



1                   “(i) for loans for which the first dis-  
2                   bursement of principal is made before  
3                   July, 1, 2006, for the collection of a single  
4                   insurance premium equal to not more than  
5                   1.0 percent of the principal amount of the  
6                   loan, by deduction proportionately from  
7                   each installment payment of the proceeds  
8                   of the loan to the borrower, and insures  
9                   that the proceeds of the premium will not  
10                  be used for incentive payments to lenders;  
11                  or

12                  “(ii) for loans for which the first dis-  
13                  bursement of principal is made on or after  
14                  July 1, 2006, for the collection and deposit  
15                  into the Federal Student Loan Reserve  
16                  Fund under section 422A of a Federal de-  
17                  fault fee of 1.0 percent of the principal  
18                  amount of such loan, which shall be de-  
19                  ducted proportionately from each install-  
20                  ment payment of the proceeds of the loan  
21                  to the borrower prior to payment to the  
22                  borrower, and insures that the proceeds of  
23                  the Federal default fee will not be used for  
24                  incentive payments to lenders;”.



1           (2) UNSUBSIDIZED LOANS.—Section 428H(h)  
2           (20 U.S.C. 1078–8(h)) is amended by adding at the  
3           end the following new sentence: “In lieu of the in-  
4           surance premium authorized under the preceding  
5           sentence, and effective for loans for which the first  
6           disbursement of principal is made on or after July  
7           1, 2006, each State or nonprofit private institution  
8           or organization having an agreement with the Sec-  
9           retary under section 428(b)(1) shall collect and de-  
10          posit into the Federal Student Loan Reserve Fund  
11          under section 422A a Federal default fee of 1.0 per-  
12          cent of the principal amount of the loan, obtained by  
13          deduction proportionately from each installment pay-  
14          ment of the proceeds of the loan to the borrower.”.

15          (3) VOLUNTARY FLEXIBLE AGREEMENTS.—Sec-  
16          tion 428A(a)(1) (20 U.S.C. 1078–1(a)(1)) is  
17          amended—

18                 (A) by striking “or” at the end of subpara-  
19                 graph (A);

20                 (B) by striking the period at the end of  
21                 subparagraph (B) and inserting “; or”; and

22                 (C) by adding at the end the following new  
23                 subparagraph:



1           “(C) the Federal default fee required by  
2           section 428(b)(1)(H) and the second sentence  
3           of section 428H(h).”.

4           (b) DISBURSEMENT.—Section 428(b)(1)(N) (20  
5 U.S.C. 1078(b)(1)(N)(ii)) is amended—

6           (1) in clause (i), by inserting “(including an eli-  
7           gible foreign institution, except as provided in clause  
8           (ii))”; and

9           (2) in clause (ii), by striking “or at an eligible  
10          foreign institution”.

11          (c) REPAYMENT PLANS.—

12          (1) FFEL LOANS.—Section 428(b)(9)(A) (20  
13 U.S.C. 1078(b)(9)(A)) is amended—

14           (A) by inserting before the semicolon at  
15           the end of clause (ii) the following: “, and the  
16           Secretary may not restrict the proportions or  
17           ratios by which such payments may be grad-  
18           uated with the informed agreement of the bor-  
19           rower”;

20           (B) by striking “and” at the end of clause  
21           (iii);

22           (C) by redesignating clause (iv) as clause  
23           (v); and

24           (D) by inserting after clause (iii) the fol-  
25          lowing new clause:



1           “(iv) a delayed repayment plan under  
2           which the borrower makes scheduled pay-  
3           ments for not more than 2 years that are  
4           annually not less than the amount of inter-  
5           est due or \$600, whichever is greater, and  
6           then makes payments in accordance with  
7           clause (i), (ii), or (iii); and”.

8           (2) DIRECT LOANS.—Section 455(d)(1) (20  
9           U.S.C. 1087e(d)(1)) is amended—

10           (A) by redesignating subparagraph (D) as  
11           subparagraph (E); and

12           (B) by striking subparagraphs (A), (B),  
13           and (C) and inserting the following:

14           “(A) a standard repayment plan, con-  
15           sistent with subsection (a)(1) of this section  
16           and with section 428(b)(9)(A)(i);

17           “(B) a graduated repayment plan, con-  
18           sistent with section 428(b)(9)(A)(ii);

19           “(C) an extended repayment plan, con-  
20           sistent with section 428(b)(9)(A)(iv), except  
21           that the borrower shall annually repay a min-  
22           imum amount determined by the Secretary in  
23           accordance with section 428(b)(1)(L);

24           “(D) a delayed repayment plan under  
25           which the borrower makes scheduled payments



1 for not more than 2 years that are annually not  
2 less than the amount of interest due or \$600,  
3 whichever is greater, and then makes payments  
4 in accordance with subparagraph (A), (B), or  
5 (C); and”.

6 (d) ORIGINATION FEES.—

7 (1) FFEL PROGRAM.—Paragraph (2) of section  
8 438(c) (20 U.S.C. 1087–1(c)) is amended—

9 (A) by striking the designation and head-  
10 ing of such paragraph and inserting the fol-  
11 lowing:

12 “(2) AMOUNT OF ORIGINATION FEES.—

13 “(A) IN GENERAL.—”; and

14 (B) by adding at the end the following new  
15 subparagraph:

16 “(B) SUBSEQUENT REDUCTIONS.—Sub-  
17 paragraph (A) shall be applied to loans made  
18 under this part (other than loans made under  
19 sections 428C and 439(o))—

20 “(i) by substituting ‘2.0 percent’ for  
21 ‘3.0 percent’ with respect to loans for  
22 which the first disbursement of principal is  
23 made on or after July 1, 2006, and before  
24 July 1, 2007;



1                   “(ii) by substituting ‘1.5 percent’ for  
2                   ‘3.0 percent’ with respect to loans for  
3                   which the first disbursement of principal is  
4                   made on or after July 1, 2007, and before  
5                   July 1, 2008;

6                   “(iii) by substituting ‘1.0 percent’ for  
7                   ‘3.0 percent’ with respect to loans for  
8                   which the first disbursement of principal is  
9                   made on or after July 1, 2008, and before  
10                  July 1, 2009;

11                  “(iv) by substituting ‘0.5 percent’ for  
12                  ‘3.0 percent’ with respect to loans for  
13                  which the first disbursement of principal is  
14                  made on or after July 1, 2009, and before  
15                  July 1, 2010; and

16                  “(v) by substituting ‘0.0 percent’ for  
17                  ‘3.0 percent’ with respect to loans for  
18                  which the first disbursement of principal is  
19                  made on or after July 1, 2010.”.

20                  (2) DIRECT LOAN PROGRAM.—Subsection (c) of  
21                  section 455 (20 U.S.C. 1087e(c)) is amended to  
22                  read as follows:

23                  “(c) LOAN FEE.—

24                  “(1) IN GENERAL.—The Secretary shall charge  
25                  the borrower of a loan made under this part an



1 origination fee of 4.0 percent of the principal  
2 amount of loan.

3 “(2) SUBSEQUENT REDUCTION.—Paragraph  
4 (1) shall be applied to loans made under this part,  
5 other than consolidation loans and PLUS loans—

6 “(A) by substituting ‘not more or less than  
7 3.0 percent’ for ‘4.0 percent’ with respect to  
8 loans for which the first disbursement of prin-  
9 cipal is made on or after July 1, 2006, and be-  
10 fore July 1, 2007;

11 “(B) by substituting ‘not more or less than  
12 2.5 percent’ for ‘4.0 percent’ with respect to  
13 loans for which the first disbursement of prin-  
14 cipal is made on or after July 1, 2007, and be-  
15 fore July 1, 2008;

16 “(C) by substituting ‘not more or less than  
17 2.0 percent’ for ‘4.0 percent’ with respect to  
18 loans for which the first disbursement of prin-  
19 cipal is made on or after July 1, 2008, and be-  
20 fore July 1, 2009;

21 “(D) by substituting ‘not more or less than  
22 1.5 percent’ for ‘4.0 percent’ with respect to  
23 loans for which the first disbursement of prin-  
24 cipal is made on or after July 1, 2009, and be-  
25 fore July 1, 2010; and



1           “(E) by substituting ‘not more or less than  
2           1.0 percent’ for ‘4.0 percent’ with respect to  
3           loans for which the first disbursement of prin-  
4           cipal is made on or after July 1, 2010.

5           “(3) WAIVERS AND REPAYMENT INCENTIVES  
6           PROHIBITED.—Beginning with loans made on or  
7           after July 1, 2006, the Secretary is prohibited—

8                   “(A) from waiving any amount of the loan  
9                   fee prescribed under this section as part of a  
10                  repayment incentive in section 455(b)(7); and

11                   “(B) from providing any repayment incen-  
12                  tive before the borrower enters repayment.”.

13   **SEC. 425. CONSOLIDATION LOAN CHANGES.**

14           (a) CROSS-CONSOLIDATION BETWEEN PROGRAMS.—  
15   Section 428C (20 U.S.C. 1078–3) is amended—

16                   (1) in subsection (a)(3)(B)(i)—

17                           (A) by inserting “or under section 455(g)”  
18                           after “under this section” both places it ap-  
19                           pears;

20                           (B) by inserting “under both sections”  
21                           after “terminates”

22                           (C) by striking “and” at the end of sub-  
23                           clause (III);

24                           (D) by striking the period at the end of  
25                           subclause (IV) and inserting “; and”; and



1 (E) by adding at the end the following new  
2 subclause:

3 “(V) an individual may obtain a subse-  
4 quent consolidation loan under section 455(g)  
5 only for the purposes of obtaining an income  
6 contingent repayment plan, and only if the loan  
7 has been submitted to the guaranty agency for  
8 preclaims assistance.”; and

9 (2) in subsection (b)(5), by striking the first  
10 sentence and inserting the following: “In the event  
11 that a lender with an agreement under subsection  
12 (a)(1) of this section denies a consolidation loan ap-  
13 plication submitted to it by an eligible borrower  
14 under this section, or denies an application sub-  
15 mitted to it by such a borrower for a consolidation  
16 loan with income-sensitive repayment terms, the Sec-  
17 retary shall offer any such borrower who applies for  
18 it, a direct consolidation loan. The Secretary shall  
19 offer such a loan to a borrower who has defaulted,  
20 for the purpose of resolving the default.”.

21 (b) REPEAL OF IN-SCHOOL CONSOLIDATION.—

22 (1) DEFINITION OF REPAYMENT PERIOD.—Sec-  
23 tion 428(b)(7)(A) (20 U.S.C. 1078(b)(7)(A)) is  
24 amended by striking “shall begin—” and all that  
25 follows through “earlier date.” and inserting the fol-



1       lowing: “shall begin the day after 6 months after the  
2       date the student ceases to carry at least one-half the  
3       normal full-time academic workload (as determined  
4       by the institution).”.

5               (2) CONFORMING CHANGE TO ELIGIBLE BOR-  
6       ROWER DEFINITION.—Section 428C(a)(3)(A)(ii)(I)  
7       (20 U.S.C. 1078–3(a)(3)(A)(ii)(I)) is amended by  
8       inserting “as determined under section  
9       428(b)(7)(A)” after “repayment status”.

10       (c) ADDITIONAL AMENDMENTS.—Section 428C (20  
11 U.S.C. 1078–3) is amended—

12               (1) in subsection (a)(3), by striking subpara-  
13       graph (C); and

14               (2) in subsection (b)(1)—

15                       (A) by striking everything after “under  
16       this section” the first place it appears in sub-  
17       paragraph (A) and inserting the following: “and  
18       that, if all the borrower’s loans under this part  
19       are held by a single holder, the borrower has  
20       notified such holder that the borrower is seek-  
21       ing to obtain a consolidation loan under this  
22       section;”;

23                       (B) by striking “(i) which” and all that  
24       follows through “and (ii)” in subparagraph (C);



1 (C) by striking “and” at the end of sub-  
2 paragraph (E);

3 (D) by redesignating subparagraph (F) as  
4 subparagraph (G); and

5 (E) by inserting after subparagraph (E)  
6 the following new subparagraph:

7 “(F) that the lender of the consolidation  
8 loan shall, upon application for such loan, pro-  
9 vide the borrower with a clear and conspicuous  
10 notice of at least the following information:

11 “(i) the effects of consolidation on  
12 total interest to be paid, fees to be paid,  
13 and length of repayment;

14 “(ii) the effects of consolidation on a  
15 borrower’s underlying loan benefits, includ-  
16 ing loan forgiveness, cancellation,  
17 deferment, and reduced interest rates on  
18 those underlying loans;

19 “(iii) the ability for the borrower to  
20 prepay the loan, pay on a shorter schedule,  
21 and to change repayment plans; that bor-  
22 rower benefit programs may vary among  
23 different loan holders; and a description of  
24 how the borrower benefits may vary among  
25 different loan holders;



1 “(iv) the tax benefits for which bor-  
2 rowers may be eligible;

3 “(v) the consequences of default; and

4 “(vi) that by making the application  
5 the applicant is not obligated to agree to  
6 take the consolidation loan; and”.

7 (d) EFFECTIVE DATE FOR SINGLE HOLDER AMEND-  
8 MENT.—The amendment made by subsection (c)(2)(A)  
9 shall apply with respect to any loan made under section  
10 428C of the Higher Education Act of 1965 (20 U.S.C.  
11 1078–3) for which the application is received by an eligible  
12 lender on or after July 1, 2006.

13 (e) CONFORMING AMENDMENTS TO DIRECT LOAN  
14 PROGRAM.—Section 455 (20 U.S.C. 1087e) is amended

15 (1) in subsection (a)(1) by inserting “428C,”  
16 after “428B,”;

17 (2) in subsection (a)(2)—

18 (A) by striking “and” at the end of sub-  
19 paragraph (B);

20 (B) by redesignating subparagraph (C) as  
21 subparagraph (D); and

22 (C) by inserting after subparagraph (B)  
23 the following:

24 “(C) section 428C shall be known as a  
25 ‘Federal Direct Consolidation Loan’; and ”; and



1 (3) in subsection (g)—

2 (A) by striking the second sentence; and

3 (B) by adding at the end the following new  
4 sentences: “To be eligible for a consolidation  
5 loan under this part, a borrower must meet the  
6 eligibility criteria set forth in section  
7 428C(a)(3). The Secretary, upon application for  
8 such a loan, shall comply with the requirements  
9 applicable to a lender under 428C(b)(1)(F).”.

10 **SEC. 426. DEFERMENT OF STUDENT LOANS FOR MILITARY**  
11 **SERVICE.**

12 (a) FEDERAL FAMILY EDUCATION LOANS.—Section  
13 428(b)(1)(M) (20 U.S.C. 1078(b)(1)(M)) is amended—

14 (1) by striking “or” at the end of clause (ii);

15 (2) by redesignating clause (iii) as clause (iv);

16 and

17 (3) by inserting after clause (ii) the following  
18 new clause:

19 “(iii) not in excess of 3 years during  
20 which the borrower—

21 “(I) is serving on active duty  
22 during a war or other military oper-  
23 ation or national emergency; or

24 “(II) is performing qualifying  
25 National Guard duty during a war or



1 other military operation or national  
2 emergency; or”.

3 (b) DIRECT LOANS.—Section 455(f)(2) (20 U.S.C.  
4 1087e(f)(2)) is amended—

5 (1) by redesignating subparagraph (C) as sub-  
6 paragraph (D); and

7 (2) by inserting after subparagraph (B) the fol-  
8 lowing new subparagraph:

9 “(C) not in excess of 3 years during which  
10 the borrower—

11 “(i) is serving on active duty during a  
12 war or other military operation or national  
13 emergency; or

14 “(ii) is performing qualifying National  
15 Guard duty during a war or other military  
16 operation or national emergency; or”.

17 (c) PERKINS LOANS.—Section 464(c)(2)(A) (20  
18 U.S.C. 1087dd(c)(2)(A)) is amended—

19 (1) by redesignating clauses (iii) and (iv) as  
20 clauses (iv) and (v), respectively; and

21 (2) by inserting after clause (ii) the following  
22 new clause:

23 “(iii) not in excess of 3 years during  
24 which the borrower—



1                   “(I) is serving on active duty  
2                   during a war or other military oper-  
3                   ation or national emergency; or

4                   “(II) is performing qualifying  
5                   National Guard duty during a war or  
6                   other military operation or national  
7                   emergency;”.

8           (d) DEFINITIONS.—Section 481 (20 U.S.C. 1088) is  
9 amended by adding at the end the following new sub-  
10 section:

11           “(d) DEFINITIONS FOR MILITARY DEFERMENTS.—  
12 For purposes of parts B, D, and E of this title:

13                   “(1) ACTIVE DUTY.—The term ‘active duty’ has  
14                   the meaning given such term in section 101(d)(1) of  
15                   title 10, United States Code, except that such term  
16                   does not include active duty for training or attend-  
17                   ance at a service school.

18                   “(2) MILITARY OPERATION.—The term ‘mili-  
19                   tary operation’ means a contingency operation as  
20                   such term is defined in section 101(a)(13) of title  
21                   10, United States Code.

22                   “(3) NATIONAL EMERGENCY.—The term ‘na-  
23                   tional emergency’ means the national emergency by  
24                   reason of certain terrorist attacks declared by the  
25                   President on September 14, 2001, or subsequent na-



1 tional emergencies declared by the President by rea-  
2 son of terrorist attacks.

3 “(4) SERVING ON ACTIVE DUTY.—The term  
4 ‘serving on active duty during a war or other mili-  
5 tary operation or national emergency’ means service  
6 by an individual who is—

7 “(A) a Reserve of an Armed Force ordered  
8 to active duty under section 12301(a),  
9 12301(g), 12302, 12304, or 12306 of title 10,  
10 United States Code, or any retired member of  
11 an Armed Force ordered to active duty under  
12 section 688 of such title, for service in connec-  
13 tion with a war or other military operation or  
14 national emergency, regardless of the location  
15 at which such active duty service is performed;  
16 and

17 “(B) any other member of an Armed Force  
18 on active duty in connection with such emer-  
19 gency or subsequent actions or conditions who  
20 has been assigned to a duty station at a loca-  
21 tion other than the location at which such mem-  
22 ber is normally assigned.

23 “(5) QUALIFYING NATIONAL GUARD DUTY.—  
24 The term ‘qualifying National Guard duty during a  
25 war or other military operation or national emer-



1 agency' means service as a member of the National  
2 Guard on full-time National Guard duty (as defined  
3 in section 101(d)(5) of title 10, United States Code)  
4 under a call to active service authorized by the  
5 President or the Secretary of Defense for a period  
6 of more than 30 consecutive days under section  
7 502(f) of title 32, United States Code, in connection  
8 with a war, other military operation, or a national  
9 emergency declared by the President and supported  
10 by Federal funds.”.

11 (e) **RULE OF CONSTRUCTION.**—Nothing in the  
12 amendments made by this section shall be construed to  
13 authorize any refunding of any repayment of a loan.

14 (f) **EFFECTIVE DATE.**—The amendments made by  
15 this section shall apply with respect to loans for which the  
16 first disbursement is made on or after July 1, 1993, to  
17 an individual who is a new borrower (within the meaning  
18 of section 103 of the Higher Education Act of 1965 (20  
19 U.S.C. 1003)) on or after such date.

20 **SEC. 427. LOAN FORGIVENESS FOR SERVICE IN AREAS OF**  
21 **NATIONAL NEED.**

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



1 **“SEC. 428K. LOAN FORGIVENESS FOR SERVICE IN AREAS OF**  
2 **NATIONAL NEED.**

3 “(a) PURPOSES.—The purposes of this section are—

4 “(1) to encourage highly trained individuals to  
5 enter and continue in service in areas of national  
6 need; and

7 “(2) to reduce the burden of student debt for  
8 Americans who dedicate their careers to service in  
9 areas of national need.

10 “(b) PROGRAM AUTHORIZED.—

11 “(1) IN GENERAL.—The Secretary is authorized  
12 to carry out a program of assuming the obligation  
13 to repay, pursuant to paragraphs (2) of subsection  
14 (c) and subsection (d), a qualified loan amount for  
15 a loan made, insured, or guaranteed under this part  
16 or part D (other than loans made under section  
17 428B and 428C and comparable loans made under  
18 part D), for any new borrower after the date of en-  
19 actment of the College Access and Opportunity Act  
20 of 2005, who—

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

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



1           “(2) AWARD BASIS.—Loan repayment under  
2 this section shall be on a first-come, first-served  
3 basis pursuant to the designation under subsection  
4 (c) and subject to the availability of appropriations.

5           “(3) REGULATIONS.—The Secretary is author-  
6 ized to issue such regulations as may be necessary  
7 to carry out the provisions of this section.

8           “(c) AREAS OF NATIONAL NEED.—

9           “(1) STATUTORY CATEGORIES.—For purposes  
10 of this section, an individual shall be treated as em-  
11 ployed in an area of national need if the individual  
12 is employed full time and is any of the following:

13           “(A) EARLY CHILDHOOD EDUCATORS.—An  
14 individual who is employed as an early child-  
15 hood educator in an eligible preschool program  
16 or child care facility in a low-income commu-  
17 nity, and who is involved directly in the care,  
18 development and education of infants, toddlers,  
19 or young children through age five.

20           “(B) NURSES.—An individual who is  
21 employed—

22           “(i) as a nurse in a clinical setting; or

23           “(ii) as a member of the nursing fac-  
24 ulty at an accredited school of nursing (as  
25 those terms are defined in section 801 of



1 the Public Health Service Act (42 U.S.C.  
2 296)).

3 “(C) FOREIGN LANGUAGE SPECIALISTS.—  
4 An individual who has obtained a baccalaureate  
5 degree in a critical foreign language and is  
6 employed—

7 “(i) in an elementary or secondary  
8 school as a teacher of a critical foreign lan-  
9 guage; or

10 “(ii) in an agency of the United  
11 States Government in a position that regu-  
12 larly requires the use of such critical for-  
13 eign language

14 “(D) SPEECH-LANGUAGE PATHOLO-  
15 GISTS.—An individual who is a speech-language  
16 pathologist, who is employed in an eligible pre-  
17 school program or an elementary or secondary  
18 school, and who has, at a minimum, a graduate  
19 degree in speech-language pathology, or com-  
20 munication sciences and disorders.

21 “(E) ADDITIONAL AREAS OF NATIONAL  
22 NEED.—An individual who is employed in an  
23 area designated by the Secretary under para-  
24 graph (2) and has completed a baccalaureate or  
25 advanced degree related to such area.



1           “(2) DESIGNATION OF AREAS OF NATIONAL  
2           NEED.—After consultation with appropriate Federal,  
3           State, and community-based agencies and organiza-  
4           tions, the Secretary shall designate areas of national  
5           need. In making such designations, the Secretary  
6           shall take into account the extent to which—

7                   “(A) the national interest in the area is  
8                   compelling;

9                   “(B) the area suffers from a critical lack  
10                  of qualified personnel; and

11                  “(C) other Federal programs support the  
12                  area concerned.

13           “(d) QUALIFIED LOAN AMOUNT.—The Secretary  
14           shall repay not more than \$5,000 in the aggregate of the  
15           loan obligation on a loan made under section 428 or 428H  
16           that is outstanding after the completion of the fifth con-  
17           secutive school, academic, or calendar year, as appro-  
18           priate, described in subsection (b)(1).

19           “(e) CONSTRUCTION.—Nothing in this section shall  
20           be construed to authorize the refunding of any repayment  
21           of a loan made under section 428 or 428H.

22           “(f) INELIGIBILITY OF NATIONAL SERVICE AWARD  
23           RECIPIENTS.—No student borrower may, for the same  
24           service, receive a benefit under both this section and sub-



1 title D of title I of the National and Community Service  
2 Act of 1990 (42 U.S.C. 12601 et seq.).

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

6 “(h) DEFINITIONS.—In this section

7 “(1) CHILD CARE FACILITY.—The term ‘child  
8 care facility’ means a facility, including a home,  
9 that—

10 “(A) provides for the education and care of  
11 children from birth through age 5; and

12 “(B) meets any applicable State or local  
13 government licensing, certification, approval, or  
14 registration requirements.

15 “(2) CRITICAL FOREIGN LANGUAGE.—The term  
16 ‘critical foreign language’ includes the languages of  
17 Arabic, Korean, Japanese, Chinese, Pashto, Persian-  
18 Farsi, Serbian-Croatian, Russian, Portuguese, and  
19 any other language identified by the Secretary of  
20 Education, in consultation with the Defense Lan-  
21 guage Institute, the Foreign Service Institute, and  
22 the National Security Education Program, as a crit-  
23 ical foreign language need.

24 “(3) EARLY CHILDHOOD EDUCATOR.—The  
25 term ‘early childhood educator’ means an early



1 childhood educator employed in an eligible preschool  
2 program who has completed a baccalaureate or ad-  
3 vanced degree in early childhood development, early  
4 childhood education, or in a field related to early  
5 childhood education.

6 “(4) ELIGIBLE PRESCHOOL PROGRAM.—The  
7 term ‘eligible preschool program’ means a program  
8 that provides for the care, development, and edu-  
9 cation of infants, toddlers, or young children  
10 through age 5, meets any applicable State or local  
11 government licensing, certification, approval, and  
12 registration requirements, and is operated by—

13 “(A) a public or private school that may be  
14 supported, sponsored, supervised, or adminis-  
15 tered by a local educational agency;

16 “(B) a Head Start agency serving as a  
17 grantee designated under the Head Start Act  
18 (42 U.S.C. 9831 et seq.);

19 “(C) a nonprofit or community based orga-  
20 nization; or

21 “(D) a child care program, including a  
22 home.

23 “(5) LOW-INCOME COMMUNITY.—In this sub-  
24 section, the term ‘low-income community’ means a  
25 community in which 70 percent of households earn



1 less than 85 percent of the state median household  
2 income.

3 “(6) NURSE.—The term ‘nurse’ means a nurse  
4 who meets all of the following:

5 “(A) The nurse graduated from—

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

10 “(ii) a nursing center; or

11 “(iii) an academic health center that  
12 provides nurse training.

13 “(B) The nurse holds a valid and unre-  
14 stricted license to practice nursing in the State  
15 in which the nurse practices in a clinical set-  
16 ting.

17 “(C) The nurse holds 1 or more of the fol-  
18 lowing:

19 “(i) A graduate degree in nursing, or  
20 an equivalent degree.

21 “(ii) A nursing degree from a colle-  
22 giate school of nursing (as defined in sec-  
23 tion 801 of the Public Health Service Act  
24 (42 U.S.C. 296)).



1                   “(iii) A nursing degree from an asso-  
2                   ciate degree school of nursing (as defined  
3                   in section 801 of the Public Health Service  
4                   Act (42 U.S.C. 296)).

5                   “(iv) A nursing degree from a diploma  
6                   school of nursing (as defined in section  
7                   801 of the Public Health Service Act (42  
8                   U.S.C. 296)).

9                   “(7) SPEECH-LANGUAGE PATHOLOGIST.—The  
10                  term ‘speech-language pathologist’ means a speech-  
11                  language pathologist who meets all of the following:

12                  “(A) the speech-language pathologist has  
13                  received, at a minimum, a graduate degree in  
14                  speech-language pathology or communication  
15                  sciences and disorders from an institution of  
16                  higher education accredited by an agency or as-  
17                  sociation recognized by the Secretary pursuant  
18                  to section 496(a) of this Act; and

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

23                  “(i) AUTHORIZATION OF APPROPRIATIONS.—There  
24                  are authorized to be appropriated to carry out this section  
25                  such sums as may be necessary fiscal year 2006 and such



1 sums as may be necessary for each of the 5 succeeding  
2 fiscal years.”.

3 **SEC. 428. UNSUBSIDIZED STAFFORD LOANS.**

4 (a) AMENDMENT.—Section 428H(d)(2)(C) (20  
5 U.S.C. 1078–8(d)(2)(C)) is amended by striking  
6 “\$10,000” and inserting “\$12,000”.

7 (b) EFFECTIVE DATE.—The amendment made by  
8 subsection (a) shall apply to loans for which the first dis-  
9 bursement of principal is made on or after July 1, 2007.

10 **SEC. 429. ELIMINATION OF TERMINATION DATES FROM**  
11 **TAXPAYER-TEACHER PROTECTION ACT OF**  
12 **2004.**

13 (a) EXTENSION OF LIMITATIONS ON SPECIAL AL-  
14 LOWANCE FOR LOANS FROM THE PROCEEDS OF TAX EX-  
15 EMPT ISSUES.—Section 438(b)(2)(B) (20 U.S.C. 1087–  
16 1(b)(2)(B)) is amended—

17 (1) in clause (iv), by striking “and before Janu-  
18 ary 1, 2006,”; and

19 (2) in clause (v)(II)—

20 (A) by striking “and before January 1,  
21 2006,” each place it appears in divisions (aa)  
22 and (bb); and

23 (B) by striking “, and before January 1,  
24 2006” in division (cc).



1 (b) ADDITIONAL LIMITATION ON SPECIAL ALLOW-  
2 ANCE FOR LOANS FROM THE PROCEEDS OF TAX EXEMPT  
3 ISSUES.—Section 438(b)(2)(B) (20 U.S.C. 1087–  
4 1(b)(2)(B)) is further amended by adding at the end  
5 thereof the following new clause:

6 “(vi) Notwithstanding clauses (i), (ii), and (v),  
7 the quarterly rate of the special allowance shall be  
8 the rate determined under subparagraph (A), (E),  
9 (F), (G), (H), or (I) of this paragraph, as the case  
10 may be, for a holder of loans—

11 “(I) that were made or purchased on or  
12 after October 1, 2005; or

13 “(II) that were not earning a quarterly  
14 rate of special allowance determined under  
15 clauses (i) or (ii) of subparagraph (B) of this  
16 paragraph (20 U.S.C. 1087–1(b)(2)(b) as of  
17 October 1, 2005.”.

18 (c) ELIMINATION OF EFFECTIVE DATE LIMITATION  
19 ON HIGHER TEACHER LOAN FORGIVENESS BENEFITS.—  
20 Section 3(b) of the Taxpayer-Teacher Protection Act of  
21 2004 is amended by striking paragraph (3).

22 (d) ADDITIONAL CHANGES TO TEACHER LOAN FOR-  
23 GIVENESS PROVISIONS.—

24 (1) FFEL PROVISIONS.—Section 428J (20  
25 U.S.C. 1078–10) is amended—



1 (A) in subsection (a)(1)(B), by inserting  
2 after “1965” the following: “, or meets the re-  
3 quirements of subsection (g)(3)”;

4 (B) in subsection (c)(3)—

5 (i) by striking “and” at the end of  
6 subparagraph (A);

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

10 (iii) by inserting at the end of sub-  
11 paragraph (B) the following new subpara-  
12 graph:

13 “(C) an elementary or secondary school  
14 teacher who primarily teaches reading—

15 “(i) who meets the requirements of  
16 subsection (b);

17 “(ii) who has obtained a separate  
18 reading instruction credential from the  
19 State in which the teacher is employed;  
20 and

21 “(iii) who is certified by the chief ad-  
22 ministrative officer of the public or non-  
23 profit private elementary or secondary  
24 school in which the borrower is employed  
25 to teach reading—



1                   “(I) as being proficient in teach-  
2                   ing the essential components of read-  
3                   ing instruction as defined in section  
4                   1208 of the Elementary and Sec-  
5                   ondary Education Act of 1965; and

6                   “(II) as having such credential.”;  
7                   and

8                   (C) in subsection (g), by adding at the end  
9                   the following new paragraph:

10                  “(3) PRIVATE SCHOOL TEACHERS.—An indi-  
11                  vidual who is employed as a teacher in a private  
12                  school and is exempt from State certification re-  
13                  quirements (unless otherwise applicable under State  
14                  law), may, in lieu of the requirement of subsection  
15                  (a)(1)(B), have such employment treated as quali-  
16                  fying employment under this section if such indi-  
17                  vidual is permitted to and does satisfy rigorous sub-  
18                  ject knowledge and skills tests by taking competency  
19                  tests in the applicable grade levels and subject areas.  
20                  For such purposes, the competency tests taken by  
21                  such a private school teacher must be recognized by  
22                  5 or more States for the purpose of fulfilling the  
23                  highly qualified teacher requirements under section  
24                  9101 of the Elementary and Secondary Education  
25                  Act of 1965, and the score achieved by such teacher



1 on each test must equal or exceed the average pass-  
2 ing score of those 5 States.”.

3 (2) DIRECT LOAN PROVISIONS.—Section 460  
4 (20 U.S.C. 1087j) is amended—

5 (A) in subsection (a)(1)(A)(ii), by inserting  
6 after “1965” the following: “, or meets the re-  
7 quirements of subsection (g)(3)”;

8 (B) in subsection (c)(3)—

9 (i) by striking “and” at the end of  
10 subparagraph (A);

11 (ii) by striking the period at the end  
12 of subparagraph (B) and inserting “;  
13 and”; and

14 (iii) by inserting at the end of sub-  
15 paragraph (B) the following new subpara-  
16 graph:

17 “(C) an elementary or secondary school  
18 teacher who primarily teaches reading—

19 “(i) who meets the requirements of  
20 subsection (b);

21 “(ii) who has obtained a separate  
22 reading instruction credential from the  
23 State in which the teacher is employed;  
24 and



1           “(iii) who is certified by the chief ad-  
2 ministrative officer of the public or non-  
3 profit private elementary or secondary  
4 school in which the borrower is employed  
5 to teach reading—

6                   “(I) as being proficient in teach-  
7 ing the essential components of read-  
8 ing instruction as defined in section  
9 1208 of the Elementary and Sec-  
10 ondary Education Act of 1965; and

11                   “(II) as having such credential.”;  
12 and

13           (C) in subsection (g), by adding at the end  
14 the following new paragraph:

15           “(3) PRIVATE SCHOOL TEACHERS.—An indi-  
16 vidual who is employed as a teacher in a private  
17 school and is exempt from State certification re-  
18 quirements (unless otherwise applicable under State  
19 law), may, in lieu of the requirement of subsection  
20 (a)(1)(A)(ii), have such employment treated as  
21 qualifying employment under this section if such in-  
22 dividual is permitted to and does satisfy rigorous  
23 subject knowledge and skills tests by taking com-  
24 petency tests in the applicable grade levels and sub-  
25 ject areas. For such purposes, the competency tests



1 taken by such a private school teacher must be rec-  
2 ognized by 5 or more States for the purpose of ful-  
3 filling the highly qualified teacher requirements  
4 under section 9101 of the Elementary and Sec-  
5 ondary Education Act of 1965, and the score  
6 achieved by such teacher on each test must equal or  
7 exceed the average passing score of those 5 States.”.

8 **SEC. 430. ADDITIONAL ADMINISTRATIVE PROVISIONS.**

9 (a) TREATMENT OF EXEMPT CLAIMS.—

10 (1) INSURANCE COVERAGE.—Section  
11 428(b)(1)(G) (20 U.S.C. 1078(b)(1)(G)) is amended  
12 by inserting before the semicolon at the end the fol-  
13 lowing: “and 100 percent of the unpaid principal  
14 amount of exempt claims as defined in subsection  
15 (c)(1)(G)”.

16 (2) TREATMENT.—Section 428(c)(1) (20  
17 U.S.C. 1078(c)(1)) is amended—

18 (A) by redesignating subparagraph (G) as  
19 subparagraph (H), and moving such subpara-  
20 graph 2 em spaces to the left; and

21 (B) by inserting after subparagraph (F)  
22 the following new subparagraph:

23 “(G)(i) Notwithstanding any other provisions of  
24 this section, in the case of exempt claims, the Sec-  
25 retary shall apply the provisions of—



1           “(I) the fourth sentence of subparagraph  
2           (A) by substituting ‘100 percent’ for ‘95 per-  
3           cent’;

4           “(II) subparagraph (B)(i) by substituting  
5           ‘100 percent’ for ‘85 percent’; and

6           “(III) subparagraph (B)(ii) by substituting  
7           ‘100 percent’ for ‘75 percent’.

8           “(ii) For purposes of clause (i) of this subpara-  
9           graph, the term ‘exempt claims’ means claims with  
10          respect to loans for which it is determined that the  
11          borrower (or the student on whose behalf a parent  
12          has borrowed), without the lender’s or the institu-  
13          tion’s knowledge at the time the loan was made, pro-  
14          vided false or erroneous information or took actions  
15          that caused the borrower or the student to be ineli-  
16          gible for all or a portion of the loan or for interest  
17          benefits thereon.”.

18          (b) DOCUMENTATION OF FORBEARANCE AGREE-  
19          MENTS.—Section 428(c) (20 U.S.C. 1078(c)) is further  
20          amended—

21                 (1) in paragraph (3)(A)(i), by striking “in writ-  
22                 ing”; and

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



1           “(10) DOCUMENTATION OF FORBEARANCE  
2           AGREEMENTS.—For the purposes of paragraph (3),  
3           the terms of forbearance agreed to by the parties  
4           shall be documented by confirming the agreement of  
5           the borrower by notice to the borrower from the  
6           lender, and by recording the terms in the borrower’s  
7           file.”.

8           (c) CONSOLIDATION OF DEFAULTED LOANS.—Sec-  
9           tion 428(c) (20 U.S.C. 1078(c)) is further amended—

10           (1) in paragraph (2)(A)—

11                   (A) by inserting “(i)” after “including”;

12                   and

13                   (B) by inserting before the semicolon at  
14                   the end the following: “and (ii) requirements es-  
15                   tablishing procedures to preclude consolidation  
16                   lending from being an excessive proportion of  
17                   guaranty agency recoveries on defaulted loans  
18                   under this part”;

19           (2) in paragraph (2)(D), by striking “para-  
20           graph (6)” and inserting “paragraph (6)(A)”;

21           (3) in paragraph (6)—

22                   (A) by inserting “(A)” before “For the  
23                   purposes of paragraph (2)(D),”;

24                   (B) by redesignating subparagraphs (A)  
25                   and (B) as clauses (i) and (ii), respectively; and



1 (C) by adding at the end the following new  
2 subparagraphs:

3 “(B) GUARANTY AGENCY OBLIGATIONS.—A  
4 guaranty agency shall—

5 “(i) on or after October 1, 2006—

6 “(I) not charge the borrower collec-  
7 tion costs in an amount in excess of 18.5  
8 percent of the outstanding principal and  
9 interest of a defaulted loan that is paid off  
10 through consolidation by the borrower  
11 under this title; and

12 “(II) remit to the Secretary a portion  
13 of the collection charge under subclause (I)  
14 equal to 8.5 percent of the outstanding  
15 principal and interest of such defaulted  
16 loan; and

17 “(ii) on and after October 1, 2009, remit  
18 to the Secretary the entire amount charged  
19 under clause (i)(I) with respect to each de-  
20 faulted loan that is paid off with excess consoli-  
21 dation proceeds.

22 “(C) EXCESS CONSOLIDATION PRO-  
23 CEEDS.—For purposes of subparagraph (B),  
24 the term ‘excess consolidation proceeds’ means,  
25 with respect to any guaranty agency for any



1 Federal fiscal year beginning on or after Octo-  
2 ber 1, 2009, the proceeds of consolidation of de-  
3 faulted loans under this title that exceed 45  
4 percent of the agency's total collections on de-  
5 faulted loans in such Federal fiscal year.”.

6 (d) VOLUNTARY FLEXIBLE AGREEMENTS.—Section  
7 428A (20 U.S.C. 1078–1) is amended—

8 (1) in subsection (a)(1)(B), by striking “unless  
9 the Secretary” and all that follows through “des-  
10 ignated guarantor”;

11 (2) by striking paragraph (2) of subsection (a);

12 (3) in paragraph (4)(B) of such subsection, by  
13 striking “and any waivers provided to other guar-  
14 anty agencies under paragraph (2)”;

15 (4) by redesignating paragraphs (3) and (4) of  
16 subsection (a) as paragraphs (2) and (3), respec-  
17 tively; and

18 (5) by striking paragraph (3) of subsection (c)  
19 and inserting the following:

20 “(3) NOTICE TO INTERESTED PARTIES.—Once  
21 the Secretary reaches a tentative agreement in prin-  
22 ciple under this section, the Secretary shall publish  
23 in the Federal Register a notice that invites inter-  
24 ested parties to comment on the proposed agree-  
25 ment. The notice shall state how to obtain a copy of



1 the tentative agreement in principle and shall give  
2 interested parties no less than 30 days to provide  
3 comments. The Secretary may consider such com-  
4 ments prior to providing the notices pursuant to  
5 paragraph (2).”.

6 (e) FRAUD: REPAYMENT REQUIRED.—Section  
7 428B(a)(1) (20 U.S.C. 1078–2(a)(1)) is amended—

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

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

12 (3) by adding at the end the following new sub-  
13 paragraph:

14 “(C) if either of the parents has been con-  
15 victed of, or has pled nolo contendere or guilty  
16 to, a crime involving fraud in obtaining funds  
17 under this title, such parent has completed the  
18 repayment of such funds to the Secretary, or to  
19 the holder in the case of a loan under this title  
20 obtained by fraud.”.

21 (f) DEFAULT REDUCTION PROGRAM.—Section  
22 428F(a)(1) (20 U.S.C. 1078–6(a)(1)) is amended—

23 (1) in subparagraph (A), by striking “consecu-  
24 tive payments for 12 months” and inserting “9 pay-



1 ments made within 20 days of the due date during  
2 10 consecutive months”;

3 (2) by redesignating subparagraph (C) as sub-  
4 paragraph (D); and

5 (3) by inserting after subparagraph (B) the fol-  
6 lowing new subparagraph:

7 “(C) A guaranty agency may charge the  
8 borrower and retain collection costs in an  
9 amount not to exceed 18.5 percent of the out-  
10 standing principal and interest at the time of  
11 sale of a loan rehabilitated under subparagraph  
12 (A).”.

13 (g) FINANCIAL AND ECONOMIC LITERACY.—

14 (1) DEFAULT REDUCTION PROGRAM.—Section  
15 428F is further amended by adding at the end the  
16 following:

17 “(c) FINANCIAL AND ECONOMIC LITERACY.—Where  
18 appropriate, each program described under subsection (b)  
19 shall include making available financial and economic edu-  
20 cation materials for the borrower.”.

21 (2) PROGRAM ASSISTANCE FOR BORROWERS.—

22 Section 432(k)(1) (20 U.S.C. 1082(k)(1)) is amend-  
23 ed by striking “and offering” and all that follows  
24 through the period and inserting “, offering loan re-  
25 payment matching provisions as part of employee



1 benefit packages, and providing employees with fi-  
2 nancial and economic education and counseling.”.

3 (h) CREDIT BUREAU ORGANIZATION AGREE-  
4 MENTS.—Section 430A(a) (20 U.S.C. 1080a(a)) is  
5 amended by striking “agreements with credit bureau orga-  
6 nizations” and inserting “an agreement with each national  
7 credit bureau organization (as described in section 603(p)  
8 of the Fair Credit Reporting Act)”.

9 (i) UNIFORM ADMINISTRATIVE AND CLAIMS PROCE-  
10 DURE.—Section 432(l)(1)(H) (20 U.S.C. 1082(l)(1)(H))  
11 is amended by inserting “and anticipated graduation  
12 date” after “status change”.

13 (j) DEFAULT REDUCTION MANAGEMENT.—Section  
14 432 is further amended—

15 (1) by striking subsection (n); and

16 (2) by redesignating subsections (o) and (p) as  
17 subsections (n) and (o), respectively.

18 (k) SCHOOL AS LENDER.—Section 435(d)(2) (20  
19 U.S.C. 1085(d)(2)) is amended by striking subparagraphs  
20 (C) through (F) and the material following subparagraph  
21 (F) and inserting the following:

22 “(C) shall not make a loan, other than a  
23 loan made under section 428 or 428H to a  
24 graduate or professional student, unless the  
25 borrower has previously received a loan from



1 the school, and shall not make a loan to a bor-  
2 rower who is not enrolled at that institution;

3 “(D) shall not have a cohort default rate  
4 (as defined in section 435(m)) greater than 15  
5 percent; and

6 “(E) shall use the proceeds from special al-  
7 lowance payments and interest payments from  
8 borrowers, any proceeds from the sale or other  
9 disposition of loans, and interest subsidies re-  
10 ceived from the Secretary for need-based grant  
11 programs, except for reasonable reimbursement  
12 for direct administrative expenses.”.

13 (l) DISABILITY DETERMINATIONS.—Section 437(a)  
14 (20 U.S.C. 1087(a)) is amended by adding at the end the  
15 following new sentence: “In making such determination of  
16 permanent and total disability, the Secretary shall provide  
17 that a borrower who has been certified as permanently and  
18 totally disabled by the Department of Veterans Affairs or  
19 the Social Security Administration shall not be required  
20 to present further documentation for purposes of this  
21 title.”.

22 (m) TREATMENT OF FALSELY CERTIFIED BOR-  
23 ROWERS.—Section 437(c)(1) (20 U.S.C. 1087(c)(1)) is  
24 amended by inserting “or parent’s eligibility” after “such  
25 student’s eligibility”.



1 (n) PERFECTION OF SECURITY INTERESTS.—Section  
2 439(d) (20 U.S.C. 1087–2(d)) is amended—

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

4 (2) by redesignating paragraphs (4) and (5) as  
5 paragraphs (3) and (4), respectively.

6 (o) ADDITIONAL TECHNICAL AMENDMENTS.—

7 (1) Section 428(a)(2)(A) (20 U.S.C.  
8 1078(a)(2)(A)) is amended—

9 (A) by striking “and” at the end of sub-  
10 clause (II) of clause (i); and

11 (B) by moving the margin of clause (iii)  
12 two ems to the left.

13 (2) Section 428(a)(3)(A)(v) (20 U.S.C.  
14 1078(a)(3)(A)(v)) is amended—

15 (A) by striking “or” at the end of sub-  
16 clause (I);

17 (B) by striking the period at the end of  
18 subclause (II) and inserting “; or”; and

19 (C) by adding after subclause (II) the fol-  
20 lowing new subclause:

21 “(III) in the case of a loan disbursed  
22 through an escrow agent, 3 days before the first  
23 disbursement of the loan.”.



1           (3) Section 428(c)(1) (20 U.S.C. 1078(c)(1)) is  
2 amended by striking “45 days” in the last sentence  
3 and inserting “30 days.”.

4           (4) Section 428(i)(1) (20 U.S.C. 1078(i)(1)) is  
5 amended by striking “21 days” in the third sentence  
6 and inserting “10 days”.

7           (5) Section 428G(e) (20 U.S.C. 1078–7(e)) is  
8 amended by striking “, made to a student to cover  
9 the cost of attendance at an eligible institution out-  
10 side the United States,”.

11           (6) Section 428H(e) (20 U.S.C. 1078–8(e)) is  
12 amended by striking paragraph (6) and inserting the  
13 following:

14           “(6) TIME LIMITS ON BILLING INTEREST.—A  
15 lender may not receive interest on a loan under this  
16 section from a borrower for any period that precedes  
17 the dates described in section 428(a)(3)(A)(v).”.

18           (7) Section 432(m)(1)(B) (20 U.S.C.  
19 1082(m)(1)(B)) is amended—

20           (A) in clause (i), by inserting “and” after  
21 the semicolon at the end; and

22           (B) in clause (ii), by striking “; and” and  
23 inserting a period.

24           (8) Section 438(b)(4)(B) (20 U.S.C. 1087–  
25 1(b)(4)(B)) is amended by striking “shall be com-



1       puted” and all that follows through “to the loan”  
2       and inserting “described in subparagraph (A) shall  
3       be computed using the interest rate described in sec-  
4       tion 3902(a) of title 31, United States Code,”.

5       **PART C—FEDERAL WORK-STUDY PROGRAMS**

6       **SEC. 441. AUTHORIZATION OF APPROPRIATIONS.**

7       Section 441(b) (42 U.S.C. 2751(b)) is amended—

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

10              (2) by striking “4 succeeding” and inserting “5  
11       succeeding”.

12       **SEC. 442. COMMUNITY SERVICE.**

13       Section 441(c)(1) (42 U.S.C. 2751(c)(1)) is amended  
14       by striking “that are open and accessible to the commu-  
15       nity”.

16       **SEC. 443. ALLOCATION OF FUNDS.**

17       (a) PHASEOUT OF ALLOCATION BASED ON PREVIOUS  
18       ALLOCATIONS.—Subsection (a) of section 442 (42 U.S.C.  
19       2752(a)) is amended to read as follows:

20       “(a) ALLOCATION BASED ON PREVIOUS ALLOCA-  
21       TION.—

22              “(1) BASE GUARANTEE.—From the amount ap-  
23       propriated pursuant to section 441(b) for each fiscal  
24       year after fiscal year 2007, the Secretary shall, sub-  
25       ject to paragraph (2), first allocate to each eligible



1 institution an amount equal to the following percent-  
2 age of the amount such institution received under  
3 subsection (a) of this section for fiscal year 2007 (as  
4 such subsection was in effect with respect to alloca-  
5 tions for such fiscal year):

6 “(A) 80 percent for fiscal years 2008 and  
7 2009;

8 “(B) 60 percent for fiscal years 2010 and  
9 2011;

10 “(C) 40 percent for fiscal years 2012 and  
11 2013;

12 “(D) 20 percent for fiscal years 2014 and  
13 2015; and

14 “(E) 0 percent for fiscal year 2016 and  
15 any succeeding fiscal year.

16 “(2) RATABLE REDUCTIONS FOR INSUFFICIENT  
17 APPROPRIATIONS.—

18 “(A) REDUCTION OF BASE GUARANTEE.—

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

24 “(B) ADDITIONAL APPROPRIATIONS ALLO-  
25 CATION.—If additional amounts are appro-



1           appropriated for any such fiscal year, such reduced  
2           amounts shall be increased on the same basis as  
3           they were reduced (until the amount allocated  
4           equals the amount required to be allocated  
5           under this subsection).

6           “(3) ADDITIONAL ALLOCATIONS FOR CERTAIN  
7           INSTITUTIONS.—

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

16                   “(B) ELIGIBLE INSTITUTIONS.—An other-  
17                   wise eligible institution may receive a portion of  
18                   the allocation described in subparagraph (A)  
19                   if—

20                           “(i) not less than 10 percent of the  
21                           students attending the institution receive  
22                           Federal Pell Grants; and

23                           “(ii)(I) in the case of an institution  
24                           that offers programs of at least 4 years in  
25                           duration, if its graduation rate for Federal



1 Pell Grant recipients attending the institu-  
2 tion and graduating within the period of  
3 time equal to normal duration of the long-  
4 est undergraduate program offered by the  
5 institution, as measured from the first day  
6 of their enrollment, exceeds the median  
7 rate for the class of institution (as defined  
8 in section 131(f)(5)(C)); or

9 “(II) in the case of an institution that  
10 offers programs of at least 2, but less than  
11 4, years in duration, if its rate for Federal  
12 Pell Grant recipients attending the institu-  
13 tion and graduating or transferring to an  
14 institution that offers programs of at least  
15 4 years in duration within the period of  
16 time equal to the normal duration of the  
17 program offered, as measured from the  
18 first day of their enrollment, exceeds the  
19 median rate for the class of institution (as  
20 defined in section 131(f)(5)(C)).”.

21 (b) EFFECTIVE DATE.—The amendment made by  
22 subsection (a) shall apply with respect to any amounts ap-  
23 propriated under section 441(b) of the Higher Education  
24 Act of 1965 (42 U.S.C. 2751(b)) for fiscal year 2008 or  
25 any succeeding fiscal year.



1 **SEC. 444. BOOKS AND SUPPLIES.**

2 Section 442(c)(4)(D) (42 U.S.C. 2752(c)(4)(D)) is  
3 amended by striking “\$450” and inserting “\$600”.

4 **SEC. 445. JOB LOCATION AND DEVELOPMENT.**

5 Section 446(a)(1) (42 U.S.C. 2756(a)(1)) is  
6 amended—

7 (1) by striking “10 percent or \$50,000” and in-  
8 serting “15 percent or \$75,000”; and

9 (2) by inserting before the period at the end the  
10 following: “, except that not less than one-third of  
11 such amount shall be specifically allocated to locate  
12 and develop community service jobs”.

13 **SEC. 446. WORK COLLEGES.**

14 Section 448 (42 U.S.C. 2756b) is amended—

15 (1) by striking “work-learning” each place it  
16 appears and inserting “work-learning-service”;

17 (2) by striking “work-service” each place it ap-  
18 pears and inserting “work-learning-service”;

19 (3) by amending subparagraph (C) of sub-  
20 section (e)(1) to read as follows:

21 “(C) requires all resident students, includ-  
22 ing at least one-half of all students who are en-  
23 rolled on a full-time basis, to participate in a  
24 comprehensive work-learning-service program  
25 for at least 5 hours each week, or at least 80  
26 hours during each period of enrollment, unless



1 the student is engaged in an institutionally or-  
2 ganized or approved study abroad or externship  
3 program; and”;

4 (4) by amending paragraph (2) of subsection  
5 (e) to read as follows:

6 “(2) the term ‘comprehensive student work-  
7 learning-service program’—

8 “(A) means a student work-learning-serv-  
9 ice program that is an integral and stated part  
10 of the institution’s educational philosophy and  
11 program;

12 “(B) requires participation of all resident  
13 students for enrollment and graduation;

14 “(C) includes learning objectives, evalua-  
15 tion, and a record of work performance as part  
16 of the student’s college record;

17 “(D) provides programmatic leadership by  
18 college personnel at levels comparable to tradi-  
19 tional academic programs;

20 “(E) recognizes the educational role of  
21 work-learning-service supervisors; and

22 “(F) includes consequences for non-  
23 performance or failure in the work-learning-  
24 service program similar to the consequences for  
25 failure in the regular academic program.”; and





1 (c) SPECIAL RULES: FEE CAP.—Section 458(e)(1)  
2 (20 U.S.C. 1087h(e)(1)) is amended by striking subpara-  
3 graphs (A) through (E) and inserting the following:

4 “(A) for fiscal year 2006, shall not exceed  
5 \$220,000,000;

6 “(B) for fiscal year 2007, shall not exceed  
7 \$233,000,000;

8 “(C) for fiscal year 2008, shall not exceed  
9 \$247,000,000;

10 “(D) for fiscal year 2009, shall not exceed  
11 \$262,000,000;

12 “(E) for fiscal year 2010, shall not exceed  
13 \$278,000,000; and

14 “(F) for fiscal year 2011, shall not exceed  
15 \$294,000,000.”.

16 (d) INCOME CONTINGENT REPAYMENT.—Section  
17 455(e)(2) (20 U.S.C. 1087e(e)(2)) is amended by striking  
18 “and files a Federal income tax return jointly with the  
19 borrower’s spouse”.

20 **PART E—FEDERAL PERKINS LOAN PROGRAM**

21 **SEC. 461. REAUTHORIZATION OF PROGRAM.**

22 (a) PROGRAM AUTHORIZATION.—

23 (1) AUTHORIZATION OF APPROPRIATIONS.—

24 Section 461(b) (20 U.S.C. 1087aa(b)) is amended—

25 (A) in paragraph (1)—



1 (i) by striking “1999” and inserting  
2 “2006”; and

3 (ii) by striking “4 succeeding” and in-  
4 serting “5 succeeding”; and

5 (B) in paragraph (2), by striking “2003”  
6 each place it appears and inserting “2012”.

7 (2) FEDERAL CAPITAL CONTRIBUTION RECOV-  
8 ERY.—Section 466 (20 U.S.C. 1087ff) is amended—

9 (A) by striking “2004” each place it ap-  
10 pears in subsections (a), (b), and (c) and insert-  
11 ing “2012”; and

12 (B) in subsection (a), by striking “2003”  
13 each place it appears and inserting “2011”.

14 (b) PHASEOUT OF ALLOCATION BASED ON PREVIOUS  
15 ALLOCATIONS.—

16 (1) AMENDMENT.—Subsection (a) of section  
17 462 (20 U.S.C. 1087bb(a)) is amended to read as  
18 follows:

19 “(a) ALLOCATION BASED ON PREVIOUS ALLOCA-  
20 TION.—

21 “(1) BASE GUARANTEE.—From the amount ap-  
22 propriated pursuant to section 461(b) for each fiscal  
23 year after fiscal year 2007, the Secretary shall, sub-  
24 ject to paragraphs (2) and (3), first allocate to each  
25 eligible institution an amount equal to—



1           “(A) 100 percent of the amount such insti-  
2           tution received under subsection (a) of this sec-  
3           tion for fiscal year 2007 (as such subsection  
4           was in effect with respect to allocations for such  
5           fiscal year), multiplied by

6           “(B) the institution’s default penalty, as  
7           determined under subsection (e), except that if  
8           the institution has a cohort default rate in ex-  
9           cess of the applicable maximum cohort default  
10          rate under subsection (f), the institution may  
11          not receive an allocation under this paragraph.

12          “(2) PHASE OUT.—For each of the fiscal years  
13          after fiscal year 2007, paragraph (1) shall be ap-  
14          plied by substituting for ‘100 percent’:

15                 “(A) ‘80 percent’ for fiscal years 2008 and  
16                 2009;

17                 “(B) ‘60 percent’ for fiscal years 2010 and  
18                 2011;

19                 “(C) ‘40 percent’ for fiscal years 2012 and  
20                 2013;

21                 “(D) ‘20 percent’ for fiscal years 2014 and  
22                 2015; and

23                 “(E) ‘0 percent’ for fiscal year 2016 and  
24                 any succeeding fiscal year.



1           “(3) RATABLE REDUCTIONS FOR INSUFFICIENT  
2           APPROPRIATIONS.—

3           “(A) REDUCTION OF BASE GUARANTEE.—

4           If the amount appropriated for any fiscal year  
5           is less than the amount required to be allocated  
6           to all institutions under this subsection, then  
7           the amount of the allocation to each such insti-  
8           tution shall be ratably reduced.

9           “(B) ADDITIONAL APPROPRIATIONS ALLO-  
10          CATION.—If additional amounts are appro-  
11          priated for any such fiscal year, such reduced  
12          amounts shall be increased on the same basis as  
13          they were reduced (until the amount allocated  
14          equals the amount required to be allocated  
15          under this subsection).”.

16          (2) EFFECTIVE DATE.—The amendment made  
17          by paragraph (1) shall apply with respect to any  
18          amounts appropriated under section 461(b) of the  
19          Higher Education Act of 1965 (20 U.S.C.  
20          1087bb(b)) for fiscal year 2008 or any succeeding  
21          fiscal year.

22          (c) BOOKS AND SUPPLIES.—Section 462(c)(4)(D)  
23          (20 U.S.C. 1087bb(c)(4)(D)) is amended by striking  
24          “\$450” and inserting “\$600”.



1 **SEC. 462. LOAN TERMS AND CONDITIONS.**

2 (a) LOAN LIMITS.—Section 464(a) (20 U.S.C.  
3 1087dd(a))—

4 (1) in paragraph (2)(A)—

5 (A) by striking “\$4,000” in clause (i) and  
6 inserting “\$5,500”; and

7 (B) by striking “\$6,000” in clause (ii) and  
8 inserting “\$8,000”; and

9 (2) in paragraph (2)(B)—

10 (A) by striking “\$40,000” in clause (i) and  
11 inserting “\$60,000”;

12 (B) by striking “\$20,000” in clause (ii)  
13 and inserting “\$27,500”; and

14 (C) by striking “\$8,000” in clause (iii) and  
15 inserting “\$11,000”.

16 (b) FORBEARANCE.—Section 464(e) (20 U.S.C.  
17 1087dd(e)) is amended by striking “, upon written re-  
18 quest,”.

19 (c) SPECIAL REPAYMENT RULE.—Paragraph (2) of  
20 section 464(f) is amended to read as follows:

21 “(2) No compromise repayment of a defaulted loan  
22 as authorized by paragraph (1) may be made unless  
23 agreed to by the Secretary.”.

24 (d) REHABILITATION.—Section 464(h)(1)(A) (20  
25 U.S.C. 1087dd(h)(1)(A)) is amended by striking “12  
26 ontime” and inserting “9 on-time”.



1 **SEC. 463. LOAN CANCELLATION.**

2 Section 465(a)(3)(A) (20 U.S.C. 1087ee(a)(3)(A)) is  
3 amended—

4 (1) by inserting “(D),” after “subparagraph  
5 (A), (C),” in clause (i);

6 (2) by inserting “or” after the semicolon at the  
7 end of clause (ii);

8 (3) by striking clause (iii); and

9 (4) by redesignating clause (iv) as clause (iii).

10 **SEC. 464. TECHNICAL AMENDMENTS.**

11 Part E is further amended as follows:

12 (1) Section 462(g)(1)(E)(i)(I) (20 U.S.C.  
13 1087bb(g)(1)(E)(i)(I)) is amended by inserting  
14 “monthly” after “consecutive”.

15 (2) Section 463(a)(4)(A) (20 U.S.C.  
16 1087cc(a)(4)(A)) is amended by striking “the Sec-  
17 retary may” and inserting “the Secretary shall”.

18 (3) Section 464(c)(1)(D) (20 U.S.C.  
19 1087dd(c)(1)(D)) is amended by redesignating sub-  
20 clauses (I) and (II) as clauses (i) and (ii), respec-  
21 tively.

22 (4) Section 465(a)(2) (20 U.S.C. 1087ee(a)(2))  
23 is amended—

24 (A) in subparagraph (A), by striking “sec-  
25 tion 111(c)” and inserting “section  
26 1113(a)(5)”; and



1 (B) in subparagraph (C), by striking  
2 “With Disabilities” and inserting “with Disabil-  
3 ities”.

4 (5) Section 467(b) (20 U.S.C. 1087gg(b)) is  
5 amended by striking “(5)(A), (5)(B)(i), or (6)” and  
6 inserting “(4)(A), (4)(B), or (5)”.

7 (6) Section 469(c) (20 U.S.C. 1087ii(c)) is  
8 amended—

9 (A) by striking “sections 602(a)(1) and  
10 672(1)” and inserting “sections 602(3) and  
11 632(5)”;

12 (B) by striking “qualified professional pro-  
13 vider of early intervention services” and insert-  
14 ing “early intervention services”; and

15 (C) by striking “section 672(2)” and in-  
16 serting “section 632(4)”.

17 **PART F—NEED ANALYSIS**

18 **SEC. 471. SIMPLIFIED NEEDS TEST IMPROVEMENTS.**

19 Section 479 (20 U.S.C. 1087ss) is amended—

20 (1) by striking clause (i) of subsection (b)(1)(A)  
21 and inserting the following:

22 “(i) the student’s parents file a form  
23 described in paragraph (3) or certify that  
24 they are not required to file an income tax  
25 return, and the student files such a form



1 or certifies that the student is not required  
2 to file an income tax return, or the stu-  
3 dent's parents receive benefits under a  
4 means-tested Federal benefit program;”.

5 (2) by striking clause (i) of subsection  
6 (b)(1)(B) and inserting the following:

7 “(i) the student (and the student’s  
8 spouse, if any) files a form described in  
9 paragraph (3) or certifies that the student  
10 (and the student’s spouse, if any) is not re-  
11 quired to file an income tax return, or the  
12 student (and the student’s spouse, if any)  
13 receives benefits under a means-tested  
14 Federal benefit program;”;

15 (3) by striking subparagraph (A) of subsection  
16 (c)(1) and inserting the following:

17 “(A) the student’s parents file a form de-  
18 scribed in subsection (b)(3) or certify that they  
19 are not required to file an income tax return,  
20 and the student files such a form or certifies  
21 that the student is not required to file an in-  
22 come tax return, or the student’s parents re-  
23 ceive benefits under a means-tested Federal  
24 benefit program;”;



1 (4) by striking subparagraph (A) of subsection  
2 (c)(2) and inserting the following:

3 “(A) the student (and the student’s  
4 spouse, if any) files a form described in sub-  
5 section (b)(3) or certifies that the student (and  
6 the student’s spouse, if any) is not required to  
7 file an income tax return, or the student (and  
8 the student’s spouse, if any) receives benefits  
9 under a means-tested Federal benefit pro-  
10 gram;”; and

11 (5) by adding at the end the following new sub-  
12 section:

13 “(d) DEFINITION OF MEANS-TESTED FEDERAL  
14 BENEFIT PROGRAM.—For purposes of this section, the  
15 term ‘means-tested Federal benefit program’ means a  
16 mandatory spending program of the Federal Government,  
17 other than a program under this title, in which eligibility  
18 for the programs’ benefits, or the amount of such benefits,  
19 or both, are determined on the basis of income or re-  
20 sources of the individual or family seeking the benefit, and  
21 may include such programs as the supplemental security  
22 income program under title XVI of the Social Security  
23 Act, the food stamp program under the Food Stamp Act  
24 of 1977, and the free and reduced price school lunch pro-



1 gram under the Richard B. Russell National School Lunch  
2 Act, and other programs identified by the Secretary.”.

3 **SEC. 472. ADDITIONAL NEED ANALYSIS AMENDMENTS.**

4 (a) INCOME PROTECTION ALLOWANCE FOR DEPEND-  
5 ENT STUDENTS.—

6 (1) AMENDMENT.—Section 475(g)(2)(D) (20  
7 U.S.C. 1087oo(g)(2)(D)) is amended by striking  
8 “\$2,200” and inserting “\$3,000”.

9 (2) EFFECTIVE DATE.—The amendment made  
10 by paragraph (1) shall apply with respect to deter-  
11 minations of need for periods of enrollment begin-  
12 ning on or after July 1, 2006.

13 (b) EMPLOYMENT EXPENSE ALLOWANCE.—Section  
14 478(h) (20 U.S.C. 1087rr(h)) is amended—

15 (1) by striking “476(b)(4)(B),”; and

16 (2) by striking “meals away from home, apparel  
17 and upkeep, transportation, and housekeeping serv-  
18 ices” and inserting “food away from home, apparel,  
19 transportation, and household furnishings and oper-  
20 ations”.

21 (c) DISCRETION OF STUDENT FINANCIAL AID AD-  
22 MINISTRATORS.—Section 479A(a) (20 U.S.C. 1087tt(a))  
23 is amended—

24 (1) by striking “(a) IN GENERAL.—” and in-  
25 serting the following:



1 “(a) AUTHORITY TO MAKE ADJUSTMENTS.—

2 “(1) ADJUSTMENTS FOR SPECIAL CIR-  
3 CUMSTANCES.—”;

4 (2) by inserting before “Special circumstances  
5 may” the following:

6 “(2) SPECIAL CIRCUMSTANCES DEFINED.—”;

7 (3) by inserting “a student’s status as a ward  
8 of the court at any time prior to attaining 18 years  
9 of age, a student’s status as a homeless or unaccom-  
10 panied youth (as defined in section 725 of the  
11 McKinney-Vento Homeless Assistance Act),” after  
12 “487,”;

13 (4) by inserting before “Adequate documenta-  
14 tion” the following:

15 “(3) DOCUMENTATION AND USE OF SUPPLE-  
16 MENTARY INFORMATION.—”; and

17 (5) by inserting before “No student” the fol-  
18 lowing:

19 “(4) FEES FOR SUPPLEMENTARY INFORMATION  
20 PROHIBITED.—”.

21 (d) TREATING ACTIVE DUTY MEMBERS OF THE  
22 ARMED FORCES AS INDEPENDENT STUDENTS.—Section  
23 480(d)(3) (20 U.S.C. 1087vv(d)(3)) is amended by insert-  
24 ing before the semicolon at the end the following: “or is



1 currently serving on active duty in the Armed Forces for  
2 other than training purposes”.

3 (e) EXCLUDABLE INCOME.—Section 480(e) (20  
4 U.S.C. 1087vv(e)) is amended—

5 (1) by striking “and” at the end of paragraph  
6 (3);

7 (2) by striking the period at the end of para-  
8 graph (4); and

9 (3) by adding at the end the following new  
10 paragraph:

11 “(5) any part of any distribution from a quali-  
12 fied tuition program established under section 529  
13 of the Internal Revenue Code of 1986 that is not in-  
14 cludable in gross income under such section 529.”.

15 (f) TREATMENT OF SAVINGS PLANS.—

16 (1) AMENDMENT.—Section 480(f) (20 U.S.C.  
17 1087vv(f)) is amended—

18 (A) in paragraph (1), by inserting “quali-  
19 fied tuition programs established under section  
20 529 of the Internal Revenue Code of 1986 (26  
21 U.S.C. 529), except as provided in paragraph  
22 (2),” after “tax shelters,”;

23 (B) by redesignating paragraph (2) as  
24 paragraph (3); and



1 (C) by inserting after paragraph (1) the  
2 following new paragraph:

3 “(2) A qualified tuition program shall not be consid-  
4 ered an asset of a dependent student under section 475  
5 of this part. The value of a qualified tuition program for  
6 purposes of determining the assets of parents or inde-  
7 pendent students shall be—

8 “(A) the refund value of any tuition credits or  
9 certificates purchased under section 529 of the In-  
10 ternal Revenue Code of 1986 (26 U.S.C. 529) on be-  
11 half of a beneficiary; or

12 “(B) the current balance of any account which  
13 is established under such section for the purpose of  
14 meeting the qualified higher education expenses of  
15 the designated beneficiary of the account.”.

16 (2) CONFORMING AMENDMENT.—Section 480(j)  
17 (20 U.S.C. 1087vv(j)) is amended—

18 (A) by striking “; TUITION PREPAYMENT  
19 PLANS” in the heading of such subsection;

20 (B) by striking paragraph (2);

21 (C) in paragraph (3), by inserting “, or a  
22 distribution that is not includable in gross in-  
23 come under section 529 of such Code,” after  
24 “1986”; and



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

3 **PART G—GENERAL PROVISIONS RELATING TO**  
4 **STUDENT FINANCIAL ASSISTANCE**

5 **SEC. 481. DEFINITIONS OF ACADEMIC YEAR AND ELIGIBLE**  
6 **PROGRAM.**

7 (a) ACADEMIC YEAR.—Paragraph (2) of section  
8 481(a) (20 U.S.C. 1088(a)) is amended to read as follows:

9 “(2)(A) For the purpose of any program under this  
10 title, the term ‘academic year’ shall—

11 “(i) require a minimum of 30 weeks of instruc-  
12 tional time for a course of study that measures its  
13 program length in credit hours; or

14 “(ii) require a minimum of 26 weeks of instruc-  
15 tional time for a course of study that measures its  
16 program length in clock hours; and

17 “(iii) require an undergraduate course of study  
18 to contain an amount of instructional time whereby  
19 a full-time student is expected to complete at least—

20 “(I) 24 semester or trimester hours or 36  
21 quarter credit hours in a course of study that  
22 measures its program length in credit hours; or

23 “(II) 900 clock hours in a course of study  
24 that measures its program length in clock  
25 hours.



1           “(B) The Secretary may reduce such minimum of 30  
2 weeks to not less than 26 weeks for good cause, as deter-  
3 mined by the Secretary on a case-by-case basis, in the case  
4 of an institution of higher education that provides a 2-  
5 year or 4-year program of instruction for which the insti-  
6 tution awards an associate or baccalaureate degree.”.

7           (b) ELIGIBLE PROGRAM.—Section 481(b) (20 U.S.C.  
8 1088(b)) is amended by adding at the end the following  
9 new paragraph:

10           “(3) For purposes of this title, an eligible program  
11 includes an instructional program that utilizes direct as-  
12 sessment of student learning, or recognizes the direct as-  
13 sessment of student learning, in lieu of credit hours or  
14 clock hours as the measure of student learning. In the case  
15 of a program being determined eligible for the first time  
16 under this paragraph, such determination shall be made  
17 by the Secretary before such program is considered to be  
18 eligible. The Secretary shall provide an annual report to  
19 Congress identifying the programs made eligible under  
20 this paragraph.”.

21 **SEC. 482. DISTANCE EDUCATION.**

22           (a) DISTANCE EDUCATION: ELIGIBLE PROGRAM.—  
23 Section 481(b) (20 U.S.C. 1088(b)) is amended by adding  
24 after paragraph (3) (as added by section 481(b) of this  
25 Act) the following new paragraph:



1           “(4) DISTANCE EDUCATION.—An otherwise eli-  
2           gible program that is offered in whole or in part  
3           through telecommunications is eligible for the pur-  
4           poses of this title if the program is offered by an in-  
5           stitution, other than a foreign institution, that has  
6           been evaluated and determined (before or after the  
7           date of enactment of this paragraph) to have the ca-  
8           pability to effectively deliver distance education pro-  
9           grams by an accrediting agency or association  
10          that—

11                   “(A) is recognized by the Secretary under  
12                   subpart 2 of Part H; and

13                   “(B) has evaluation of distance education  
14                   programs within the scope of its recognition, as  
15                   described in section 496(n)(3).”.

16          (b) CORRESPONDENCE COURSES.—Section 484(l)(1)  
17          (20 U.S.C. 1091(l)(1)) is amended—

18                   (1) in subparagraph (A)—

19                           (A) by striking “for a program of study of  
20                           1 year or longer”; and

21                           (B) by striking “unless the total” and all  
22                           that follows through “courses at the institu-  
23                           tion”; and

24                   (2) by amending subparagraph (B) to read as  
25          follows:



1           “(B) EXCEPTION.—Subparagraph (A)  
2           does not apply to an institution or school de-  
3           scribed in section 3(3)(C) of the Carl D. Per-  
4           kins Vocational and Technical Education Act of  
5           1998.”.

6 **SEC. 483. EXPANDING INFORMATION DISSEMINATION RE-**  
7 **GARDING ELIGIBILITY FOR PELL GRANTS.**

8           Section 483(a) (20 U.S.C. 1090(a)) is amended by  
9           adding at the end the following new paragraph:

10           “(8) EXPANDING INFORMATION DISSEMINATION  
11           REGARDING ELIGIBILITY FOR PELL GRANTS.—The  
12           Secretary shall make special efforts, in conjunction  
13           with State efforts, to notify students and their par-  
14           ents who qualify for a free lunch under the Richard  
15           B. Russell National School Lunch Act (42 U.S.C.  
16           1751 et seq.), the Food Stamps program, or such  
17           other programs as the Secretary shall determine, of  
18           their potential eligibility for a maximum Pell Grant,  
19           and shall disseminate such informational materials  
20           as the Secretary deems appropriate.”.

21 **SEC. 484. STUDENT ELIGIBILITY.**

22           (a) FRAUD: REPAYMENT REQUIRED.—Section  
23           484(a) (20 U.S.C. 1091(a)) is amended—

24           (1) by striking the period at the end of para-  
25           graph (5) and inserting “; and”



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

3           “(6) if the student has been convicted of, or has  
4 pled nolo contendere or guilty to, a crime involving  
5 fraud in obtaining funds under this title, have com-  
6 pleted the repayment of such funds to the Secretary,  
7 or to the holder in the case of a loan under this title  
8 obtained by fraud.”.

9           (b) TECHNICAL AMENDMENT.—Section 484(b)(5)  
10 (20 U.S.C. 1091(b)(5)) is amended by inserting “or par-  
11 ent (on behalf of a student)” after “student”.

12           (c) LOAN INELIGIBILITY BASED ON INVOLUNTARY  
13 CIVIL COMMITMENT FOR SEXUAL OFFENSES.—Section  
14 484(b)(5) (20 U.S.C. 1091(b)(5)) is amended by inserting  
15 before the period the following: “, and no student who is  
16 subject to an involuntary civil commitment upon comple-  
17 tion of a period of incarceration for a sexual offense (as  
18 determined under regulations of the Secretary) is eligible  
19 to receive a loan under this title”.

20           (d) FREELY ASSOCIATED STATES.—Section 484(j)  
21 (20 U.S.C. 1091(j)) is amended by inserting “and shall  
22 be eligible only for assistance under subpart 1 of part A  
23 thereafter,” after “part C,”.



1 (e) VERIFICATION OF INCOME DATE.—Paragraph  
2 (1) of section 484(q) (20 U.S.C. 1091(q)) is amended to  
3 read as follows:

4 “(1) CONFIRMATION WITH IRS.—The Secretary  
5 of Education, in cooperation with the Secretary of  
6 the Treasury, is authorized to confirm with the In-  
7 ternal Revenue Service the information specified in  
8 section 6103(l)(13) of the Internal Revenue Code of  
9 1986 reported by applicants (including parents)  
10 under this title on their Federal income tax returns  
11 for the purpose of verifying the information reported  
12 by applicants on student financial aid applications.”.

13 (f) SUSPENSION OF ELIGIBILITY FOR DRUG OF-  
14 FENSES.—Section 484(r)(1) (20 U.S.C. 1091(r)(1)) is  
15 amended by striking everything preceding the table and  
16 inserting the following:

17 “(1) IN GENERAL.—A student who is convicted  
18 of any offense under any Federal or State law in-  
19 volving the possession or sale of a controlled sub-  
20 stance for conduct that occurred during a period of  
21 enrollment for which the student was receiving any  
22 grant, loan, or work assistance under this title shall  
23 not be eligible to receive any grant, loan, or work as-  
24 sistance under this title from the date of that convic-



1           tion for the period of time specified in the following  
2           table:".

3 **SEC. 485. INSTITUTIONAL REFUNDS.**

4           Section 484B (20 U.S.C. 1091b) is amended—

5           (1) in subsection (a)(1), by inserting “subpart  
6           4 of part A or” after “received under”;

7           (2) in subsection (a)(2), by striking “takes a  
8           leave” and by inserting “takes one or more leaves”;

9           (3) in subsection (a)(3)(B)(ii), by inserting “(as  
10           determined in accordance with subsection (d))” after  
11           “student has completed”;

12           (4) in subsection (a)(4), by amending subpara-  
13           graph (A) to read as follows:

14           “(A) IN GENERAL.—After determining the  
15           eligibility of the student for a late disbursement  
16           or post-withdrawal disbursement (as required in  
17           regulations prescribed by the Secretary), the in-  
18           stitution of higher education shall contact the  
19           borrower and obtain confirmation that the loan  
20           funds are still required by the borrower. In  
21           making such contact, the institution shall ex-  
22           plain to the borrower the borrower’s obligation  
23           to repay the funds following any such disburse-  
24           ment. The institution shall document in the  
25           borrower’s file the result of such contact and



1 the final determination made concerning such  
2 disbursement.”;

3 (5) in subsection (b)(1), by inserting “no later  
4 than 45 days from the determination of withdrawal”  
5 after “return”;

6 (6) in subsection (b)(2), by amending subpara-  
7 graph (C) to read as follows:

8 “(C) GRANT OVERPAYMENT REQUIRE-  
9 MENTS.—

10 “(i) IN GENERAL.—Notwithstanding  
11 subparagraphs (A) and (B), a student  
12 shall only be required to return grant as-  
13 sistance in the amount (if any) by which—

14 “(I) the amount to be returned  
15 by the student (as determined under  
16 subparagraphs (A) and (B)), exceeds

17 “(II) 50 percent of the total  
18 grant assistance received by the stu-  
19 dent under this title for the payment  
20 period or period of enrollment.

21 “(ii) MINIMUM.—A student shall not  
22 be required to return amounts of \$50 or  
23 less.”;

24 (7) in subsection (b)(2), by adding at the end  
25 the following new subparagraph:



1           “(D) WAIVERS OF PELL GRANT REPAY-  
2           MENT BY STUDENTS AFFECTED BY DISAS-  
3           TERS.—The Secretary may waive the amounts  
4           that students are required to return under this  
5           section with respect to Pell grants if the with-  
6           drawals on which the returns are based are  
7           withdrawals—

8                   “(i) by students—

9                           “(I) who were residing in, em-  
10                          ployed in, or attending an institution  
11                          of higher education that is located in  
12                          an area in which the President has  
13                          declared that a major disaster exists,  
14                          in accordance with section 401 of the  
15                          Robert T. Stafford Disaster Relief  
16                          and Emergency Assistance Act (42  
17                          U.S.C. 5170); and

18                           “(II) whose attendance was inter-  
19                          rupted because of the impact of the  
20                          disaster on the student or the institu-  
21                          tion; and

22                           “(ii) that end within the academic  
23                          year during which the designation occurred  
24                          or during the next succeeding academic  
25                          year.”; and



1 (8) in subsection (d), by striking “(a)(3)(B)(i)”  
2 and inserting “(a)(3)(B)”.

3 **SEC. 486. INSTITUTIONAL AND FINANCIAL ASSISTANCE IN-**  
4 **FORMATION FOR STUDENTS.**

5 (a) INFORMATION DISSEMINATION ACTIVITIES.—

6 Section 485(a)(1) (20 U.S.C. 1092(a)(1)) is amended—

7 (1) by amending the second sentence to read as  
8 follows: “The information required by this section  
9 shall be produced and be made publicly available to  
10 an enrolled student and to any prospective student,  
11 through appropriate publications, mailings, elec-  
12 tronic media, and the reports required by the insti-  
13 tution’s accrediting agency under section  
14 496(c)(9).”;

15 (2) by amending subparagraph (G) to read as  
16 follows:

17 “(G) the academic programs of the institution,  
18 including—

19 “(i) the current degree programs and other  
20 educational and training programs;

21 “(ii) the institution’s educational mission  
22 and goals;

23 “(iii) the instructional, laboratory, and  
24 other physical plant facilities which relate to the  
25 academic programs; and



1           “(iv) the faculty and other instructional  
2           personnel;”;

3           (3) by striking subparagraph (L) and inserting  
4           the following:

5           “(L) a summary of student outcomes for full-  
6           time undergraduate students, including—

7           “(i) the completion or graduation rates of  
8           certificate- or degree-seeking undergraduate  
9           students entering such institutions; and

10          “(ii) any other student outcome data, qual-  
11          itative or quantitative, including data regarding  
12          distance education, deemed by the institution to  
13          be appropriate to its stated educational mission  
14          and goals, and, when applicable, licensing and  
15          placement rates for professional and vocational  
16          programs;”;

17          (4) by inserting before the semicolon at the end  
18          of subparagraph (J) the following: “, and the proc-  
19          ess for students to register complaints with the ac-  
20          crediting agencies or associations”;

21          (5) in subparagraph (M), by striking “guaran-  
22          teed student loans under part B of this title or di-  
23          rect student loans under part E of this title, or  
24          both,” and inserting “student loans under part B,  
25          D, or E of this title”;



1 (6) by striking “and” at the end of subpara-  
2 graph (N);

3 (7) by striking the period at the end of sub-  
4 paragraph (O) and inserting a semicolon; and

5 (8) by adding at the end the following new sub-  
6 paragraphs:

7 “(P) the penalties contained in subsection  
8 484(r) regarding suspension of eligibility for drug  
9 related offenses; and

10 “(Q) the policies of the institution regarding  
11 the acceptance or denial of academic credit earned  
12 at another institution of higher education, which  
13 shall include a statement that such decisions will not  
14 be based solely on the source of accreditation of a  
15 sending institution, provided that the sending insti-  
16 tution is accredited by an agency or association that  
17 is recognized by the Secretary pursuant to section  
18 496 to be a reliable authority as to the quality of the  
19 education or training offered, and except that noth-  
20 ing in this subparagraph shall be construed to—

21 “(i) authorize an officer or employee of the  
22 Department to exercise any direction, super-  
23 vision, or control over the curriculum, program  
24 of instruction, administration, or personnel of



1 any institution of higher education, or over any  
2 accrediting agency or association;

3 “(ii) limit the application of the General  
4 Education Provisions Act; or

5 “(iii) create any legally enforceable right.”.

6 (b) ADDITIONAL AMENDMENTS.—Section 485(a) is  
7 further amended by striking paragraph (6) and inserting  
8 the following:

9 “(6) Each institution may provide supplemental  
10 information to enrolled and prospective students  
11 showing the completion or graduation rate for stu-  
12 dents described in paragraph (4). For the purpose of  
13 this paragraph, the definitions provided in the Inte-  
14 grated Postsecondary Education Data System shall  
15 apply.

16 “(7) Each eligible institution participating in  
17 any program under this title may publicly report to  
18 currently enrolled and prospective students the vol-  
19 untary information collected by the National Survey  
20 of Student Engagement (NSSE), the Community  
21 College Survey of Student Engagement (CCSSE), or  
22 other instruments that provide evidence of student  
23 participation in educationally purposeful activities.  
24 The information shall be produced and made avail-  
25 able in a uniform and comprehensible manner,



1 through appropriate publications, mailings, and elec-  
2 tronic media, and may be included in reports re-  
3 quired by the institution's accrediting agency.”.

4 (c) EXIT COUNSELING.—Section 485(b) (20 U.S.C.  
5 1092(b)) is amended by adding at the end the following  
6 new paragraph:

7 “(3) Each eligible institution shall, during the exit  
8 interview required by this subsection, provide to a bor-  
9 rower of a loan made under part B, D, or E a clear and  
10 conspicuous notice describing the effect of using a consoli-  
11 dation loan to discharge the borrower's student loans,  
12 including—

13 “(A) the effects of consolidation on total inter-  
14 est to be paid, fees to be paid, and length of repay-  
15 ment;

16 “(B) the effects of consolidation on a bor-  
17 rower's underlying loan benefits, including loan for-  
18 giveness, cancellation, and deferment;

19 “(C) the ability for the borrower to prepay the  
20 loan, pay on a shorter schedule, and to change re-  
21 payment plans, and that borrower benefit programs  
22 may vary among different loan holders;

23 “(D) the tax benefits for which the borrower  
24 may be eligible; and

25 “(E) the consequences of default.”.



1 (d) CAMPUS CRIME INFORMATION.—Section  
2 485(f)(1) (20 U.S.C. 1092(f)(1)) is amended by inserting  
3 “, other than a foreign institution of higher education,”  
4 after “under this title”.

5 **SEC. 487. COLLEGE ACCESS INITIATIVE.**

6 Part G is further amended by inserting after section  
7 485C (20 U.S.C. 1092c) the following new section:

8 **“SEC. 485D. COLLEGE ACCESS INITIATIVE.**

9 “(a) STATE-BY-STATE INFORMATION.—The Sec-  
10 retary shall direct each guaranty agency with which the  
11 Secretary has an agreement under section 428(c) to pro-  
12 vide to the Secretary the information necessary for the de-  
13 velopment of web links and access for students and fami-  
14 lies to a comprehensive listing of the postsecondary edu-  
15 cation opportunities programs, publications, Internet Web  
16 sites, and other services available in the States for which  
17 such agency serves as the designated guarantor.

18 “(b) GUARANTY AGENCY ACTIVITIES.—

19 “(1) PLAN AND ACTIVITY REQUIRED.—Each  
20 guaranty agency with which the Secretary has an  
21 agreement under section 428(c) shall develop a plan  
22 and undertake the activity necessary to gather the  
23 information required under subsection (a) and to  
24 make such information available to the public and to



1 the Secretary in a form and manner as prescribed  
2 by the Secretary.

3 “(2) ACTIVITIES.—Each guaranty agency shall  
4 undertake such activities as are necessary to pro-  
5 mote access to postsecondary education for students  
6 through providing information on college planning,  
7 career preparation, and paying for college. The guar-  
8 anty agency shall publicize such information and co-  
9 ordinate such activities with other entities that ei-  
10 ther provide or distribute such information in the  
11 States for which such guaranty agency serves as the  
12 designated guarantor.

13 “(3) FUNDING.—The activities required by this  
14 section may be funded from the guaranty agency’s  
15 operating account established pursuant to section  
16 422B and to the extent funds remain, from earnings  
17 on the restricted account established pursuant to  
18 section 422(h)(4).

19 “(c) ACCESS TO INFORMATION.—

20 “(1) SECRETARY’S RESPONSIBILITY.—The Sec-  
21 retary shall ensure the availability of the information  
22 provided by the guaranty agencies in accordance  
23 with this section to students, parents and other in-  
24 terested individuals, through web links or other  
25 methods prescribed by the Secretary.



1           “(2) GUARANTY AGENCY RESPONSIBILITY.—  
2           The guaranty agencies shall ensure that the infor-  
3           mation required by this section is available without  
4           charge in printed format for students and parents  
5           requesting such information.

6           “(3) PUBLICITY.—Within 270 days after the  
7           date of enactment of the College Access and Oppor-  
8           tunity Act of 2005, the Secretary and guaranty  
9           agencies shall publicize the availability of the infor-  
10          mation required by this section, with special empha-  
11          sis on ensuring that populations that are tradition-  
12          ally underrepresented in postsecondary education are  
13          made aware of the availability of such information.”.

14 **SEC. 488. DISTANCE EDUCATION DEMONSTRATION PRO-**  
15 **GRAM.**

16          (a) ELIGIBLE APPLICANTS.—Section 486(b)(3) (20  
17 U.S.C. 1093(b)(3)) is amended—

18           (1) in subparagraph (B), by striking “section  
19           102(a)(1)(C)” and inserting “section 102”; and

20           (2) in subparagraph (C), by striking “sub-  
21           section (a) of section 102, other than the require-  
22           ment of paragraph (3)(A) or (3)(B) of such sub-  
23           section,” and inserting “section 101, other than the  
24           requirements of subparagraph (A) or (B) of sub-  
25           section (b)(4) of such section”.



1 (b) SELECTION.—Section 486(d)(1) (20 U.S.C.  
2 1093(d)(1)) is amended—

3 (1) by striking “the third year” and inserting  
4 “subsequent years”;

5 (2) by striking “35 institutions” and inserting  
6 “100 institutions”; and

7 (3) by adding at the end the following new sen-  
8 tence: “Not more than 5 of such institutions, sys-  
9 tems, or consortia may be accredited, degree-grant-  
10 ing correspondence schools.”.

11 **SEC. 489. COLLEGE AFFORDABILITY DEMONSTRATION PRO-**  
12 **GRAM.**

13 Part G of title IV is amended by inserting after sec-  
14 tion 486 (20 U.S.C. 1093) the following new section:

15 **“SEC. 486A. COLLEGE AFFORDABILITY DEMONSTRATION**  
16 **PROGRAM.**

17 “(a) PURPOSE.—It is the purpose of this section—

18 “(1) to provide, through a college affordability  
19 demonstration program, for increased innovation in  
20 the delivery of higher education and student finan-  
21 cial aid in a manner resulting in reduced costs for  
22 students as well as the institution by employing one  
23 or more strategies including accelerating degree or  
24 program completion, increasing availability of, and  
25 access to, distance components of education delivery,



1 engaging in collaborative arrangements with other  
2 institutions and organizations, and other alternative  
3 methodologies; and

4 “(2) to help determine—

5 “(A) the most effective means of delivering  
6 student financial aid as well as quality edu-  
7 cation;

8 “(B) the specific statutory and regulatory  
9 requirements that should be altered to provide  
10 for more efficient and effective delivery of stu-  
11 dent financial aid, as well as access to high  
12 quality distance education programs, resulting  
13 in a student more efficiently completing post-  
14 secondary education; and

15 “(C) the most effective methods of obtain-  
16 ing and managing institutional resources.

17 “(b) DEMONSTRATION PROGRAM AUTHORIZED.—

18 “(1) IN GENERAL.—In accordance with the  
19 purposes described in subsection (a) and the provi-  
20 sions of subsection (d), the Secretary is authorized  
21 to select not more than 100 institutions of higher  
22 education, including those applying as part of sys-  
23 tems or consortia of such institutions, for voluntary  
24 participation in the College Affordability Demonstra-  
25 tion Program in order to enable participating insti-



1       tutions to carry out such purposes by providing pro-  
2       grams of postsecondary education, and making avail-  
3       able student financial assistance under this title to  
4       students enrolled in those programs, in a manner  
5       that would not otherwise meet the requirements of  
6       this title.

7               “(2) WAIVERS.—The Secretary is authorized to  
8       waive for any institutions of higher education, or  
9       any system or consortia of institutions of higher  
10      education, selected for participation in the College  
11      Affordability Demonstration Program, any require-  
12      ments of this Act or the regulations thereunder as  
13      deemed necessary by the Secretary to meet the pur-  
14      pose described in subsection (a)(1), and shall make  
15      a determination that the waiver can reasonably be  
16      expected to result in reduced costs to students or in-  
17      stitutions without an increase in Federal program  
18      costs. The Secretary may not waive under this para-  
19      graph the maximum award amounts for an academic  
20      year or loan period.

21               “(3) ELIGIBLE APPLICANTS.—

22                       “(A) ELIGIBLE INSTITUTIONS.—Except as  
23      provided in subparagraph (B), only an institu-  
24      tion of higher education that is eligible to par-  
25      ticipate in programs under this title shall be eli-



1           gible to participate in the demonstration pro-  
2           gram authorized under this section.

3           “(B) PROHIBITION.—An institution of  
4           higher education described in section 102 shall  
5           not be eligible to participate in the demonstra-  
6           tion program authorized under this section.

7           “(c) APPLICATION.—

8           “(1) IN GENERAL.—Each institution or system  
9           of institutions desiring to participate in the dem-  
10          onstration program under this section shall submit  
11          an application to the Secretary at such time and in  
12          such manner as the Secretary may require.

13          “(2) CONTENTS OF APPLICATIONS.—Each ap-  
14          plication for the college affordability demonstration  
15          program shall include at least the following:

16               “(A) a description of the institution or sys-  
17               tem or consortium of institutions and what  
18               quality assurance mechanisms are in place to  
19               insure the integrity of the Federal financial aid  
20               programs;

21               “(B) a description of the innovation or in-  
22               novations being proposed and the affected pro-  
23               grams and students, including—



1                   “(i) a description of any collaborative  
2                   arrangements with other institutions or or-  
3                   ganizations to reduce costs;

4                   “(ii) a description of any expected  
5                   economic impact of participation in the  
6                   program within the community in which  
7                   the institution is located; and

8                   “(iii) a description of any means the  
9                   institution will employ to reduce the costs  
10                  of instructional materials, such as text-  
11                  books;

12                  “(C) a description of each regulatory or  
13                  statutory requirement for which waivers are  
14                  sought, with a reason for each waiver;

15                  “(D) a description of the expected out-  
16                  comes of the program changes proposed, includ-  
17                  ing the estimated reductions in costs both for  
18                  the institution and for students;

19                  “(E) a description of the quality assurance  
20                  mechanisms in place to ensure the integrity of  
21                  the Federal financial aid programs;

22                  “(F) an assurance from each institution in  
23                  a system or consortium of a commitment to ful-  
24                  fill its role as described in the application;



1           “(G) an assurance that the participating  
2 institution or system of institutions will offer  
3 full cooperation with the ongoing evaluations of  
4 the demonstration program provided for in this  
5 section; and

6           “(H) any other information or assurances  
7 the Secretary may require.

8           “(d) SELECTION.—In selecting institutions to partici-  
9 pate in the demonstration program under this section, the  
10 Secretary shall take into account—

11           “(1) the number and quality of applications re-  
12 ceived, determined on the basis of the contents re-  
13 quired by subsection (c)(2);

14           “(2) the Department’s capacity to oversee and  
15 monitor each institution’s participation;

16           “(3) an institution’s—

17           “(A) financial responsibility;

18           “(B) administrative capability;

19           “(C) program or programs being offered  
20 via distance education, if applicable;

21           “(D) student completion rates; and

22           “(E) student loan default rates; and

23           “(4) the participation of a diverse group of in-  
24 stitutions with respect to size, mission, and geo-  
25 graphic distribution.



1       “(e) NOTIFICATION.—The Secretary shall make  
2 available to the public and to the authorizing committees  
3 a list of institutions selected to participate in the dem-  
4 onstration program authorized by this section. Such notice  
5 shall include a listing of the specific statutory and regu-  
6 latory requirements being waived for each institution and  
7 a description of the innovations being demonstrated.

8       “(f) EVALUATIONS AND REPORTS.—

9           “(1) EVALUATION.—The Secretary shall evalu-  
10 ate the demonstration program authorized under  
11 this section on a biennial basis. Such evaluations  
12 specifically shall review—

13           “(A) the extent to which expected out-  
14 comes, including the estimated reductions in  
15 cost, were achieved;

16           “(B) the number and types of students  
17 participating in the programs offered, including  
18 the progress of participating students toward  
19 recognized certificates or degrees and the extent  
20 to which participation in such programs in-  
21 creased;

22           “(C) issues related to student financial as-  
23 sistance associated with the innovations under-  
24 taken;



1           “(D) effective technologies and alternative  
2 methodologies for delivering student financial  
3 assistance;

4           “(E) the extent of the cost savings to the  
5 institution, the student, and the Federal Gov-  
6 ernment by virtue of the waivers provided, and  
7 an estimate as to future cost savings for the  
8 duration of the demonstration program;

9           “(F) the extent to which students saved  
10 money by virtue of completing their postsec-  
11 ondary education sooner;

12           “(G) the extent to which the institution re-  
13 duced its tuition and fees and its costs by virtue  
14 of participation in the demonstration program;

15           “(H) the extent to which any collaborative  
16 arrangements with other institutions or organi-  
17 zations have reduced the participating institu-  
18 tion’s costs; and

19           “(I) the extent to which statutory or regu-  
20 latory requirements not waived under the dem-  
21 onstration program present difficulties for stu-  
22 dents or institutions.

23           “(2) POLICY ANALYSIS.—The Secretary shall  
24 review current policies and identify those policies  
25 that present impediments to the implementation of



1 innovations that result in cost savings and in ex-  
2 panding access to education.

3 “(3) REPORTS.—The Secretary shall provide a  
4 report to the authorizing committees on a biennial  
5 basis regarding—

6 “(A) the demonstration program author-  
7 ized under this section;

8 “(B) the results of the evaluations con-  
9 ducted under paragraph (1);

10 “(C) the cost savings to the Federal Gov-  
11 ernment by the demonstration program author-  
12 ized by this section; and

13 “(D) recommendations for changes to in-  
14 crease the efficiency and effective delivery of fi-  
15 nancial aid.

16 “(g) OVERSIGHT.—In conducting the demonstration  
17 program authorized under this section, the Secretary  
18 shall, on a continuing basis—

19 “(1) ensure compliance of institutions or sys-  
20 tems of institutions with the requirements of this  
21 title (other than the sections and regulations that  
22 are waived under subsection (b)(2));

23 “(2) provide technical assistance to institutions  
24 in their application to and participation in the dem-  
25 onstration program;



1           “(3) monitor fluctuations in the student popu-  
2           lation enrolled in the participating institutions or  
3           systems of institutions;

4           “(4) monitor changes in financial assistance  
5           provided at the institution; and

6           “(5) consult with appropriate accrediting agen-  
7           cies or associations and appropriate State regulatory  
8           authorities.

9           “(h) TERMINATION OF AUTHORITY.—The authority  
10          of the Secretary under this section shall cease to be effec-  
11          tive on October 1, 2011.”.

12       **SEC. 490. PROGRAM PARTICIPATION AGREEMENTS.**

13          (a) REFUND POLICIES.—Section 487(a) (20 U.S.C.  
14          1094(a)) is amended—

15               (1) in paragraph (16), by inserting “or other  
16               Federal, State, or local government funds” after  
17               “funds under this title” each place it appears;

18               (2) in paragraph (22), by striking “refund pol-  
19               icy” and inserting “policy on the return of title IV  
20               funds”; and

21               (3) in paragraph (23)—

22                       (A) by moving subparagraph (C) 2 em  
23                       spaces to the left; and

24                       (B) by adding after such subparagraph the  
25                       following new subparagraph:



1           “(D) An institution shall be considered in com-  
2           pliance with the requirements of subparagraph (A)  
3           for any student to whom the institution electroni-  
4           cally transmits a message containing a voter reg-  
5           istration form acceptable for use in the State in  
6           which the institution is located, or an Internet ad-  
7           dress where such a form can be downloaded, pro-  
8           vided such information is in an electronic message  
9           devoted to voter registration.”.

10           (b) ENFORCING THE 90/10 RULE.—

11           (1) AMENDMENT.—Section 487(a) (20 U.S.C.  
12           1094(a)) is further amended by adding at the end  
13           the following new paragraph:

14           “(24) The institution of higher education will  
15           annually demonstrate to the Secretary that at least  
16           10 percent of its tuition revenues are from sources  
17           paid by or on behalf of students from funds other  
18           than those provided directly under this title.”.

19           (2) CONFORMING AMENDMENT.—Section  
20           102(b)(1) (20 U.S.C. 1002(b)(1)) is amended—

21           (A) by inserting “and” after the semicolon  
22           at the end of subparagraph (D);

23           (B) by striking “; and” at the end of sub-  
24           paragraph (E) and inserting a period; and

25           (C) by striking subparagraph (F).



1 (c) REPORTS ON DISCIPLINARY PROCEEDINGS.—

2 (1) AMENDMENT.—Section 487(a) (20 U.S.C.  
3 1094(a)) is further amended by adding after para-  
4 graph (24) (as added by subsection (b) of this sec-  
5 tion) the following new paragraph:

6 “(25) The institution will disclose to the alleged  
7 victim of any crime of violence (as that term is de-  
8 fined in section 16 of title 18), or a nonforcible sex  
9 offense, the final results of any disciplinary pro-  
10 ceeding conducted by such institution against a stu-  
11 dent who is the alleged perpetrator of such crime or  
12 offense with respect to such crime or offense. If the  
13 alleged victim of such crime or offense is deceased,  
14 the next of kin of such victim shall be treated as the  
15 alleged victim for purposes of this paragraph.”

16 (2) EFFECTIVE DATE.—The amendment made  
17 by paragraph (1) shall apply with respect to any dis-  
18 ciplinary proceeding conducted by such institution  
19 on or after one year after the date of enactment of  
20 this Act.

21 (d) AUDIT REQUIREMENTS.—Section 487(c)(1)(A)(i)  
22 (20 U.S.C. 1094(c)(1)(A)(i)) is amended by inserting be-  
23 fore the semicolon at the end the following: “, except that  
24 the Secretary may modify the requirements of this clause  
25 with respect to institutions of higher education that are



1 foreign institutions, and may waive such requirements  
2 with respect to a foreign institution whose students receive  
3 less than \$500,000 in loans under this title during the  
4 award year preceding the audit period”.

5 **SEC. 491. ADDITIONAL TECHNICAL AND CONFORMING**  
6 **AMENDMENTS.**

7 Part G is further amended as follows:

8 (1) Section 483(d) (20 U.S.C. 1090(d)) is  
9 amended by striking “that is authorized under sec-  
10 tion 685(d)(2)(C)” and inserting “, or another ap-  
11 propriate provider of technical assistance and infor-  
12 mation on postsecondary educational services, that is  
13 supported under section 663”.

14 (2) Section 484 (20 U.S.C. 1091) is amended—

15 (A) in subsection (a)(4), by striking “cer-  
16 tification,,” and inserting “certification,”;

17 (B) in subsection (b)(2)—

18 (i) in the matter preceding subpara-  
19 graph (A), by striking “section 428A” and  
20 inserting “section 428H”;

21 (ii) in subparagraph (A), by inserting  
22 “and” after the semicolon at the end  
23 thereof;

24 (iii) in subparagraph (B), by striking  
25 “; and” and inserting a period; and



1 (iv) by striking subparagraph (C); and  
2 (C) in subsection (l)(1)(B)(i), by striking  
3 “section 521(4)(C) of the Carl D. Perkins Vo-  
4 cational and Applied Technology Education  
5 Act” and inserting “section 3(3)(C) of the Carl  
6 D. Perkins Vocational and Technical Education  
7 Act of 1998”.

8 (3) Section 484A(b)(2) (20 U.S.C.  
9 1091a(b)(2)) is amended by striking “part B of this  
10 title” and inserting “part B, D, or E of this title”.

11 (4) Section 485B(a) (20 U.S.C. 1092b(a)) is  
12 amended—

13 (A) by redesignating paragraphs (6)  
14 through (10) as paragraphs (7) through (11),  
15 respectively;

16 (B) by redesignating the paragraph (5) (as  
17 added by section 2008 of Public Law 101–239)  
18 as paragraph (6); and

19 (C) in paragraph (5) (as added by section  
20 204(3) of the National Community Service Act  
21 of 1990 (Public Law 101–610))—

22 (i) by striking “(22 U.S.C. 2501 et  
23 seq.),” and inserting “(22 U.S.C. 2501 et  
24 seq.),”; and



1 (ii) by striking the period at the end  
2 thereof and inserting a semicolon.

3 (5) Section 491(c) (20 U.S.C. 1098(c)) is  
4 amended by adding at the end the following new  
5 paragraph:

6 “(3) The appointment of members under subpara-  
7 graphs (A) and (B) of paragraph (1) shall be effective  
8 upon publication of the appointment in the Congressional  
9 Record.”.

10 (6) Section 491(h) (20 U.S.C. 1098(h)) is  
11 amended by striking “the rate authorized for GS–18  
12 of the General Schedule” and inserting “the max-  
13 imum rate payable under section 5376 of such title”.

14 (7) Section 491(k) (20 U.S.C. 1098(k)) is  
15 amended by striking “2004” and inserting “2011”.

16 (8) Section 493A (20 U.S.C. 1098c) is re-  
17 pealed.

18 (9) Section 498 (20 U.S.C. 1099c) is  
19 amended—

20 (A) in subsection (c)(2), by striking “for  
21 profit,” and inserting “for-profit,”; and

22 (B) in subsection (d)(1)(B), by inserting  
23 “and” after the semicolon at the end thereof.



1                   **PART H—PROGRAM INTEGRITY**

2   **SEC. 495. ACCREDITATION.**

3           (a) **STANDARDS FOR ACCREDITATION.**—Section  
4 496(a) (20 U.S.C. 1099b(a)) is amended—

5                   (1) in paragraph (3)—

6                           (A) by inserting “or” after the semicolon  
7 at the end of subparagraph (A);

8                           (B) by striking subparagraph (B); and

9                           (C) by redesignating subparagraph (C) as  
10 subparagraph (B);

11                   (2) in paragraph (4)—

12                           (A) by inserting “(A)” after “(4)”;

13                           (B) by inserting “and” after the semicolon  
14 at the end thereof; and

15                           (C) by adding at the end the following new  
16 subparagraph:

17                   “(B) if such agency or association already has  
18 or seeks to include within its scope of recognition  
19 the evaluation of the quality of institutions or pro-  
20 grams offering distance education, such agency or  
21 association shall, in addition to meeting the other re-  
22 quirements of this subpart, demonstrate to the Sec-  
23 retary that—

24                           “(i) the accreditation agency’s or associa-  
25 tion’s standards effectively address the quality  
26 of an institution’s distance education programs



1 in the areas identified in paragraph (5) of this  
2 subsection, except that the agency or associa-  
3 tion shall not be required to have separate  
4 standards, procedures, or policies for the eval-  
5 uation of distance education institutions or pro-  
6 grams in order to meet the requirements of this  
7 subparagraph; and

8 “(ii) the agency or association requires  
9 that an institution that offers distance edu-  
10 cation programs to have processes by which it  
11 establishes that the student who registers in a  
12 distance education course or program is the  
13 same student who participates, completes aca-  
14 demic work, and receives academic credit.”;

15 (3) in paragraph (5)—

16 (A) by amending subparagraph (A) to read  
17 as follows:

18 “(A) success with respect to student  
19 achievement in relation to the institution’s mis-  
20 sion, including, as appropriate, consideration of  
21 student academic achievement as determined by  
22 the institution (in accordance with standards of  
23 the accrediting agency or association), reten-  
24 tion, course and program completion, State li-  
25 censing examinations, and job placement rates,



1 and other student performance information se-  
2 lected by the institution, particularly that infor-  
3 mation used by the institution to evaluate or  
4 strengthen its programs;” and

5 (B) by amending subparagraph (E) to read  
6 as follows:

7 “(E) fiscal, administrative capacity, as ap-  
8 propriate to the specified scale of operations,  
9 and, for an agency or association where its ap-  
10 proval for such institution determines eligibility  
11 for student assistance under this title, board  
12 governance, within the context of the institu-  
13 tion’s mission;”;

14 (4) by striking paragraph (6) and inserting the  
15 following:

16 “(6) such an agency or association shall estab-  
17 lish and apply review procedures throughout the ac-  
18 crediting process, including evaluation and with-  
19 drawal proceedings that comply with due process  
20 that provides for—

21 “(A) adequate specification of require-  
22 ments and deficiencies at the institution of  
23 higher education or program being examined;



1           “(B) an opportunity for a written response  
2           by any such institution to be included in the  
3           evaluation and withdrawal proceedings;

4           “(C) upon the written request of an insti-  
5           tution, an opportunity for the institution to ap-  
6           peal any adverse action at a hearing prior to  
7           such action becoming final before an appeals  
8           panel that—

9                   “(i) shall not include current members  
10                   of the agency or association’s underlying  
11                   decision-making body that made the ad-  
12                   verse decision; and

13                   “(ii) is subject to a conflict of interest  
14                   of policy; and

15           “(D) the right to representation by counsel  
16           for an such institution;”; and

17           (5) by striking paragraph (8) and inserting the  
18           following:

19                   “(8) such agency or association shall make  
20                   available to the public and submit to the Secretary  
21                   and the State licensing or authorizing agency, to-  
22                   gether with the comments of the affected institution,  
23                   a summary of agency or association actions,  
24                   involving—



1           “(A) final denial, withdrawal, suspension,  
2           or termination of accreditation; and

3           “(B) any other final adverse action taken  
4           with respect to an institution.”.

5           (b) OPERATING PROCEDURES.—Section 496(c) (20  
6 U.S.C. 1099b(c)) is amended—

7           (1) by inserting “(including those regarding dis-  
8           tance education)” before the semicolon at the end of  
9           paragraph (1);

10          (2) by striking “and” at the end of paragraph  
11          (5);

12          (3) by striking the period at the end of para-  
13          graph (6) and inserting a semicolon; and

14          (4) by inserting after paragraph (6) the fol-  
15          lowing new paragraphs:

16                 “(7) ensures that its onsite comprehensive re-  
17                 views for accreditation or reaccreditation include  
18                 evaluation of the substance of the information re-  
19                 quired in subparagraph (H) of section 485(a)(1);

20                 “(8) confirms as a part of its review for accred-  
21                 itation or reaccreditation that the institution has  
22                 transfer policies—

23                         “(A) that are publicly disclosed; and

24                         “(B) that do not deny transfer of credit  
25                         based solely on the accreditation of the sending



1 institution as long as the association or agency  
2 is recognized by the Secretary pursuant to sec-  
3 tion 496;

4 “(9) develops a brief summary, available to the  
5 public, of final adverse actions in accordance with  
6 the requirements of subsection (a)(8);

7 “(10) monitors the growth of distance edu-  
8 cation programs at institutions that are experiencing  
9 significant enrollment growth relative to their insti-  
10 tutional capacity in distance education;

11 “(11) discloses publicly, on the agency’s website  
12 or through other similar dissemination—

13 “(A) a list of the individuals who com-  
14 prised the evaluation teams during the prior  
15 calendar year for each agency or association  
16 and the title and institutional affiliation of such  
17 individuals, although such list shall not be re-  
18 quired to identify those individuals who com-  
19 prised the evaluation team used for any specific  
20 institution;

21 “(B) a description of the agency’s or asso-  
22 ciation’s process for selecting, preparing, and  
23 evaluating such individuals; and

24 “(C) any statements related to the accredi-  
25 tation responsibilities of such individuals; and



1           “(12) reviews the record of student complaints  
2           resulting from the student information process de-  
3           scribed in section 485(a)(1)(J).”.

4           (c) LIMITATION, SUSPENSION, AND TERMINATION OF  
5           RECOGNITION.—Section 496(l) is amended by adding at  
6           the end the following new paragraph:

7           “(3) The Secretary shall provide an annual report to  
8           Congress on the status of any agency or association for  
9           which the Secretary has limited, suspended or terminated  
10          recognition under this subsection.”.

11          (d) PROGRAM REVIEW AND DATA.—Section 498A(b)  
12          (20 U.S.C. 1099c-1(b)) is amended—

13                 (1) by striking “and” at the end of paragraph  
14                 (4);

15                 (2) by striking the period at the end of para-  
16                 graph (5) and inserting a semicolon; and

17                 (3) by adding at the end the following new  
18                 paragraphs:

19                 “(6) provide to the institution adequate oppor-  
20                 tunity to review and respond to any program review  
21                 report or audit finding and underlying materials re-  
22                 lated thereto before any final program review or  
23                 audit determination is reached;

24                 “(7) review and take into consideration the in-  
25                 stitution’s response in any final program review or



1       audit determination, and include in the final  
2       determination—

3               “(A) a written statement addressing the  
4               institution’s response and stating the basis for  
5               such final determination; and

6               “(B) a copy of the institution’s statement  
7               in response, appropriately redacted to protect  
8               confidential information;

9               “(8) maintain and preserve at all times the con-  
10              fidentiality of any program review report or audit  
11              finding until the requirements of paragraphs (6) and  
12              (7) are met, and until a final program review or  
13              audit determination has been issued, except to the  
14              extent required to comply with paragraph (5), pro-  
15              vided, however, that the Secretary shall promptly  
16              disclose any and all program review reports and  
17              audit findings to the institution under review; and

18              “(9) require that the authority to approve or  
19              issue any program review report or audit finding,  
20              preliminary or otherwise, that contains any finding,  
21              determination, or proposed assessment that exceeds  
22              or may exceed \$500,000 in liabilities shall not be  
23              delegated to any official beyond the Chief Operating  
24              Officer of Federal Student Aid.”.



1 **SEC. 496. REPORT TO CONGRESS ON PREVENTION OF**  
2 **FRAUD AND ABUSE IN STUDENT FINANCIAL**  
3 **AID PROGRAMS.**

4 Title IV is amended by adding at the end the fol-  
5 lowing new section:

6 **“SEC. 499. REPORT TO CONGRESS ON PREVENTION OF**  
7 **FRAUD AND ABUSE IN STUDENT FINANCIAL**  
8 **AID PROGRAMS.**

9 “(a) PURPOSE.—It is the purpose of this section to  
10 require the Secretary to commission a nonpartisan, com-  
11 prehensive study on the prevention of fraud and abuse in  
12 title IV student financial aid programs, and to report the  
13 results of such study to Congress.

14 “(b) SCOPE OF REPORT.—The study under this sec-  
15 tion shall thoroughly identify and address the following:

16 “(1) The impact of fraud and abuse in title IV  
17 student financial aid programs upon students and  
18 taxpayers, and the nature of such fraud and abuse.

19 “(2) The effectiveness of existing policies and  
20 requirements under this Act that were put in place  
21 to prevent fraud and abuse in title IV student finan-  
22 cial aid programs, and how such policies and re-  
23 quirements should be improved.

24 “(3) The extent to which existing protections  
25 against fraud and abuse under this Act are ade-



1 quately enforced, and how enforcement should be  
2 strengthened.

3 “(4) Areas in which additional information is  
4 needed to assess the effectiveness of current protec-  
5 tions and enforcement against fraud and abuse.

6 “(5) Existing policies and requirements under  
7 this Act aimed at fraud and abuse that are ineffec-  
8 tive, hinder innovation, or could be eliminated with-  
9 out reducing effectiveness.

10 “(6) New policies and enforcement, particularly  
11 those suited for the current higher education mar-  
12 ketplace, needed to protect against fraud and abuse  
13 in title IV student financial aid programs.

14 “(7) The extent to which States are imple-  
15 menting regulations to protect students from fraud  
16 and abuse, and whether changes to Federal law will  
17 preempt such regulations.

18 “(c) REPORT.—Not later than December 31, 2007,  
19 the Secretary, after an opportunity for both the Secretary  
20 and the Inspector General of the Department of Edu-  
21 cation to review the results of the study, shall transmit  
22 to Congress a report on the study conducted under this  
23 section. Such report shall—

24 “(1) include clear and specific recommendations  
25 for legislative and regulatory actions that are likely



1 to significantly reduce the fraud and abuse in title  
2 IV student financial aid programs identified under  
3 subsection (b); and

4 “(2) include both the Secretary’s and the In-  
5 spector General’s comments on the report.”.

6 **TITLE V—DEVELOPING**  
7 **INSTITUTIONS**

8 **SEC. 501. DEFINITIONAL CHANGES.**

9 Section 502(a) (20 U.S.C. 1101a(a)) is amended—  
10 (1) in paragraph (5)—

11 (A) by inserting “and” after the semicolon  
12 at the end of subparagraph (A);

13 (B) by inserting “at the end of the award  
14 year immediately preceding the date of applica-  
15 tion” after “Hispanic students” in subpara-  
16 graph (B);

17 (C) by striking “; and” at the end of sub-  
18 paragraph (B) and inserting a period; and

19 (D) by striking subparagraph (C); and  
20 (2) by striking paragraph (7).

21 **SEC. 502. ASSURANCE OF ENROLLMENT OF NEEDY STU-**  
22 **DENTS.**

23 Section 511(c) (20 U.S.C. 1103(c)) is amended—  
24 (1) by striking paragraph (2);



1 (2) by redesignating paragraphs (3) through  
2 (7) as paragraphs (2) through (6); and

3 (3) by inserting after paragraph (6) as so re-  
4 designated the following new paragraph:

5 “(7) contain such assurances as the Secretary  
6 may require that the institution has an enrollment  
7 of needy students as required by section 502(b);”.

8 **SEC. 503. ADDITIONAL AMENDMENTS.**

9 Title V is further amended—

10 (1) in section 502(a)(2)(A) (20 U.S.C.  
11 1101a(a)(2)(A)), by redesignating clauses (v) and  
12 (vi) as clauses (vi) and (vii), respectively, and insert-  
13 ing after clause (iv) the following new clause:

14 “(v) which provides a program of not  
15 less than 2 years that is acceptable for full  
16 credit toward a bachelor’s degree; and”;

17 (2) in section 503(b) (20 U.S.C. 1101b(b))—

18 (A) by amending paragraph (2) to read as  
19 follows:

20 “(2) Construction, maintenance, renovation,  
21 and improvement in classrooms, libraries, labora-  
22 tories, and other instructional facilities, including  
23 purchase or rental of telecommunications technology  
24 equipment or services, and the acquisition of real



1 property adjacent to the campus of the institution  
2 on which to construct such facilities.”;

3 (B) by amending paragraph (12) to read  
4 as follows:

5 “(12) Establishing community outreach pro-  
6 grams and collaborative partnerships between His-  
7 panic-serving institutions and local elementary or  
8 secondary schools. Such partnerships may include  
9 mentoring, tutoring, or other instructional opportu-  
10 nities that will boost student academic achievement  
11 and assist elementary and secondary school students  
12 in developing the academic skills and the interest to  
13 pursue postsecondary education.”;

14 (C) by redesignating paragraphs (5)  
15 through (14) as paragraphs (6) through (15),  
16 respectively; and

17 (D) by inserting after paragraph (4) the  
18 following:

19 “(5) Education or counseling services designed  
20 to improve the financial literacy and economic lit-  
21 eracy of students and, as appropriate, their par-  
22 ents.”;

23 (3) in section 504(a) (20 U.S.C. 1101c(a))—

24 (A) by striking the following:

25 “(a) AWARD PERIOD.—



1           “(1) IN GENERAL.—The Secretary” and insert-  
2           ing the following:

3           “(a) AWARD PERIOD.—The Secretary”; and

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

5                       (4) in section 514(c) (20 U.S.C. 1103c(e)), by  
6           striking “section 505” and inserting “section 504”.

7   **SEC. 504. TITLE V AUTHORIZATION.**

8           Subsection (a) of section 518 of such Act (20 U.S.C.  
9   1103g(a)) is amended to read as follows:

10          “(a) AUTHORIZATIONS OF APPROPRIATIONS.—There  
11   are authorized to be appropriated to carry out this title  
12   \$96,000,000 for fiscal year 2006 and such sums as may  
13   be necessary for each of the 5 succeeding fiscal years.”.

14                               **TITLE VI—TITLE VI**  
15                               **AMENDMENTS**

16   **SEC. 601. INTERNATIONAL AND FOREIGN LANGUAGE STUD-**  
17                               **IES.**

18          (a) FINDINGS AND PURPOSES.—Section 601 (20  
19   U.S.C. 1121) is amended—

20                       (1) in subsection (a)—

21                               (A) by striking “post-Cold War” in para-  
22                               graph (3);

23                               (B) by redesignating paragraphs (4) and  
24                               (5) as paragraphs (5) and (6), respectively; and



1 (C) by inserting after paragraph (3) the  
2 following new paragraph:

3 “(4) The events and aftermath of September  
4 11, 2001, have underscored the need for the Nation  
5 to strengthen and enhance American knowledge of  
6 international relations, world regions, and foreign  
7 languages. Homeland security and effective United  
8 States engagement abroad depend upon an increased  
9 number of Americans who have received such train-  
10 ing and are willing to serve their Nation.”;

11 (2) in subsection (b)(1)—

12 (A) by striking “; and” at the end of sub-  
13 paragraph (D) and inserting “, including  
14 through linkages overseas with institutions of  
15 higher education and relevant organizations  
16 that contribute to the educational programs as-  
17 sisted under this part;”;

18 (B) by inserting “and” after the semicolon  
19 at the end of subparagraph (E);

20 (C) by inserting after such subparagraph  
21 (E) the following new subparagraph:

22 “(F) to assist the national effort to educate and  
23 train citizens to participate in the efforts of home-  
24 land security;”;

25 (3) in subsection (b)(3)—



1 (A) by inserting “reinforce and” before  
2 “coordinate”; and

3 (B) by inserting “, and international busi-  
4 ness and trade competitiveness” before the pe-  
5 riod.

6 (b) GRADUATE AND UNDERGRADUATE LANGUAGE  
7 AND AREA CENTERS AND PROGRAMS.—Section 602(a)  
8 (20 U.S.C. 1122(a)) is amended—

9 (1) in paragraph (1), by striking subparagraph  
10 (A) and inserting the following:

11 “(A) IN GENERAL.—The Secretary is au-  
12 thorized to make grants to institutions of high-  
13 er education or consortia of such institutions  
14 for the purpose of establishing, strengthening,  
15 and operating—

16 “(i) comprehensive foreign language  
17 and area or international studies centers  
18 and programs; and

19 “(ii) a diverse network of under-  
20 graduate foreign language and area or  
21 international studies centers and pro-  
22 grams.”;

23 (2) in paragraph (2)—

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



1 (B) by striking the period at the end of  
2 subparagraph (H) and inserting a semicolon;  
3 and

4 (C) by inserting after subparagraph (H)  
5 the following new subparagraphs:

6 “(I) supporting instructors of the less com-  
7 monly taught languages;

8 “(J) widely disseminating materials devel-  
9 oped by the center or program to local edu-  
10 cational agencies and public and private ele-  
11 mentary and secondary education schools, and  
12 institutions of higher education, presented from  
13 diverse perspectives and reflective of a wide  
14 range of views on the subject matter, except  
15 that no more than 50 percent of funds awarded  
16 to an institution of higher education or con-  
17 sortia of such institutions for purposes under  
18 this title may be associated with the costs of  
19 dissemination; and

20 “(K) projects that support in students an  
21 understanding of science and technology in co-  
22 ordination with foreign language proficiency.”;  
23 and

24 (3) in paragraph (4)—



1 (A) by amending subparagraph (B) to read  
2 as follows:

3 “(B) Partnerships or programs of linkage  
4 and outreach with 2-year and 4-year colleges  
5 and universities, including colleges of education  
6 and teacher professional development pro-  
7 grams.”;

8 (B) in subparagraph (C), by striking “Pro-  
9 grams of linkage or outreach” and inserting  
10 “Partnerships or programs of linkage and out-  
11 reach”;

12 (C) in subparagraph (E)—

13 (i) by striking “foreign area” and in-  
14 serting “area studies”;

15 (ii) by striking “of linkage and out-  
16 reach”; and

17 (iii) by striking “(C), and (D)” and  
18 inserting “(D), and (E)”;

19 (D) by redesignating subparagraphs (C),  
20 (D), and (E) as subparagraphs (D), (E), and  
21 (F), respectively; and

22 (E) by inserting after subparagraph (B)  
23 the following new subparagraph:

24 “(C) Partnerships with local educational  
25 agencies and public and private elementary and



1 secondary education schools that are designed  
2 to increase student academic achievement in  
3 foreign language and knowledge of world re-  
4 gions, and to facilitate the wide dissemination  
5 of materials related to area studies, foreign lan-  
6 guages, and international studies that are re-  
7 flective of a wide range of views on the subject  
8 matter.”.

9 (c) LANGUAGE RESOURCE CENTERS.—Section  
10 603(c) (20 U.S.C. 1123(c)) is amended by inserting “re-  
11 flect the purposes of this part and” after “shall”.

12 (d) UNDERGRADUATE INTERNATIONAL STUDIES AND  
13 FOREIGN LANGUAGE PROGRAMS.—Section 604 (20  
14 U.S.C. 1124) is amended—

15 (1) in subsection (a)(1), by striking “combina-  
16 tions” each place it appears and inserting “con-  
17 sortia”;

18 (2) in subsection (a)(2)—

19 (A) in subparagraph (B)(ii), by striking  
20 “teacher training” and inserting “teacher pro-  
21 fessional development”;

22 (B) by redesignating subparagraphs (I)  
23 through (M) as subparagraphs (J) through (N),  
24 respectively;



1 (C) by inserting after subparagraph (H)  
2 the following new subparagraph:

3 “(I) the provision of grants for educational  
4 programs abroad that are closely linked to the  
5 program’s overall goals and have the purpose of  
6 promoting foreign language fluency and knowl-  
7 edge of world regions, except that not more  
8 than 10 percent of a grant recipient’s funds  
9 may be used for this purpose;”; and

10 (D) in subparagraph (M)(ii) (as redesi-  
11 gnated by subparagraph (B) of this paragraph),  
12 by striking “elementary and secondary edu-  
13 cation institutions” and inserting “local edu-  
14 cational agencies and public and private ele-  
15 mentary and secondary education schools”;

16 (3) in subsection (a)(4)(B), by inserting “that  
17 demonstrates a need for a waiver or reduction” be-  
18 fore the period at the end;

19 (4) in subsection (a)(6), by inserting “reflect  
20 the purposes of this part and” after “shall”;

21 (5) in subsection (a)(8), by striking “may” and  
22 inserting “shall”; and

23 (6) by striking subsection (c).

24 (e) RESEARCH; STUDIES; ANNUAL REPORT.—Sec-  
25 tion 605(a) (20 U.S.C. 1125(a)) is amended by inserting



1 before the period at the end of the first sentence the fol-  
2 lowing: “, including the systematic collection, analysis, and  
3 dissemination of data”.

4 (f) TECHNOLOGICAL INNOVATION AND COOPERATION  
5 FOR FOREIGN INFORMATION ACCESS.—Section 606 (20  
6 U.S.C. 1126) is amended—

7 (1) in subsection (a)—

8 (A) by striking “or consortia of such insti-  
9 tutions or libraries” and inserting “museums,  
10 or consortia of such entities”;

11 (B) by striking “new”; and

12 (C) by inserting “from foreign sources”  
13 after “disseminate information”;

14 (2) in subsection (b)—

15 (A) by inserting “acquire and” before “fa-  
16 cilitate access” in paragraph (1);

17 (B) by striking “new means of” in para-  
18 graph (3) and inserting “new means and stand-  
19 ards for”;

20 (C) by striking “and” at the end of para-  
21 graph (6);

22 (D) by striking the period at the end of  
23 paragraph (7) and by inserting a semicolon;  
24 and



1 (E) by inserting after paragraph (7) the  
2 following new paragraphs:

3 “(8) to establish linkages between grant recipi-  
4 ents under subsection (a) with libraries, museums,  
5 organizations, or institutions of higher education lo-  
6 cated overseas to facilitate carrying out the purposes  
7 of this section; and

8 “(9) to carry out other activities deemed by the  
9 Secretary to be consistent with the purposes of this  
10 section.”; and

11 (3) by adding at the end the following new sub-  
12 section:

13 “(e) SPECIAL RULE.—The Secretary may waive or  
14 reduce the required non-Federal share for institutions  
15 that—

16 “(1) are eligible to receive assistance under part  
17 A or B of title III or under title V; and

18 “(2) have submitted a grant application under  
19 this section that demonstrates a need for a waiver  
20 or reduction.”.

21 (g) SELECTION OF GRANT RECIPIENTS.—Section  
22 607(b) (20 U.S.C. 1127(b)) is amended—

23 (1) by striking out “objectives” and inserting  
24 “missions”; and



1           (2) by adding at the end the following new sen-  
2           tence: “In keeping with the purposes of this part,  
3           the Secretary shall take into account the degree to  
4           which activities of centers, programs, and fellowships  
5           at institutions of higher education address national  
6           interests, generate and disseminate information, and  
7           foster debate on international issues from diverse  
8           perspectives.”.

9           (h) **EQUITABLE DISTRIBUTION.**—Section 608(a) (20  
10          U.S.C. 1128(a)) is amended by adding at the end the fol-  
11          lowing new sentence: “Grants made under section 602  
12          shall also reflect the purposes of this part.”.

13          (i) **AUTHORIZATION OF APPROPRIATIONS.**—Section  
14          610 (20 U.S.C. 1128b) is amended—

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

16          and

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

19          (j) **CONFORMING AMENDMENTS.**—Sections 603(a),  
20          604(a)(5), and 612 (20 U.S.C. 1123(a), 1124(a)(5),  
21          1130–1) are each amended by striking “combinations”  
22          each place it appears and inserting “consortia”.



1 **SEC. 602. BUSINESS AND INTERNATIONAL EDUCATION PRO-**  
2 **GRAMS.**

3 (a) CENTERS FOR INTERNATIONAL BUSINESS EDU-  
4 CATION.—Section 612 (20 U.S.C. 1130–1) is amended—

5 (1) in subsection (c)(1)(D), by inserting “(in-  
6 cluding those that are eligible to receive assistance  
7 under part A or B of title III or under title V)”  
8 after “other institutions of higher education”; and

9 (2) in subsection (e), by adding at the end the  
10 following new paragraph:

11 “(5) SPECIAL RULE.—The Secretary may waive  
12 or reduce the required non-Federal share for institu-  
13 tions that—

14 “(A) are eligible to receive assistance  
15 under part A or B of title III or under title V;  
16 and

17 “(B) have submitted a grant application  
18 under this section that demonstrates a need for  
19 a waiver or reduction.”.

20 (b) EDUCATION AND TRAINING PROGRAMS.—Section  
21 613 (20 U.S.C. 1130a) is amended by adding at the end  
22 the following new subsection:

23 “(e) SPECIAL RULE.—The Secretary may waive or  
24 reduce the required non-Federal share for institutions  
25 that—



1           “(1) are eligible to receive assistance under part  
2           A or B of title III or under title V; and

3           “(2) have submitted a grant application under  
4           this section that demonstrates a need for a waiver  
5           or reduction.”.

6           (c) **AUTHORIZATION OF APPROPRIATIONS.**—Section  
7           614 (20 U.S.C. 1130b) is amended—

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

10          (2) by striking “4 succeeding” each place it ap-  
11          pears and inserting “5 succeeding”.

12       **SEC. 603. INSTITUTE FOR INTERNATIONAL PUBLIC POLICY.**

13          (a) **FOREIGN SERVICE PROFESSIONAL DEVELOP-**  
14          **MENT.**—Section 621 (20 U.S.C. 1131) is amended—

15          (1) by striking the heading of such section and  
16          inserting the following:

17       **“SEC. 621. PROGRAM FOR FOREIGN SERVICE PROFES-**  
18       **SIONALS.”;**

19          (2) by striking the second sentence of sub-  
20          section (a) and inserting the following: “The Insti-  
21          tute shall conduct a program to enhance the inter-  
22          national competitiveness of the United States by in-  
23          creasing the participation of underrepresented popu-  
24          lations in the international service, including private



1 international voluntary organizations and the foreign  
2 service of the United States.”; and

3 (3) in subsection (b)(1), by striking subpara-  
4 graphs (A) and (B) and inserting the following:

5 “(A) A Tribally Controlled College or Uni-  
6 versity or Alaska Native or Native Hawaiian-  
7 serving institution eligible for assistance under  
8 title III, an institution eligible for assistance  
9 under part B of title III, or a Hispanic-serving  
10 institution eligible for assistance under title V.

11 “(B) An institution of higher education  
12 which serves substantial numbers of underrep-  
13 resented students.”.

14 (b) INSTITUTIONAL DEVELOPMENT.—Section 622  
15 (20 U.S.C. 1131–1) is amended by inserting before the  
16 period at the end of subsection (a) the following: “and pro-  
17 mote collaboration with colleges and universities that re-  
18 ceive funds under this title”.

19 (c) STUDY ABROAD PROGRAM.—Section 623(a) (20  
20 U.S.C. 1131a(a)) is amended by inserting after “1978,”  
21 the following: “Alaska Native-serving, Native Hawaiian-  
22 serving, and Hispanic-serving institutions,”.

23 (d) ADVANCED DEGREE IN INTERNATIONAL RELA-  
24 TIONS.—Section 624 (20 U.S.C. 1131b) is amended—



1 (1) by striking “**MASTERS**” in the heading of  
2 such section and inserting “**ADVANCED**”;

3 (2) by striking “a masters degree in inter-  
4 national relations” and inserting “an advanced de-  
5 gree in international relations, international affairs,  
6 international economics, or other academic areas re-  
7 lated to the Institute fellow’s career objectives”; and

8 (3) by striking “The masters degree program  
9 designed by the consortia” and inserting “The ad-  
10 vanced degree study program shall be designed by  
11 the consortia, consistent with the fellow’s career ob-  
12 jectives, and”.

13 (e) INTERNSHIPS.—Section 625 (20 U.S.C. 1131c)  
14 is amended—

15 (1) in subsection (a), by inserting after “1978,”  
16 the following: “Alaska Native-serving, Native Hawai-  
17 ian-serving, and Hispanic-serving institutions,”;

18 (2) in subsection (b)—

19 (A) by inserting “and” after the semicolon  
20 at the end of paragraph (2);

21 (B) by striking “; and” at the end of para-  
22 graph (3) and inserting a period; and

23 (C) by striking paragraph (4); and

24 (3) by amending subsection (c) to read as fol-  
25 lows:



1           “(c) RALPH J. BUNCHE FELLOWS.—In order to as-  
2 sure the recognition and commitment of individuals from  
3 underrepresented student populations who demonstrate  
4 special interest in international affairs and language  
5 study, eligible students who participate in the internship  
6 programs authorized under (a) and (b) shall be known as  
7 the ‘Ralph J. Bunche Fellows.’”.

8           (f) REPORT.—Section 626 (20 U.S.C. 1131d) is  
9 amended by striking “annually prepare a report” and in-  
10 serting “prepare a report biennially”.

11           (g) AUTHORIZATION OF APPROPRIATIONS.—Section  
12 628 (20 U.S.C. 1131f) is amended—

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

15           (2) by striking “4 succeeding” and inserting “5  
16           succeeding”.

17 **SEC. 604. EVALUATION, OUTREACH, AND DISSEMINATION.**

18           Part D of title VI is amended by inserting after sec-  
19 tion 631 (20 U.S.C. 1132) the following new section:

20 **“SEC. 632. EVALUATION, OUTREACH, AND DISSEMINATION.**

21           “The Secretary may use not more than 1 percent of  
22 the funds made available for this title for program evalua-  
23 tion, national outreach, and information dissemination ac-  
24 tivities.”.



1 **SEC. 605. ADVISORY BOARD.**

2 Part D of title VI is amended by inserting after sec-  
3 tion 632 (as added by section 5) the following new section:

4 **“SEC. 633. INTERNATIONAL HIGHER EDUCATION ADVISORY**  
5 **BOARD.**

6 “(a) ESTABLISHMENT AND PURPOSE.—

7 “(1) ESTABLISHMENT.—There is established in  
8 the Department an independent International High-  
9 er Education Advisory Board (hereafter in this sec-  
10 tion referred to as the ‘International Advisory  
11 Board’). The International Advisory Board shall  
12 provide advice, counsel, and recommendations to the  
13 Secretary and the Congress on international edu-  
14 cation issues for higher education.

15 “(2) PURPOSE.—The purpose of the Inter-  
16 national Advisory Board is—

17 “(A) to provide expertise in the area of na-  
18 tional needs for proficiency in world regions,  
19 foreign languages, international affairs, and  
20 international business;

21 “(B) to make recommendations that will  
22 promote the excellence of international edu-  
23 cation programs and result in the growth and  
24 development of such programs at the postsec-  
25 ondary education level that will reflect diverse  
26 perspectives and a wide range of views on world



1 regions, foreign language, international affairs,  
2 and international business; and

3 “(C) to advise the Secretary and the Con-  
4 gress with respect to needs for expertise in gov-  
5 ernment, the private sector, and education in  
6 order to enhance America’s understanding of,  
7 and engagement in, the world.

8 “(b) INDEPENDENCE OF INTERNATIONAL ADVISORY  
9 BOARD.—In the exercise of its functions, powers, and du-  
10 ties, the International Advisory Board shall be inde-  
11 pendent of the Secretary and the other offices and officers  
12 of the Department. Except as provided in this subsection  
13 and subsection (f), the recommendations of the Inter-  
14 national Advisory Board shall not be subject to review or  
15 approval by any officer of the Federal Government. Noth-  
16 ing in this title shall be construed to authorize the Inter-  
17 national Advisory Board to mandate, direct, or control an  
18 institution of higher education’s specific instructional con-  
19 tent, curriculum, or program of instruction or instructor.  
20 The International Advisory Board is authorized to assess  
21 a sample of activities supported under this title, using ma-  
22 terials that have been submitted to the Department of  
23 Education by grant recipients under this title, in order to  
24 provide recommendations to the Secretary and the Con-  
25 gress for the improvement of programs under the title and



1 to ensure programs meet the purposes of the title to pro-  
2 mote the study of and expertise in foreign language and  
3 world regions, especially with respect to diplomacy, na-  
4 tional security, and international business and trade com-  
5 petitiveness. The recommendations of the International  
6 Advisory Board may address any area in need of improve-  
7 ment, except that any recommendation of specific legisla-  
8 tion to Congress shall be made only if the President deems  
9 it necessary and expedient.

10 “(c) MEMBERSHIP.—

11 “(1) APPOINTMENT.—The International Advi-  
12 sory Board shall have 7 members of whom—

13 “(A) 3 members shall be appointed by the  
14 Secretary;

15 “(B) 2 members shall be appointed by the  
16 Speaker of the House of Representatives, upon  
17 the recommendation of the Majority Leader and  
18 the Minority Leader; and

19 “(C) 2 members shall be appointed by the  
20 President pro tempore of the Senate, upon the  
21 recommendation of the Majority Leader and the  
22 Minority Leader.

23 “(2) REPRESENTATION.—Two of the members  
24 appointed by the Secretary under paragraph (1)(A)  
25 shall be appointed to represent Federal agencies that



1 have diplomacy, national security, international com-  
2 merce, or other international activity responsibilities,  
3 after consultation with the heads of such agencies.  
4 The members of the International Advisory Board  
5 shall also include (but not be limited to) persons  
6 with international expertise representing States, in-  
7 stitutions of higher education, cultural organizations,  
8 educational organizations, international business,  
9 local education agencies, students, and private citi-  
10 zens with expertise in international concerns.

11 “(3) QUALIFICATION.—Members of the Inter-  
12 national Advisory Board shall be individuals who  
13 have technical qualifications, professional standing,  
14 experience working in international affairs or foreign  
15 service or international business occupations, or  
16 demonstrated knowledge in the fields of higher edu-  
17 cation and international education, including foreign  
18 languages, world regions, or international affairs.

19 “(d) FUNCTIONS OF THE INTERNATIONAL ADVISORY  
20 BOARD.—

21 “(1) IN GENERAL.—The International Advisory  
22 Board shall provide recommendations in accordance  
23 with subsection (b) regarding improvement of pro-  
24 grams under this title to the Secretary and the Con-



1           gress for their review. The International Advisory  
2           Board may—

3                   “(A) review and comment upon the regula-  
4                   tions for grants under this title;

5                   “(B) assess a sample of activities sup-  
6                   ported under this title based on the purposes  
7                   and objectives of this title, using materials that  
8                   have been submitted to the Department of Edu-  
9                   cation by grant recipients under this title, in  
10                  order to provide recommendations for improve-  
11                  ment of the programs under this title;

12                  “(C) make recommendations that will as-  
13                  sist the Secretary and the Congress to improve  
14                  the programs under this title to better reflect  
15                  the national needs related to foreign languages,  
16                  world regions, diplomacy, national security, and  
17                  international business and trade competitive-  
18                  ness, including an assessment of the national  
19                  needs and the training provided by the institu-  
20                  tions of higher education that receive a grant  
21                  under this title for expert and non-expert level  
22                  foreign language training;

23                  “(D) make recommendations to the Sec-  
24                  retary and the Congress regarding such studies,  
25                  surveys, and analyses of international education



1 that will provide feedback about the programs  
2 under this title and assure that their relative  
3 authorized activities reflect diverse perspectives  
4 and a wide range of views on world regions, for-  
5 eign languages, diplomacy, national security,  
6 and international business and trade competi-  
7 tiveness;

8 “(E) make recommendations that will  
9 strengthen the partnerships between local edu-  
10 cational agencies, public and private elementary  
11 and secondary education schools, and grant re-  
12 cipients under this title to ensure that the re-  
13 search and knowledge about world regions, for-  
14 eign languages, and international affairs is  
15 widely disseminated to local educational agen-  
16 cies;

17 “(F) make recommendations on how insti-  
18 tutions of higher education that receive a grant  
19 under this title can encourage students to serve  
20 the Nation and meet national needs in an inter-  
21 national affairs, international business, foreign  
22 language, or national security capacity;

23 “(G) make recommendations on how link-  
24 ages between institutions of higher education  
25 and public and private organizations that are



1 involved in international education, inter-  
2 national business and trade competitiveness,  
3 language training, and international research  
4 capacities may fulfill the manpower and infor-  
5 mation needs of United States businesses; and

6 “(H) make recommendations to the Sec-  
7 retary and the Congress about opportunities for  
8 underrepresented populations in the areas of  
9 foreign language study, diplomacy, international  
10 business and trade competitiveness, and inter-  
11 national economics, in order to effectively carry  
12 out the activities of the Institute under part C.

13 “(2) HEARINGS.—The International Advisory  
14 Board shall provide for public hearing and comment  
15 regarding the matter contained in the recommenda-  
16 tions described in paragraph (1), prior to the sub-  
17 mission of those recommendations to the Secretary  
18 and the Congress.

19 “(e) OPERATIONS OF THE COMMITTEE.—

20 “(1) TERMS.—Each member of the Inter-  
21 national Advisory Board shall be appointed for a  
22 term of 3 years, except that, of the members first  
23 appointed (A) 4 shall be appointed for a term of 3  
24 years, and (B) 3 shall be appointed for a term of 4  
25 years, as designated at the time of appointment by



1 the Secretary. A member of the International Advi-  
2 sory Board may be reappointed to successive terms  
3 on the International Advisory Board.

4 “(2) VACANCIES.—Any member appointed to  
5 fill a vacancy occurring prior to the expiration of the  
6 term of a predecessor shall be appointed only for the  
7 remainder of such term. A member of the Inter-  
8 national Advisory Board shall, upon the Secretary’s  
9 request, continue to serve after the expiration of a  
10 term until a successor has been appointed.

11 “(3) NO GOVERNMENTAL MEMBERS.—Except  
12 for the members appointed by the Secretary under  
13 subsection (c)(1)(A), no officers or full-time employ-  
14 ees of the Federal Government shall serve as mem-  
15 bers of the International Advisory Board.

16 “(4) MEETINGS.—The International Advisory  
17 Board shall meet not less than once each year. The  
18 International Advisory Board shall hold additional  
19 meetings at the call of the Chair or upon the written  
20 request of not less than 3 voting members of the  
21 International Advisory Board.

22 “(5) QUORUM.—A majority of the voting mem-  
23 bers of the International Advisory Board serving at  
24 the time of a meeting shall constitute a quorum.



1           “(6) CHAIR.—The International Advisory  
2 Board shall elect a Chairman or Chairwoman from  
3 among the members of the International Advisory  
4 Board.

5           “(f) SUBMISSION TO DEPARTMENT FOR COM-  
6 MENT.—The International Advisory Board shall submit  
7 its proposed recommendations to the Secretary of Edu-  
8 cation for comment for a period not to exceed 30 days  
9 in each instance.

10          “(g) PERSONNEL AND RESOURCES.—

11           “(1) COMPENSATION AND EXPENSE.—Members  
12 of the International Advisory Board shall serve with-  
13 out pay for such service. Members of the Inter-  
14 national Advisory Board who are officers or employ-  
15 ees of the United States may not receive additional  
16 pay, allowances, or benefits by reason of their serv-  
17 ice on the International Advisory Board. Members of  
18 the International Advisory Board may each receive  
19 reimbursement for travel expenses incident to at-  
20 tending International Advisory Board meetings, in-  
21 cluding per diem in lieu of subsistence, as authorized  
22 by section 5703 of title 5, United States Code, for  
23 persons in the Government service employed inter-  
24 mittently.



1           “(2) PERSONNEL.—The International Advisory  
2 Board may appoint such personnel as may be deter-  
3 mined necessary by the Chairman without regard to  
4 the provisions of title 5, United States Code, gov-  
5 erning appointments in the competitive service, and  
6 may be paid without regard to the provisions of  
7 chapter 51 and subchapter III of chapter 53 of such  
8 title relating to classification and General Schedule  
9 pay rates, but no individual so appointed shall be  
10 paid in excess of the maximum rate payable under  
11 section 5376 of such title. The International Advi-  
12 sory Board may appoint not more than 1 full-time  
13 equivalent, nonpermanent, consultant without regard  
14 to the provisions of title 5, United States Code. The  
15 International Advisory Board shall not be required  
16 by the Secretary to reduce personnel to meet agency  
17 personnel reduction goals.

18           “(3) CONSULTATION.—In carrying out its du-  
19 ties under the Act, the International Advisory Board  
20 shall consult with other Federal agencies, represent-  
21 atives of State and local governments, and private  
22 organizations to the extent feasible.

23           “(4) ASSISTANCE FROM OTHER AGENCIES.—

24           “(A) INFORMATION.—The International  
25 Advisory Board is authorized to secure directly



1 from any executive department, bureau, agency,  
2 board, commission, office, independent estab-  
3 lishment, or instrumentality information, sug-  
4 gestions, estimates, and statistics for the pur-  
5 pose of this section and each such department,  
6 bureau, agency, board, commission, office, inde-  
7 pendent establishment, or instrumentality is au-  
8 thorized and directed, to the extent permitted  
9 by law, to furnish such information, sugges-  
10 tions, estimates, and statistics directly to the  
11 International Advisory Board, upon request  
12 made by the Chairman for the purpose of pro-  
13 viding expertise in the area of national needs  
14 for the proficiency in world regions, foreign lan-  
15 guages, and international affairs.

16 “(B) SERVICES AND PERSONNEL.—The  
17 head of each Federal agency shall, to the extent  
18 not prohibited by law, consult with the Inter-  
19 national Advisory Board in carrying out this  
20 section. The International Advisory Board is  
21 authorized to utilize, with their consent, the  
22 services, personnel, information, and facilities of  
23 other Federal, State, local, and private agencies  
24 with or without reimbursement, for the purpose  
25 of providing expertise in the area of national



1 needs for the proficiency in world regions, for-  
2 eign languages, and international affairs.

3 “(5) CONTRACTS; EXPERTS AND CONSULT-  
4 ANTS.—The International Advisory Board may enter  
5 into contracts for the acquisition of information,  
6 suggestions, estimates, and statistics for the purpose  
7 of this section. The International Advisory Board is  
8 authorized to obtain the services of experts and con-  
9 sultants without regard to section 3109 of title 5,  
10 United States Code and to set pay in accordance  
11 with such section.

12 “(h) TERMINATION.—Notwithstanding the sunset  
13 and charter provisions of the Federal Advisory Committee  
14 Act (5 U.S.C. App. I) or any other statute or regulation,  
15 the International Advisory Board shall be authorized  
16 through September 30, 2012.

17 “(i) FUNDS.—The Secretary shall use not more than  
18 one-half of the funds available to the Secretary under sec-  
19 tion 632 to carry out this section.”.

20 **SEC. 606. RECRUITER ACCESS TO STUDENTS AND STUDENT**  
21 **RECRUITING INFORMATION; SAFETY.**

22 Part D of title VI is amended by inserting after sec-  
23 tion 633 (as added by section 6) the following new sec-  
24 tions:



1 **“SEC. 634. RECRUITER ACCESS TO STUDENTS AND STU-**  
2 **DENT RECRUITING INFORMATION.**

3 “Each institution of higher education that receives a  
4 grant under this title shall assure that—

5 “(1) recruiters of the United States Govern-  
6 ment and agencies thereof are given the same access  
7 to students as is provided generally to other institu-  
8 tions of higher education and prospective employers  
9 of those students for the purpose of recruiting for  
10 graduate opportunities or prospective employment;  
11 and

12 “(2) no undue restrictions are placed upon stu-  
13 dents that seek employment with the United States  
14 Government or any agency thereof.

15 **“SEC. 635. STUDENT SAFETY.**

16 “Applicants seeking funds under this title to support  
17 student travel and study abroad shall submit as part of  
18 their grant application a description of safety policies and  
19 procedures for students participating in the program while  
20 abroad.”.

21 **SEC. 607. NATIONAL STUDY OF FOREIGN LANGUAGE HERIT-**  
22 **AGE COMMUNITIES.**

23 Part D of title VI is further amended by inserting  
24 after section 635 (as added by section 7) the following  
25 new section:



1 **“SEC. 636. NATIONAL STUDY OF FOREIGN LANGUAGE HER-**  
2 **ITAGE COMMUNITIES.**

3 “(a) STUDY.—The Secretary of Education, in con-  
4 sultation with the International Advisory Board, shall con-  
5 duct a study to identify foreign language heritage commu-  
6 nities, particularly such communities that include speakers  
7 of languages that are critical to the national security of  
8 the United States.

9 “(b) FOREIGN LANGUAGE HERITAGE COMMUNITY.—  
10 For purposes of this section, the term ‘foreign language  
11 heritage community’ means a community of residents or  
12 citizens of the United States who are native speakers of,  
13 or who have partial fluency in, a foreign language.

14 “(c) REPORT.—Not later than 1 year after the date  
15 of the enactment of this Act, the Secretary of Education  
16 shall submit a report to the Congress on the results of  
17 the study conducted under this section.”.

18 **TITLE VII—TITLE VII**  
19 **AMENDMENTS**

20 **SEC. 701. JAVITS FELLOWSHIP PROGRAM.**

21 (a) AUTHORITY AND TIMING OF AWARDS.—Section  
22 701(a) (20 U.S.C. 1132a(a)) is amended by inserting  
23 after the second sentence the following: “For purposes of  
24 the exception in the preceding sentence, a master’s degree  
25 in fine arts shall be considered a terminal degree.”.



1 (b) INTERRUPTIONS OF STUDY.—Section 701(c) (20  
2 U.S.C. 1134(c)) is amended by adding at the end the fol-  
3 lowing new sentence: “In the case of other exceptional cir-  
4 cumstances, such as active duty military service or per-  
5 sonal or family member illness, the institution of higher  
6 education may also permit the fellowship recipient to in-  
7 terrupt periods of study for the duration of the tour of  
8 duty (in the case of military service) or not more than  
9 12 months (in any other case), but without payment of  
10 the stipend.”.

11 (c) ALLOCATION OF FELLOWSHIPS.—Section  
12 702(a)(1) (20 U.S.C. 1134a(a)(1)) is amended—

13 (1) in the first sentence, by inserting “from di-  
14 verse geographic regions” after “higher education”;  
15 and

16 (2) by adding at the end the following new sen-  
17 tence: “The Secretary shall also assure that at least  
18 one representative appointed to the Board represents  
19 an institution that is eligible for a grant under title  
20 III or V of this Act.”.

21 (d) STIPENDS.—Section 703 (20 U.S.C. 1134b(a)) is  
22 amended—

23 (1) in subsection (a)—

24 (A) by striking “1999–2000” and inserting  
25 “2006–2007”;



1 (B) by striking “shall be set” and inserting  
2 “may be set”; and

3 (C) by striking “Foundation graduate fel-  
4 lowships” and inserting “Foundation Graduate  
5 Research Fellowship Program on February 1 of  
6 such academic year”; and

7 (2) in subsection (b), by amending paragraph  
8 (1)(A) to read as follows:

9 “(1) IN GENERAL.—(A) The Secretary shall (in  
10 addition to stipends paid to individuals under this  
11 subpart) pay to the institution of higher education,  
12 for each individual awarded a fellowship under this  
13 subpart at such institution, an institutional allow-  
14 ance. Except as provided in subparagraph (B), such  
15 allowance shall be, for 2006–2007 and succeeding  
16 academic years, the same amount as the institu-  
17 tional payment made for 2005–2006 adjusted for  
18 2006–2007 and annually thereafter in accordance  
19 with inflation as determined by the Department of  
20 Labor’s Consumer Price Index for All Urban Con-  
21 sumers for the previous calendar year.”.

22 (e) AUTHORIZATION OF APPROPRIATIONS.—Section  
23 705 (20 U.S.C. 1134d) is amended by striking “fiscal year  
24 1999 and such sums as may be necessary for each of the  
25 4 succeeding fiscal years” and inserting “fiscal year 2006



1 and such sums as may be necessary for each of the 5 suc-  
2 ceeding fiscal years”.

3 **SEC. 702. GRADUATE ASSISTANCE IN AREAS OF NATIONAL**  
4 **NEED.**

5 (a) DESIGNATION OF AREAS OF NATIONAL NEED;  
6 PRIORITY.—Section 712 (20 U.S.C. 1135a) is amended—

7 (1) in the last sentence of subsection (b)—

8 (A) by striking “and an assessment” and  
9 inserting “an assessment”; and

10 (B) by inserting before the period at the  
11 end the following: “, and the priority described  
12 in subsection (c) of this section”; and

13 (2) by adding at the end the following new sub-  
14 section:

15 “(c) PRIORITY.—The Secretary shall establish a pri-  
16 ority for grants in order to prepare individuals for the pro-  
17 fessoriate who will train highly-qualified elementary and  
18 secondary math and science teachers, special education  
19 teachers, and teachers who provide instruction for limited  
20 English proficient individuals. Such grants shall offer pro-  
21 gram assistance and graduate fellowships for—

22 “(1) post-baccalaureate study related to teacher  
23 preparation and pedagogy in math and science for  
24 students who have completed a master’s degree or



1 are pursuing a doctorate of philosophy in math and  
2 science;

3 “(2) post-baccalaureate study related to teacher  
4 preparation and pedagogy in special education and  
5 English language acquisition and academic pro-  
6 ficiency for limited English proficient individuals;  
7 and

8 “(3) support of dissertation research in the  
9 fields of math, science, special education, or second  
10 language pedagogy and second language acqui-  
11 sition.”.

12 (b) COLLABORATION REQUIRED FOR CERTAIN AP-  
13 PPLICATIONS.—Section 713(b) (20 U.S.C. 1135b) is  
14 amended—

15 (1) by striking “and” at the end of paragraph  
16 (9);

17 (2) by redesignating paragraph (10) as para-  
18 graph (11); and

19 (3) by inserting after paragraph (9) the fol-  
20 lowing new paragraph:

21 “(10) in the case of an application for a grant  
22 by a department, program, or unit in education or  
23 teacher preparation, contain assurances that such  
24 department, program, or unit collaborates with de-  
25 partments, programs, or units in all content areas to



1 assure a successful combination of training in both  
2 teaching and such content; and”.

3 (c) STIPENDS.—Section 714(b) (20 U.S.C. 1135c(b))  
4 is amended—

5 (1) by striking “1999–2000” and inserting  
6 “2006–2007”;

7 (2) by striking “shall be set” and inserting  
8 “may be set”; and

9 (3) by striking “Foundation graduate fellow-  
10 ships” and inserting “Foundation Graduate Re-  
11 search Fellowship Program on February 1 of such  
12 academic year”.

13 (d) ADDITIONAL ASSISTANCE.—Section 715(a)(1)  
14 (20 U.S.C. 1135d(a)(1)) is amended—

15 (1) by striking “1999–2000” and inserting  
16 “2006–2007”;

17 (2) by striking “1998–1999” and inserting  
18 “2005–2006”; and

19 (3) by inserting “for All Urban Consumers”  
20 after “Price Index”.

21 (e) AUTHORIZATION OF APPROPRIATIONS.—Section  
22 716 (20 U.S.C. 1135e) is amended by striking “fiscal year  
23 1999 and such sums as may be necessary for each of the  
24 4 succeeding fiscal years” and inserting “fiscal year 2006



1 and such sums as may be necessary for each of the 5 suc-  
2 ceeding fiscal years”.

3 (f) TECHNICAL AMENDMENTS.—Section 714(c) (20  
4 U.S.C. 1135c(c)) is amended—

5 (1) by striking “section 716(a)” and inserting  
6 “section 715(a)”; and

7 (2) by striking “section 714(b)(2)” and insert-  
8 ing “section 713(b)(2)”.

9 **SEC. 703. THURGOOD MARSHALL LEGAL EDUCATIONAL OP-  
10 PORTUNITY PROGRAM.**

11 (a) CONTRACT AND GRANT PURPOSES.—Section  
12 721(e) (20 U.S.C. 1136(e)) is amended—

13 (1) by amending paragraph (2) to read as fol-  
14 lows:

15 “(2) to prepare such students for study at ac-  
16 credited law schools and assist them with the devel-  
17 opment of analytical skills and study methods to en-  
18 hance their success and promote completion of law  
19 school;”;

20 (2) by striking “and” at the end of paragraph  
21 (4);

22 (3) by striking the period at the end of para-  
23 graph (5) and inserting “; and”; and

24 (4) by adding at the end the following new  
25 paragraph:



1           “(6) to award Thurgood Marshall Fellowships  
2           to eligible law school students—

3                   “(A) who participated in summer institutes  
4                   authorized by subsection (d) and who are en-  
5                   rolled in an accredited law school; or

6                   “(B) who are eligible law school students  
7                   who have successfully completed a comparable  
8                   summer institute program certified by the  
9                   Council on Legal Educational Opportunity.”.

10          (b) SERVICES PROVIDED.—Section 721(d)(1)(D) (20  
11 U.S.C. 1136(d)(1)(D)) is amended by inserting “in ana-  
12 lytical skills and study methods” after “courses”.

13          (c) AUTHORIZATION OF APPROPRIATIONS.—Section  
14 721(h) (20 U.S.C. 1136(h)) is amended by striking “1999  
15 and each of the 4 succeeding fiscal years” and inserting  
16 “2006 and each of the 5 succeeding fiscal years”.

17          (d) GENERAL PROVISIONS.—Subsection (e) of section  
18 731 (20 U.S.C. 1137(e)) is repealed.

19 **SEC. 704. FUND FOR THE IMPROVEMENT OF POSTSEC-**  
20 **ONDARY EDUCATION.**

21          (a) CONTRACT AND GRANT PURPOSES.—Section  
22 741(a) (20 U.S.C. 1138(a)) is amended—

23                   (1) by amending paragraph (1) to read as fol-  
24                   lows:



1           “(1) the encouragement of the reform and im-  
2           provement of, and innovation in, postsecondary edu-  
3           cation and the provision of educational opportunity  
4           for all, especially for the non-traditional student pop-  
5           ulations;”;

6           (2) in paragraph (2), by inserting before the  
7           semicolon at the end the following: “for postsec-  
8           ondary students, especially institutions, programs,  
9           and joint efforts that provide academic credit for  
10          programs”;

11          (3) by amending paragraph (3) to read as fol-  
12          lows:

13          “(3) the establishment of institutions and pro-  
14          grams based on the technology of communications,  
15          including delivery by distance education;”;

16          (4) by amending paragraph (6) to read as fol-  
17          lows:

18          “(6) the introduction of institutional reforms  
19          designed to expand individual opportunities for en-  
20          tering and reentering postsecondary institutions and  
21          pursuing programs of postsecondary study tailored  
22          to individual needs;”;

23          (5) by striking “and” at the end of paragraph  
24          (7);



1 (6) by striking the period at the end of para-  
2 graph (8) and inserting a semicolon; and

3 (7) by adding at the end the following new  
4 paragraphs:

5 “(9) the provision of support and assistance to  
6 programs implementing integrated education reform  
7 services in order to improve secondary school grad-  
8 uation and college attendance and completion rates  
9 for disadvantaged students; and

10 “(10) the assessment, in partnership with a  
11 public or private nonprofit institution or agency, of  
12 the performance of teacher preparation programs  
13 within institutions of higher education in a State,  
14 using an assessment which provides comparisons  
15 across such schools within the State based upon in-  
16 dicators including teacher candidate knowledge in  
17 subject areas in which such candidate has been pre-  
18 pared to teach. ”.

19 (b) PROHIBITION.—Section 741 (20 U.S.C. 1138) is  
20 further amended by adding at the end the following new  
21 subsection:

22 “(c) PROHIBITION.—No funds made available under  
23 this part may be used to provide financial assistance to  
24 students who do not meet the requirements of section  
25 484(a)(5).”.



1 (c) AREAS OF NATIONAL NEED.—Section 744(c) (20  
2 U.S.C. 1138c(c)) is amended by striking paragraph (4)  
3 and inserting the following:

4 “(4) International cooperation, partnerships, or  
5 student exchange among postsecondary educational  
6 institutions in the United States and abroad.

7 “(5) Establishment of academic programs in-  
8 cluding graduate and undergraduate courses, semi-  
9 nars and lectures, support of research, and develop-  
10 ment of teaching materials for the purpose of sup-  
11 porting faculty and academic programs that teach  
12 traditional American history (including significant  
13 constitutional, political, intellectual, economic, diplo-  
14 matic, and foreign policy trends, issues, and docu-  
15 ments; the history, nature, and development of  
16 democratic institutions of which American democ-  
17 racy is a part; and significant events and individuals  
18 in the history of the United States).

19 “(6) Support for planning, applied research,  
20 training, resource exchanges or technology transfers,  
21 the delivery of services, or other activities the pur-  
22 pose of which is to design and implement programs  
23 to enable institutions of higher education to work  
24 with private and civic organizations to assist commu-  
25 nities to meet and address their pressing and severe



1 problems, including economic development, commu-  
2 nity infrastructure and housing, crime prevention,  
3 education, healthcare, self-sufficiency, and workforce  
4 preparation. Such activities may include support for  
5 the development of coordinated curriculum and in-  
6 ternship opportunities for students in disadvantaged  
7 communities.”.

8 (d) AUTHORIZATION OF APPROPRIATIONS.—Section  
9 745 (20 U.S.C. 1138d) is amended by striking  
10 “\$30,000,000 for fiscal year 1999 and such sums as may  
11 be necessary for each of the 4 succeeding fiscal years” and  
12 inserting “\$40,000,000 for fiscal year 2006 and such  
13 sums as may be necessary for each of the 5 succeeding  
14 fiscal years” .

15 **SEC. 705. URBAN COMMUNITY SERVICE.**

16 Part C of title VII (20 U.S.C. 1139 et seq.) is re-  
17 pealed.

18 **SEC. 706. DEMONSTRATION PROJECTS TO ENSURE STU-**  
19 **DENTS WITH DISABILITIES RECEIVE A QUAL-**  
20 **ITY HIGHER EDUCATION.**

21 (a) SERVING ALL STUDENTS WITH DISABILITIES.—  
22 Section 762(a) (20 U.S.C. 1140a(a)) is amended by strik-  
23 ing “students with learning disabilities” and inserting  
24 “students with disabilities”.

25 (b) AUTHORIZED ACTIVITIES.—



1           (1) AMENDMENT.—Section 762(b)(2) is  
2 amended—

3           (A) in subparagraph (A), by inserting “in  
4 order to improve retention and completion”  
5 after “disabilities”;

6           (B) by redesignating subparagraphs (B)  
7 and (C) as subparagraphs (C) and (E), respec-  
8 tively;

9           (C) by inserting after subparagraph (A)  
10 the following new subparagraph:

11           “(B) EFFECTIVE TRANSITION PRAC-  
12 TICES.—The development of innovative, effec-  
13 tive, and efficient teaching methods and strate-  
14 gies to ensure the smooth transition of students  
15 with disabilities from high school to postsec-  
16 ondary education.”; and

17           (D) by inserting after subparagraph (C)  
18 (as redesignated by subparagraph (B) of this  
19 paragraph) the following new subparagraph:

20           “(D) DISTANCE LEARNING.—The develop-  
21 ment of innovative, effective, and efficient  
22 teaching methods and strategies to provide fac-  
23 ulty and administrators with the ability to pro-  
24 vide accessible distance education programs or  
25 classes that would enhance access of students



1 with disabilities to higher education, including  
2 the use of electronic communication for instruc-  
3 tion and advisement.”.

4 (2) CONFORMING AMENDMENT.—Section  
5 762(b)(3) is amended by striking “subparagraphs  
6 (A) through (C)” and inserting “subparagraphs (A)  
7 through (E)”.

8 (c) APPLICATIONS.—Section 763 (20 U.S.C. 1140b)  
9 is amended—

10 (1) by amending paragraph (1) to read as fol-  
11 lows:

12 “(1) a description of how such institution plans  
13 to address the activities allowed under this part;”;

14 (2) by striking “and” at the end of paragraph  
15 (2);

16 (3) by striking the period at the end of para-  
17 graph (3) and inserting “; and”; and

18 (4) by adding at the end the following new  
19 paragraph:

20 “(4) a description of the extent to which an in-  
21 stitution will work to replicate the best practices of  
22 institutions of higher education with demonstrated  
23 success in serving students with disabilities.”.

24 (d) AUTHORIZATION OF APPROPRIATIONS.—Section  
25 765 (20 U.S.C. 1140d) is amended by striking “fiscal year



1 1999 and such sums as may be necessary for each of the  
2 4 succeeding fiscal years” and inserting “fiscal year 2006  
3 and such sums as may be necessary for each of the 5 suc-  
4 ceeding fiscal years”.

5 **TITLE VIII—CLERICAL**  
6 **AMENDMENTS**

7 **SEC. 801. CLERICAL AMENDMENTS.**

8 (a) DEFINITION.—Section 103 (20 U.S.C. 1003) is  
9 amended—

10 (1) by redesignating paragraphs (1) through  
11 (16) as paragraphs (2) through (17), respectively;  
12 and

13 (2) by inserting before paragraph (2) (as so re-  
14 designated) the following new paragraph:

15 “(1) AUTHORIZING COMMITTEES.—The term  
16 ‘authorizing committees’ means the Committee on  
17 Health, Education, Labor, and Pensions of the Sen-  
18 ate and the Committee on Education and the Work-  
19 force of the House of Representatives.”.

20 (b) COMMITTEES.—

21 (1) The following provisions are each amended  
22 by striking “Committee on Labor and Human Re-  
23 sources of the Senate and the Committee on Edu-  
24 cation and the Workforce of the House of Rep-



1 representatives” and inserting “authorizing commit-  
2 tees”:

3 (A) Section 131(a)(3)(B) (20 U.S.C.  
4 1015(a)(3)(B)).

5 (B) Section 131(c)(4) (20 U.S.C.  
6 1015(c)(4)).

7 (C) Section 206(d) (20 U.S.C. 1026(d)).

8 (D) Section 207(c)(1) (20 U.S.C.  
9 1027(c)(1)).

10 (E) Section 428(g) (20 U.S.C. 1078(g)).

11 (F) Section 428A(a)(3) (20 U.S.C. 1078–  
12 1(a)), as redesignated by section 429(d)(4).

13 (G) Section 428A(c)(2) (20 U.S.C. 1078–  
14 1(c)(2)).

15 (H) Section 428A(c)(3) (20 U.S.C. 1078–  
16 1(c)(3)).

17 (I) Section 428A(c)(5) (20 U.S.C. 1078–  
18 1(c)(5)).

19 (J) Section 455(b)(7)(B) (20 U.S.C.  
20 1087e(b)(7)(B)), as redesignated by section  
21 423(b)(3).

22 (K) Section 483(c) (20 U.S.C. 1090(c)).

23 (L) Section 486(e) (20 U.S.C. 1093(e)).

24 (M) Section 486(f)(3)(A) (20 U.S.C.  
25 1093(f)(3)(A)).



1 (N) Section 486(f)(3)(B) (20 U.S.C.  
2 1093(f)(3)(B)).

3 (O) Section 487A(a)(5) (20 U.S.C.  
4 1094a(a)(5)).

5 (P) Section 487A(b)(2) (20 U.S.C.  
6 1094a(b)(2)).

7 (Q) Section 487A(b)(3)(B) (20 U.S.C.  
8 1094a(b)(3)(B)).

9 (R) Section 498B(d)(1) (20 U.S.C. 1099c–  
10 2(d)(1)).

11 (S) Section 498B(d)(2) (20 U.S.C. 1099c–  
12 2(d)(2)).

13 (2) The following provisions are each amended  
14 by striking “Committee on Education and the Work-  
15 force of the House of Representatives and the Com-  
16 mittee on Labor and Human Resources of the Sen-  
17 ate” and inserting “authorizing committees”:

18 (A) Section 141(d)(4)(B) (20 U.S.C.  
19 1018(d)(4)(B)).

20 (B) Section 428(n)(4) (20 U.S.C.  
21 1078(n)(4)).

22 (C) Section 437(c)(1) (20 U.S.C.  
23 1087(c)(1)).

24 (D) Section 485(f)(5)(A) (20 U.S.C.  
25 1092(f)(5)(A)).



1 (E) Section 485(g)(4)(B) (20 U.S.C.  
2 1092(g)(4)(B)).

3 (3) Section 206(a) (20 U.S.C. 1026(a)) is  
4 amended by striking “, the Committee on Labor and  
5 Human Resources of the Senate, and the Committee  
6 on Education and the Workforce of the House of  
7 Representatives” and inserting “and the authorizing  
8 committees”.

9 (4) Section 401(f)(3) (20 U.S.C. 1070a(f)(3))  
10 is amended by striking “Committee on Appropria-  
11 tions and the Committee on Labor and Human Re-  
12 sources of the Senate and the Committee on Appro-  
13 priations and the Committee on Education and the  
14 Workforce of the House of Representatives” and in-  
15 serting “Committees on Appropriations of the Sen-  
16 ate and House of Representatives and the author-  
17 izing committees”.

18 (5) Section 428(c)(9)(K) (20 U.S.C.  
19 1078(c)(9)(K)) is amended by striking “House Com-  
20 mittee on Education and the Workforce and the  
21 Senate Committee on Labor and Human Resources”  
22 and inserting “authorizing committees”.

23 (6) Section 432(f)(1)(C) (20 U.S.C.  
24 1082(f)(1)(C)) is amended by striking “Committee  
25 on Education and the Workforce of the House of



1 Representatives or the Committee on Labor and  
2 Human Resources of the Senate” and inserting “ei-  
3 ther of the authorizing committees”.

4 (7) Section 439(d)(1)(E)(iii) (20 U.S.C. 1087-  
5 2(d)(1)(E)(iii)) is amended by striking “Chairman  
6 and the Ranking Member on the Committee on  
7 Labor and Human Resources of the Senate and the  
8 Chairman and the Ranking Member of the Com-  
9 mittee on Education and Labor of the House of  
10 Representatives” and inserting “chairpersons and  
11 ranking minority members of the authorizing com-  
12 mittees”.

13 (8) Paragraphs (3) and (8)(C) of section 439(r)  
14 (20 U.S.C. 1087-2(r)) are each amended by striking  
15 “Chairman and ranking minority member of the  
16 Committee on Labor and Human Resources of the  
17 Senate, the Chairman and ranking minority member  
18 of the Committee on Education and Labor of the  
19 House of Representatives,” and inserting “chair-  
20 persons and ranking minority members of the au-  
21 thorizing committees”.

22 (9) Paragraphs (5)(B) and (10) of section  
23 439(r) (20 U.S.C. 1087-2(r)) are each amended by  
24 striking “Chairman and ranking minority member of  
25 the Senate Committee on Labor and Human Re-



1 sources and to the Chairman and ranking minority  
2 member of the House Committee on Education and  
3 Labor” and inserting “chairpersons and ranking mi-  
4 nority members of the authorizing committees”.

5 (10) Section 439(r)(6)(B) (20 U.S.C. 1087–  
6 2(r)(6)(B)) is amended by striking “Chairman and  
7 ranking minority member of the Committee on  
8 Labor and Human Resources of the Senate and to  
9 the Chairman and ranking minority member of the  
10 Committee on Education and Labor of the House of  
11 Representatives” and inserting “chairpersons and  
12 ranking minority members of the authorizing com-  
13 mittees”.

14 (11) Section 439(s)(2)(A) (20 U.S.C. 1087–  
15 2(s)(2)(A)) is amended by striking “Chairman and  
16 Ranking Member of the Committee on Labor and  
17 Human Resources of the Senate and the Chairman  
18 and Ranking Member of the Committee on Eco-  
19 nomic and Educational Opportunities of the House  
20 of Representatives” and inserting “chairpersons and  
21 ranking minority members of the authorizing com-  
22 mittees”.

23 (12) Section 439(s)(2)(B) (20 U.S.C. 1087–  
24 2(s)(2)(B)) is amended by striking “Chairman and  
25 Ranking Minority Member of the Committee on



1 Labor and Human Resources of the Senate and  
2 Chairman and Ranking Minority Member of the  
3 Committee on Economic and Educational Opportu-  
4 nities of the House of Representatives” and insert-  
5 ing “chairpersons and ranking minority members of  
6 the authorizing committees”.

7 (13) Section 482(d) (20 U.S.C. 1089(d)) is  
8 amended by striking “Committee on Labor and  
9 Human Resources of the Senate and the Committee  
10 on Education and Labor of the House of Represent-  
11 atives” and inserting “authorizing committees”.

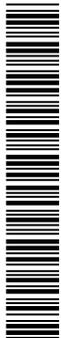
12 (c) ADDITIONAL CLERICAL AMENDMENTS.—

13 (1) Clauses (i) and (ii) of section 425(a)(2)(A)  
14 (20 U.S.C. 1075(a)(2)(A)) are each amended by  
15 striking “428A or 428B” and inserting “428B or  
16 428H”.

17 (2) Section 428(a)(2)(E) (20 U.S.C.  
18 1078(a)(2)(E)) is amended by striking “428A or”.

19 (3) Clauses (i) and (ii) of section 428(b)(1)(B)  
20 (20 U.S.C. 1078(b)(1)(B)) are each amended by  
21 striking “428A or 428B” and inserting “428B or  
22 428H”.

23 (4) Section 428(b)(1)(Q) (20 U.S.C.  
24 1078(b)(1)(Q)) is amended by striking “sections



1 428A and 428B” and inserting “section 428B or  
2 428H”.

3 (5) Section 428(b)(7)(C) (20 U.S.C.  
4 1078(b)(7)(C)) is amended by striking “428A,  
5 428B,” and inserting “428B”.

6 (6) Section 428G(c)(2) (20 U.S.C. 1078–  
7 7(c)(2)) is amended by striking “428A” and insert-  
8 ing “428H”.

9 (7) The heading for section 433(e) (20 U.S.C.  
10 1083(e)) is amended by striking “SLS LOANS  
11 AND”.

12 (8) Section 433(e) (20 U.S.C. 1083(e)) is  
13 amended by striking “428A, 428B,” and inserting  
14 “428B”.

15 (9) Section 435(a)(3) (20 U.S.C. 1085(a)(3)) is  
16 amended—

17 (A) by inserting “or” at the end of sub-  
18 paragraph (A);

19 (B) by striking subparagraph (B); and

20 (C) by redesignating subparagraph (C) as  
21 subparagraph (B).

22 (10) Section 435(d)(1)(G) (20 U.S.C.  
23 1085(d)(1)(G)) is amended by striking “428A(d),  
24 428B(d), 428C,” and inserting “428B(d), 428C,  
25 428H,”.



1           (11) Section 435(m) (20 U.S.C. 1085(m)) is  
2 amended—

3           (A) in paragraph (1)(A), by striking “,  
4 428A,”; and

5           (B) in paragraph (2)(D), by striking  
6 “428A” each place it appears and inserting  
7 “428H”.

8           (12) Section 438(b)(2)(D) (20 U.S.C. 1087–  
9 1(b)(2)(D)) is amended by striking “division (i) of  
10 this subparagraph” and inserting “clause (i) of this  
11 subparagraph”.

12           (13) Section 438(c)(6) (20 U.S.C. 1087–  
13 1(c)(6)) is amended—

14           (A) by striking “SLS AND PLUS” in the  
15 heading and inserting “PLUS”; and

16           (B) by striking “428A or”.

17           (14) Section 438(c)(7) (20 U.S.C. 1087–  
18 1(c)(7)) is amended by striking “428A or”.

19           (15) Nothing in the amendments made by this  
20 subsection shall be construed to alter the terms, con-  
21 ditions, and benefits applicable to Federal supple-  
22 mental loans for students (“SLS loans”) under sec-  
23 tion 428A as in effect prior to July 1, 1994 (20  
24 U.S.C. 1078–1).



1           **TITLE IX—AMENDMENTS TO**  
2           **OTHER EDUCATION LAWS**

3           **PART A—EDUCATION OF THE DEAF ACT OF 1986**

4           **SEC. 901. LAURENT CLERC NATIONAL DEAF EDUCATION**  
5                           **CENTER.**

6           (a) GENERAL AUTHORITY.—Section 104(a)(1)(A) of  
7 the Education of the Deaf Act of 1986 (20 U.S.C.  
8 4304(a)(1)(A)) is amended by inserting after “maintain  
9 and operate” the following: “, at the Laurent Clerc Na-  
10 tional Deaf Education Center,”.

11          (b) ADMINISTRATIVE REQUIREMENTS.—

12               (1) IN GENERAL.—Section 104(b) of the Edu-  
13 cation of the Deaf Act of 1986 (20 U.S.C. 4304(b))  
14 is amended—

15                       (A) in the matter preceding subparagraph  
16                       (A) of paragraph (1), by striking “elementary  
17                       and secondary education programs” and insert-  
18                       ing “Laurent Clerc National Deaf Education  
19                       Center”; and

20                       (B) in paragraph (2), by striking “elemen-  
21                       tary and secondary education programs” and  
22                       inserting “Laurent Clerc National Deaf Edu-  
23                       cation Center”.

24               (2) ACADEMIC CONTENT STANDARDS, ACHIEVE-  
25                       MENT STANDARDS, AND ASSESSMENTS.—Section



1 104(b) of the Education of the Deaf Act of 1986  
2 (20 U.S.C. 4304(b)) is amended by adding at the  
3 end the following new paragraph:

4 “(5) The University, in consultation with the Sec-  
5 retary and consistent with the mission of the elementary  
6 and secondary programs operated at the Laurent Clerc  
7 National Deaf Education Center, shall—

8 “(A) not later than the beginning of the 2007–  
9 2008 school year, adopt and implement academic  
10 content standards, academic achievement standards,  
11 and academic assessments as described in para-  
12 graphs (1) and (3) of section 1111(b) of the Ele-  
13 mentary and Secondary Education Act of 1965 for  
14 such Center;

15 “(B) develop adequate yearly progress stand-  
16 ards for such Center as described in section  
17 1111(b)(2)(C) of such Act; and

18 “(C) publicly report the results of such assess-  
19 ments, except in such case in which such reporting  
20 would not yield statistically reliable information or  
21 would reveal personally identifiable information  
22 about an individual student.”.

23 **SEC. 902. AUTHORITY.**

24 Section 111 of the Education of the Deaf Act of 1986  
25 (20 U.S.C. 4331) is amended by striking “the institution



1 of higher education with which the Secretary has an agree-  
2 ment under this part” and inserting “the Rochester Insti-  
3 tute of Technology”.

4 **SEC. 903. AGREEMENT FOR THE NATIONAL TECHNICAL IN-**  
5 **STITUTE FOR THE DEAF.**

6 (a) GENERAL AUTHORITY.—Section 112(a) of the  
7 Education of the Deaf Act of 1986 (20 U.S.C. 4332(a))  
8 is amended—

9 (1) in paragraph (1)—

10 (A) in the first sentence—

11 (i) by striking “an institution of high-  
12 er education” and inserting “the Rochester  
13 Institute of Technology, Rochester, New  
14 York,”; and

15 (ii) by striking “of a” and inserting  
16 “of the”; and

17 (B) by striking the second sentence; and

18 (2) in paragraph (2)—

19 (A) in the matter preceding subparagraph  
20 (A), by striking “the institution of higher edu-  
21 cation with which the Secretary has an agree-  
22 ment under this section” and inserting “the  
23 Rochester Institute of Technology”; and



1 (B) in subparagraph (B), by striking “the  
2 institution” and inserting “the Rochester Insti-  
3 tute of Technology”.

4 (b) PROVISIONS OF AGREEMENT.—Section 112(b) of  
5 the Education of the Deaf Act of 1986 (20 U.S.C.  
6 4332(b)) is amended—

7 (1) in paragraph (2), by striking “or other gov-  
8 erning body of the institution” and inserting “of the  
9 Rochester Institute of Technology”; and

10 (2) in paragraph (3)—

11 (A) by striking “or other governing body of  
12 the institution” and inserting “of the Rochester  
13 Institute of Technology”;

14 (B) by striking “the institution of higher  
15 education under the agreement with the Sec-  
16 retary” and inserting “the Rochester Institute  
17 of Technology by the National Technical Insti-  
18 tute for the Deaf”; and

19 (C) by striking “Committee on Education  
20 and Labor of the House of Representatives and  
21 to the Committee on Labor and Human Re-  
22 sources of the Senate” and inserting “Com-  
23 mittee on Education and the Workforce of the  
24 House of Representatives and to the Committee



1 on Health, Education, Labor, and Pensions of  
2 the Senate”.

3 (c) LIMITATION.—Section 112(c) of the Education of  
4 the Deaf Act of 1986 (20 U.S.C. 4332(c)) is amended in  
5 paragraphs (1) and (2) by striking “institution” each  
6 place it appears and inserting “Rochester Institute of  
7 Technology”.

8 **SEC. 904. DEFINITIONS.**

9 Section 201 of the Education of the Deaf Act of 1986  
10 (20 U.S.C. 4351) is amended—

11 (1) by striking paragraph (3);

12 (2) by redesignating paragraphs (4) through  
13 (7) as paragraphs (3) through (6), respectively; and

14 (3) by adding at the end the following new  
15 paragraph:

16 “(7) The term ‘RIT’ means the Rochester Insti-  
17 tute of Technology.”.

18 **SEC. 905. AUDIT.**

19 (a) GOVERNMENT ACCOUNTABILITY OFFICE AU-  
20 THORITY.—Section 203(a) of the Education of the Deaf  
21 Act of 1986 (20 U.S.C. 4353(a)) is amended—

22 (1) in the heading, by striking “GENERAL AC-  
23 COUNTING OFFICE” and inserting “GOVERNMENT  
24 ACCOUNTABILITY OFFICE”; and



1 (2) in the matter following paragraph (2), by  
2 striking “General Accounting Office” and inserting  
3 “Government Accountability Office”.

4 (b) INDEPENDENT FINANCIAL AND COMPLIANCE  
5 AUDIT.—Section 203(b)(1) of the Education of the Deaf  
6 Act of 1986 (20 U.S.C. 4353(b)(1)) is amended by strik-  
7 ing the second sentence and inserting the following:  
8 “NTID shall have an annual independent financial and  
9 compliance audit made of RIT programs and activities,  
10 including NTID programs and activities.”.

11 (c) COMPLIANCE.—Section 203(b)(2) of the Edu-  
12 cation of the Deaf Act of 1986 (20 U.S.C. 4353(b)(2))  
13 is amended by striking “sections” and all that follows  
14 through “section 207” and inserting “sections 102(b),  
15 105(b)(4), 112(b)(5), 203(c), 207(b)(2), subsections (c)  
16 through (f) of section 207”.

17 (d) SUBMISSION OF AUDITS.—Section 203(b)(3) of  
18 the Education of the Deaf Act of 1986 (20 U.S.C.  
19 4353(b)(3)) is amended—

20 (1) by inserting after “Secretary” the following:  
21 “and the Committee on Education and the Work-  
22 force of the House of Representatives and the Com-  
23 mittee on Health, Education, Labor, and Pensions  
24 of the Senate”; and



1           (2) by striking “or the institution authorized to  
2           establish and operate the NTID under section  
3           112(a)” and inserting “or RIT”.

4           (e) LIMITATIONS REGARDING EXPENDITURE OF  
5 FUNDS.—Section 203(c)(2)(A) of the Education of the  
6 Deaf Act of 1986 (20 U.S.C. 4353(c)(2)(A)) is amended  
7 in the fifth sentence by striking “the Committee on Edu-  
8 cation and Labor of the House of Representatives and the  
9 Committee on Labor and Human Resources of the Sen-  
10 ate” and inserting “the Committee on Education and the  
11 Workforce of the House of Representatives and the Com-  
12 mittee on Health, Education, Labor, and Pensions of the  
13 Senate”.

14 **SEC. 906. REPORTS.**

15           (a) TECHNICAL AMENDMENTS.—Section 204 of the  
16 Education of the Deaf Act of 1986 (20 U.S.C. 4354) is  
17 amended in the matter preceding paragraph (1)—

18           (1) by striking “or other governing body of the  
19           institution of higher education with which the Sec-  
20           retary has an agreement under section 112” and in-  
21           serting “of RIT”; and

22           (2) by striking “Committee on Education and  
23           Labor of the House of Representatives and the Com-  
24           mittee on Labor and Human Resources of the Sen-  
25           ate” and inserting “Committee on Education and



1 the Workforce of the House of Representatives and  
2 the Committee on Health, Education, Labor, and  
3 Pensions of the Senate”.

4 (b) CONTENTS OF REPORT.—Section 204 of the  
5 Education of the Deaf Act of 1986 (20 U.S.C. 4354) is  
6 amended—

7 (1) in paragraph (2)(C), by striking “upon  
8 graduation/completion” and inserting “within one  
9 year of graduation/completion”; and

10 (2) in paragraph (3)(B), by striking “of the in-  
11 stitution of higher education with which the Sec-  
12 retary has an agreement under section 112, includ-  
13 ing specific schedules and analyses for all NTID  
14 funds, as required under section 203” and inserting  
15 “of RIT programs and activities”.

16 **SEC. 907. LIAISON FOR EDUCATIONAL PROGRAMS.**

17 Section 206(a) of the Education of the Deaf Act of  
18 1986 (20 U.S.C. 4356(a)) is amended by striking “Not  
19 later than 30 days after the date of enactment of this Act,  
20 the” and inserting “The”.

21 **SEC. 908. FEDERAL ENDOWMENT PROGRAMS FOR GAL-**  
22 **LAUDET UNIVERSITY AND THE NATIONAL**  
23 **TECHNICAL INSTITUTE FOR THE DEAF.**

24 Section 207(a)(2) of the Education of the Deaf Act  
25 of 1986 (20 U.S.C. 4357(a)(2)) is amended by striking



1 “or other governing body of the institution of higher edu-  
2 cation with which the Secretary has an agreement under  
3 section 112” and inserting “of RIT”.

4 **SEC. 909. OVERSIGHT AND EFFECT OF AGREEMENTS.**

5 Section 208(a) of the Education of the Deaf Act of  
6 1986 (20 U.S.C. 4359(a)) is amended—

7 (1) by striking “the institution of higher edu-  
8 cation with which the Secretary has an agreement  
9 under part B of title I” and inserting “RIT”; and

10 (2) by striking “Committee on Labor and  
11 Human Resources of the Senate and the Committee  
12 on Education and Labor of the House of Represent-  
13 atives” and inserting “Committee on Education and  
14 the Workforce of the House of Representatives and  
15 the Committee on Health, Education, Labor, and  
16 Pensions of the Senate”.

17 **SEC. 910. AUTHORIZATION OF APPROPRIATIONS.**

18 (a) **MONITORING AND EVALUATION ACTIVITIES.**—

19 Section 205(e) of the Education of the Deaf Act of 1986  
20 (20 U.S.C. 4355(e)) is amended by striking “fiscal years  
21 1998 through 2003” and inserting “fiscal years 2006  
22 through 2011”.

23 (b) **FEDERAL ENDOWMENT PROGRAMS FOR GAL-**  
24 **LAUDET UNIVERSITY AND THE NATIONAL TECHNICAL IN-**  
25 **STITUTE FOR THE DEAF.**—Section 207(h) of the Edu-



1 cation of the Deaf Act of 1986 (20 U.S.C. 4357(h)) is  
2 amended in paragraphs (1) and (2) by striking “fiscal  
3 years 1998 through 2003” each place it appears and in-  
4 serting “fiscal years 2006 through 2011”.

5 (c) GENERAL AUTHORIZATION OF APPROPRIA-  
6 TIONS.—Section 212 of the Education of the Deaf Act of  
7 1986 (20 U.S.C. 4360a) is amended—

8 (1) in the matter preceding paragraph (1) in  
9 subsection (a), by striking “fiscal years 1998  
10 through 2003” and inserting “fiscal years 2006  
11 through 2011”; and

12 (2) in subsection (b), by striking “fiscal years  
13 1998 through 2003” and inserting “fiscal years  
14 2006 through 2011”.

15 (d) SHORT TITLE.—

16 (1) IN GENERAL.—The Education of the Deaf  
17 Act of 1986 (20 U.S.C. 4301 note) is amended by  
18 striking the matter preceding title I and inserting  
19 the following:

20 **“SEC. 1. SHORT TITLE.**

21 “This Act may be cited as the ‘Gallaudet University  
22 and National Technical Institute for the Deaf Act’.”.

23 (2) OTHER REFERENCES.— Any reference in a  
24 law, regulation, document, or other record of the  
25 United States to the Education of the Deaf Act of



1 1986 shall be deemed to be a reference to the Gal-  
2 laudet University and National Technical Institute  
3 for the Deaf Act.

4 **PART B—ADDITIONAL EDUCATION LAWS**

5 **SEC. 921. CANCELLATION OF STUDENT LOAN INDEBTED-**  
6 **NESS FOR SURVIVORS OF VICTIMS OF THE**  
7 **SEPTEMBER 11, 2001, ATTACKS.**

8 (a) DEFINITIONS.—For purposes of this section:

9 (1) ELIGIBLE PUBLIC SERVANT.—The term “el-  
10 igitible public sesrvant” means an individual who, as  
11 determined in accordance with regulations of the  
12 Secretary—

13 (A) served as a police officer, firefighter,  
14 other safety or rescue personnel, or as a mem-  
15 ber of the Armed Forces; and

16 (B) died (or dies) or became (or becomes)  
17 permanently and totally disabled due to injuries  
18 suffered in the terrorist attack on September  
19 11, 2001.

20 (2) ELIGIBLE VICTIM.—The term “eligible vic-  
21 tim” means an individual who, as determined in ac-  
22 cordance with regulations of the Secretary, died (or  
23 dies) or became (or becomes) permanently and to-  
24 tally disabled due to injuries suffered in the terrorist  
25 attack on September 11, 2001.



1           (3) ELIGIBLE PARENT.—The term “eligible  
2           parent” means the parent of an eligible victim if—

3                   (A) the parent owes a Federal student loan  
4                   that is a consolidation loan that was used to  
5                   repay a PLUS loan incurred on behalf of such  
6                   eligible victim; or

7                   (B) the parent owes a Federal student loan  
8                   that is a PLUS loan incurred on behalf of an  
9                   eligible victim.

10           (4) SECRETARY.—The term “Secretary” means  
11           the Secretary of Education.

12           (5) FEDERAL STUDENT LOAN.—The term  
13           “Federal student loan” means any loan made, in-  
14           sured, or guaranteed under part B, D, or E of title  
15           IV of the Higher Education Act of 1965.

16           (b) RELIEF FROM INDEBTEDNESS.—

17                   (1) IN GENERAL.—The Secretary shall provide  
18                   for the discharge or cancellation of—

19                           (A) the Federal student loan indebtedness  
20                           of the spouse of an eligible public servant, as  
21                           determined in accordance with regulations of  
22                           the Secretary, including any consolidation loan  
23                           that was used jointly by the eligible public serv-  
24                           ant and his or her spouse to repay the Federal



1 student loans of the spouse and the eligible  
2 public servant;

3 (B) the portion incurred on behalf of the  
4 eligible victim (other than an eligible public  
5 servant), of a Federal student loan that is a  
6 consolidation loan that was used jointly by the  
7 eligible victim and his or her spouse, as deter-  
8 mined in accordance with regulations of the  
9 Secretary, to repay the Federal student loans of  
10 the eligible victim and his or her spouse;

11 (C) the portion of the consolidation loan  
12 indebtedness of an eligible parent that was in-  
13 curred on behalf of an eligible victim; and

14 (D) the PLUS loan indebtedness of an eli-  
15 gible parent that was incurred on behalf of an  
16 eligible victim.

17 (2) METHOD OF DISCHARGE OR CANCELLA-  
18 TION.—A loan required to be discharged or canceled  
19 under paragraph (1) shall be discharged or canceled  
20 by the method used under section 437(a), 455(a)(1),  
21 or 464(c)(1)(F) of the Higher Education Act of  
22 1965 (20 U.S.C. 1087(a), 1087e(a)(1),  
23 1087dd(c)(1)(F)), whichever is applicable to such  
24 loan.



1 (c) FACILITATION OF CLAIMS.—The Secretary  
2 shall—

3 (1) establish procedures for the filing of appli-  
4 cations for discharge or cancellation under this sec-  
5 tion by regulations that shall be prescribed and pub-  
6 lished within 90 days after the date of enactment of  
7 this Act and without regard to the requirements of  
8 section 553 of title 5, United States Code; and

9 (2) take such actions as may be necessary to  
10 publicize the availability of discharge or cancellation  
11 of Federal student loan indebtedness under this sec-  
12 tion.

13 (d) AVAILABILITY OF FUNDS FOR PAYMENTS.—  
14 Funds available for the purposes of making payments to  
15 lenders in accordance with section 437(a) for the dis-  
16 charge of indebtedness of deceased or disabled individuals  
17 shall be available for making payments under section  
18 437(a) to lenders of loans as required by this section.

19 (e) APPLICABLE TO OUTSTANDING DEBT.—The pro-  
20 visions of this section shall be applied to discharge or can-  
21 cel only Federal student loans (including consolidation  
22 loans) on which amounts were owed on September 11,  
23 2001. Nothing in this section shall be construed to author-  
24 ize any refunding of any repayment of a loan.



1 **SEC. 922. AMENDMENT TO HIGHER EDUCATION AMEND-**  
2 **MENTS OF 1998.**

3 (a) REPEALS OF EXPIRED AND EXECUTED PROVI-  
4 SIONS.—The following provisions of the Higher Education  
5 Amendments of 1998 are repealed:

6 (1) STUDY OF MARKET MECHANISMS IN FED-  
7 ERAL STUDENT LOAN PROGRAMS.—Section 801 (20  
8 U.S.C. 1018 note).

9 (2) STUDY OF FEASIBILITY OF ALTERNATE FI-  
10 NANCIAL INSTRUMENTS FOR DETERMINING LENDER  
11 YIELDS.—Section 802.

12 (3) STUDENT RELATED DEBT STUDY.—Section  
13 803 (20 U.S.C. 1015 note).

14 (4) STUDY OF OPPORTUNITIES FOR PARTICIPA-  
15 TION IN ATHLETIC PROGRAMS.—Section 805 (20  
16 U.S.C. 1001 note).

17 (5) COMMUNITY SCHOLARSHIP MOBILIZA-  
18 TION.—Part C (20 U.S.C. 1070 note).

19 (6) INCARCERATED YOUTH.—Part D (20  
20 U.S.C. 1151).

21 (7) IMPROVING UNITED STATES UNDER-  
22 STANDING OF SCIENCE, ENGINEERING, AND TECH-  
23 NOLOGY IN EAST ASIA.—Part F (42 U.S.C. 1862  
24 note).

25 (8) WEB-BASED EDUCATION COMMISSION.—  
26 Part J.



1 (b) EXTENSIONS OF AUTHORIZATIONS AND STUD-  
2 IES.—

3 (1) TRANSFER OF CREDIT.—Section 804(b) (20  
4 U.S.C. 1099b note) is amended—

5 (A) by striking “one year after the date of  
6 enactment of this Act” and inserting “Sep-  
7 tember 30, 2007”; and

8 (B) by inserting “and policies of institu-  
9 tions of higher education” after “agencies or  
10 associations”.

11 (2) COHORT DEFAULT RATE STUDY.—Section  
12 806 is amended—

13 (A) in subsection (a), by striking “higher  
14 education at which less” and inserting “higher  
15 education. The study shall also review the effect  
16 of cohort default rates specifically on institu-  
17 tions of higher education at which less”; and

18 (B) in subsection (c), by striking “Sep-  
19 tember 30, 1999,” and inserting “September  
20 30, 2007,”.

21 (3) VIOLENCE AGAINST WOMEN.—Section 826  
22 (20 U.S.C. 1152) is amended—

23 (A) in subsection (g)—

24 (i) by striking “1999” and inserting  
25 “2006”; and



1 (ii) by striking “4 succeeding” and in-  
2 serting “5 succeeding”; and  
3 (B) by redesignating subsections (f) and  
4 (g) as subsections (e) and (f), respectively.

5 (4) UNDERGROUND RAILROAD.—Subsection (c)  
6 of section 841 (20 U.S.C. 1153(c)) is amended to  
7 read as follows:

8 “(c) AUTHORIZATION OF APPROPRIATIONS.—There  
9 are authorized to be appropriated to carry out this section  
10 \$3,000,000 for fiscal year 2006 and such sums as may  
11 be necessary for each of the 5 succeeding fiscal years.”.

12 (c) DISBURSEMENT OF STUDENT LOANS.—Section  
13 422(d) of the Higher Education Amendments of 1998  
14 (Public Law 105–244; 112 Stat. 1696) is amended by  
15 adding at the end the following new sentence: “Such  
16 amendments shall also be effective on and after July 1,  
17 2006.”.

18 **SEC. 923. TRIBALLY CONTROLLED COLLEGE OR UNIVER-**  
19 **SITY ASSISTANCE ACT OF 1978.**

20 (a) TITLE I AUTHORIZATION.—Section 110(a) of the  
21 Tribally Controlled Community College or University As-  
22 sistance Act of 1978 (25 U.S.C. 1810(a)) is amended—

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



1           (2) by striking “4 succeeding” each place it ap-  
2           pears and inserting “5 succeeding”.

3           (b) TITLE III REAUTHORIZATION.—Section 306(a)  
4 of the Tribally Controlled Community College or Univer-  
5 sity Assistance Act of 1978 (25 U.S.C. 1836(a)) is  
6 amended—

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

9           (2) by striking “4 succeeding” and inserting “5  
10           succeeding”.

11          (c) TITLE IV REAUTHORIZATION.—Section 403 of  
12 the Tribal Economic Development and Technology Re-  
13 lated Education Assistance Act of 1990 (25 U.S.C. 1852)  
14 is amended—

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

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

19          (d) ADDITIONAL AMENDMENTS.—The Tribally Con-  
20 trolled Community College or University Assistance Act  
21 of 1978 is further amended—

22          (1) in section 2(a)(6) (25 U.S.C. 1801(a)(6)),  
23          by striking “in the field of Indian education” and in-  
24          serting “in the field of Tribal Colleges and Univer-  
25          sities and Indian higher education”;



1 (2) in section 2(b), by striking paragraph (5)  
2 and inserting the following:

3 “(5) Eligible credits earned in a continuing  
4 education program shall be determined as one credit  
5 for every 10 contact hours for institutions on a  
6 quarter system, and 15 contact hours for institu-  
7 tions on a semester system, of participation in an or-  
8 ganized continuing education experience under re-  
9 sponsible sponsorship, capable direction, and quali-  
10 fied instruction, as described in the criteria estab-  
11 lished by the International Association for Con-  
12 tinuing Education and Training, and may not exceed  
13 20 percent of an institution’s total Indian student  
14 count.”; and

15 (3) in section 103 (25 U.S.C. 1804), by striking  
16 “and” at the end of paragraph (2), by striking the  
17 period at the end of paragraph (3) and inserting “;  
18 and”, and by inserting after paragraph (3) the fol-  
19 lowing new paragraph:

20 “(4) has been accredited by a nationally recog-  
21 nized accrediting agency or association determined  
22 by the Secretary of Education to be a reliable au-  
23 thority as to the quality of training offered, or is, ac-  
24 cording to such an agency or association, making  
25 reasonable progress toward accreditation.”.



1 **SEC. 924. NAVAJO COMMUNITY COLLEGE ACT.**

2 Section 5(a)(1) of the Navajo Community College Act  
3 (25 U.S.C. 640e-1(a)(1)) is amended—

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

6 (2) by striking “4 succeeding” and inserting “5  
7 succeeding”.

8 **SEC. 925. EDUCATION AMENDMENTS OF 1992.**

9 Section 1543(d) of the Education Amendments of  
10 1992 (20 U.S.C. 1070 note) is amended—

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

13 (2) by striking “4 succeeding” and inserting “5  
14 succeeding”.

15 **SEC. 926. STUDY OF STUDENT LEARNING OUTCOMES AND  
16 PUBLIC ACCOUNTABILITY.**

17 (a) STUDY REQUIRED.—The Secretary shall provide  
18 for the conduct a study of the best practices of States in  
19 assessing undergraduate postsecondary student learning,  
20 particularly as such practices relate to public account-  
21 ability systems.

22 (b) CHARACTERISTICS OF THE ASSOCIATION.—Such  
23 study shall be conducted by an association or organization  
24 with specific expertise and knowledge in state practices  
25 and access to necessary state officials (in this section re-  
26 ferred to as the “association”). The association respon-



1 sible for the study under this section shall be a national,  
2 non-partisan or bi-partisan entity representing States or  
3 State officials with expertise in evaluative and qualitative  
4 policy research for best practice models, the capacity to  
5 convene experts, and to formulate policy recommenda-  
6 tions.

7 (c) REQUIRED SUBJECTS OF STUDY.—In performing  
8 the study, the association shall, at a minimum, examine  
9 the following:

10 (1) The current status of institutional and state  
11 efforts to embed student learning assessments into  
12 the state-level public accountability frameworks.

13 (2) The extent to which there is commonality  
14 among educators and accrediting agencies on learn-  
15 ing standards for the associates and bachelors de-  
16 grees.

17 (3) The reliability, rigor, and generalizability of  
18 available instruments to assess general education at  
19 the undergraduate level.

20 (4) Roles and responsibilities for public ac-  
21 countability for student learning.

22 (d) CONSULTATION.—

23 (1) NATIONAL COMMITTEE.—The association  
24 shall establish and consult with a national com-  
25 mittee. The committee shall meet not less than twice



1 a year to review the research, identify best practice  
2 models, and review recommendations.

3 (2) MEMBERSHIP.—The national advisory com-  
4 mittee shall consist of a representative of the Sec-  
5 retary of Education and individuals with expertise  
6 in—

7 (A) State accountability systems;

8 (B) student learning assessments;

9 (C) student flow data;

10 (D) transitions between K–12 and higher  
11 education; and

12 (E) Federal higher education policy.

13 (3) ADDITIONAL EXPERTISE.—The association  
14 may augment this committee with other expertise, as  
15 appropriate.

16 (e) CONGRESSIONAL CONSULTATION.—The associa-  
17 tion shall consult on a regular basis with the Committee  
18 on Education and the Workforce of the House of Rep-  
19 resentatives and the Committee on Health Education  
20 Labor and Pensions of the Senate in carrying out the  
21 study required by this section.

22 (f) REPORT.—The association shall, not later than  
23 two years after the date of enactment of this Act, prepare  
24 and submit a report on the study required by this section  
25 to the Committee on Education and the Workforce of the



- 1 House of Representatives and the Committee on Health,
- 2 Education, Labor, and Pensions of the Senate.

