

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

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. Extension of National Advisory Committee on Institutional Quality
and Integrity.

Sec. 105. Alcohol and drug abuse prevention.

Sec. 106. Prior rights and obligations.

Sec. 107. Limitation on Certain Uses of Funds.

“Sec. 123. 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 edu-
cation.

Sec. 109. 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.
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- Sec. 301. Title III grants for American Indian Tribally Controlled Colleges and Universities.
- Sec. 302. Alaska Native and Native Hawaiian-serving institutions.
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 - “Sec. 401A. Pell Grants Plus: achievement grants for State scholars.
- Sec. 402. TRIO programs.
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- Sec. 601. International and foreign language studies.
- Sec. 602. Business and international education programs.
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- “Sec. 632. Evaluation, outreach, and dissemination.
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- Sec. 901. Laurent Clerc National Deaf Education Center.
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 Sec. 909. Oversight and effect of agreements.
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- Sec. 921. Amendment to Higher Education Amendments of 1998.
 Sec. 922. Tribally Controlled College or University Assistance Act of 1978.
 Sec. 923. Navajo Community College Act.
 Sec. 924. Education Amendments of 1992.
 Sec. 925. Study of student learning outcomes and public accountability.

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

- 2 (a) REFERENCES.—Except as otherwise expressly
 3 provided, whenever in this Act an amendment or repeal
 4 is expressed in terms of an amendment to, or repeal of,



1 a section or other provision, the reference shall be consid-
2 ered to be made to a section or other provision of the
3 Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

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

7 **TITLE I—GENERAL PROVISIONS**

8 **SEC. 101. DEFINITION OF INSTITUTION OF HIGHER EDU-** 9 **CATION.**

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

13 **“SEC. 101. DEFINITION OF INSTITUTION OF HIGHER EDU-** 14 **CATION.**

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

19 “(1) admits as regular students only individuals
20 who—

21 “(A) meet the requirements of section
22 484(d)(3), or have a certificate of graduation
23 from a school providing secondary education, or
24 the recognized equivalent of such a certificate;



1 “(B) are beyond the age of compulsory
2 school attendance in the State in which the in-
3 stitution is located; or

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

6 “(2) is legally authorized within such State to
7 provide a program of education beyond secondary
8 education;

9 “(3) is accredited by a nationally recognized ac-
10 crediting agency or association; or

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

20 “(5) meets either of the following criteria:

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

23 “(i) provides an educational program
24 for which the institution awards a bach-
25 elor’s degree;



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

4 “(iii) provides not less than a 1-year
5 program of training that prepares students
6 for gainful employment in a recognized oc-
7 cupation; or

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

11 “(i) for which the institution awards a
12 certificate; and

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

15 “(b) ADDITIONAL LIMITATIONS.—

16 “(1) FOR-PROFIT POSTSECONDARY INSTITU-
17 TIONS.—

18 “(A) DURATION OF ACCREDITATION.—A
19 for-profit institution shall not be considered to
20 be an institution of higher education unless
21 such institution is accredited by a nationally
22 recognized accrediting agency or association
23 and such institution has been in existence for at
24 least 2 years.



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

11 “(2) POSTSECONDARY VOCATIONAL INSTITU-
12 TIONS.—A nonprofit or public institution that meets
13 the criteria of subsection (a)(5)(B) shall not be con-
14 sidered to be an institution of higher education un-
15 less such institution has been in existence for at
16 least 2 years.

17 “(3) LIMITATIONS BASED ON MANAGEMENT.—
18 An institution shall not be considered to meet the
19 definition of an institution of higher education in
20 this section if—

21 “(A) the institution, or an affiliate of the
22 institution that has the power, by contract or
23 ownership interest, to direct or cause the direc-
24 tion of the management or policies of the insti-
25 tution, has filed for bankruptcy, except that



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

11 “(B) the institution, the institution's
12 owner, or the institution's chief executive officer
13 has been convicted of, or has pled nolo
14 contendere or guilty to, a crime involving the
15 acquisition, use, or expenditure of Federal
16 funds, or has been judicially determined to have
17 committed a crime involving the acquisition,
18 use, or expenditure involving Federal funds.

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

23 “(A) offers more than 50 percent of such
24 institution's courses by correspondence (exclud-
25 ing courses offered by telecommunications as



1 defined in 484(l)(4)), unless the institution is
2 an institution that meets the definition in sec-
3 tion 3(3)(C) of the Carl D. Perkins Vocational
4 and Technical Education Act of 1998;

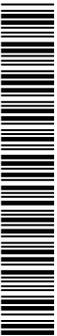
5 “(B) enrolls 50 percent or more of the in-
6 stitution’s students in correspondence courses
7 (excluding courses offered by telecommuni-
8 cations as defined in 484(l)(4)), unless the in-
9 stitution is an institution that meets the defini-
10 tion in section 3(3)(C) of the Carl D. Perkins
11 Vocational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

20 “(C) has a student enrollment in which
21 more than 25 percent of the students are incar-
22 cerated, except that the Secretary may waive
23 the limitation contained in this subparagraph
24 for an institution that provides a 2- or 4-year
25 program of instruction (or both) for which the



1 institution awards a bachelor's degree, or an as-
2 sociate's degree or a postsecondary certificate,
3 respectively; or

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



22 “(c) LIST OF ACCREDITING AGENCIES.—For pur-
23 poses of this section, the Secretary shall publish a list of
24 nationally recognized accrediting agencies or associations
25 that the Secretary determines, pursuant to subpart 2 of

1 part H of title IV, to be reliable authority as to the quality
2 of the education or training offered.

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

8 “(e) LOSS OF ELIGIBILITY.—An institution of higher
9 education shall not be considered to meet the definition
10 of an institution of higher education in this section for
11 the purposes of participation in title IV if such institution
12 is removed from eligibility for funds under title IV as a
13 result of an action pursuant to part H of title IV.

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

15 “(a) INSTITUTIONS OUTSIDE THE UNITED
16 STATES.—

17 “(1) IN GENERAL.—An institution outside the
18 United States shall be considered to be an institu-
19 tion of higher education only for purposes of part B
20 of title IV if the institution is comparable to an in-
21 stitution of higher education, as defined in section
22 101, is legally authorized by the education ministry
23 (or comparable agency) of the country in which the
24 school is located, and has been approved by the Sec-
25 retary for purposes of that part. The Secretary shall



1 establish criteria by regulation for that approval and
2 that determination of comparability. An institution
3 may not be so approved or determined to be com-
4 parable unless such institution is a public or non-
5 profit institution, except that, subject to paragraph
6 (2)(B), a graduate medical school or veterinary
7 school located outside the United States may be a
8 for-profit institution.

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

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

18 “(i)(I) at least 60 percent of those en-
19 rolled in, and at least 60 percent of the
20 graduates of, the graduate medical school
21 outside the United States were not persons
22 described in section 484(a)(5) in the year
23 preceding the year for which a student is
24 seeking a loan under part B of title IV;
25 and



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

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

15 “(B) in the case of a veterinary school lo-
16 cated outside the United States that is not a
17 public or nonprofit institution, the institution’s
18 students complete their clinical training at an
19 approved veterinary school located in the
20 United States.

21 “(b) ADVISORY PANEL.—

22 “(1) IN GENERAL.—For the purpose of quali-
23 fying a foreign medical school as an institution of
24 higher education only for purposes of part B of title
25 IV, the Secretary shall publish qualifying criteria by



1 regulation and establish an advisory panel of medical
2 experts that shall—

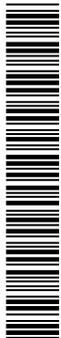
3 “(A) evaluate the standards of accredita-
4 tion applied to applicant foreign medical
5 schools; and

6 “(B) determine the comparability of those
7 standards to standards for accreditation applied
8 to United States medical schools.

9 “(2) FAILURE TO RELEASE INFORMATION.—
10 The failure of an institution outside the United
11 States to provide, release, or authorize release to the
12 Secretary of such information as may be required by
13 subsection (a)(2) shall render such institution ineli-
14 gible for the purpose of part B of title IV.

15 “(c) SPECIAL RULE.—If, pursuant to this section, an
16 institution located outside the United States loses eligi-
17 bility to participate in the programs under part B of title
18 IV, then a student enrolled at such institution may, not-
19 withstanding such loss of eligibility, continue to be eligible
20 to receive a loan under part B of title IV while attending
21 such institution for the academic year succeeding the aca-
22 demic year in which such loss of eligibility occurred.”.

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



1 **“SEC. 123. RESTRICTIONS ON FUNDS FOR FOR-PROFIT**
2 **SCHOOLS.**

3 “(a) IN GENERAL.—Notwithstanding any other pro-
4 vision of this Act authorizing the use of funds by an insti-
5 tution of higher education that receives funds under this
6 Act, none of the funds made available under this Act to
7 a for-profit institution of higher education may be used
8 for—

9 “(1) construction, maintenance, renovation, re-
10 pair, or improvement of classrooms, libraries, labora-
11 tories, or other facilities;

12 “(2) establishing, improving, or increasing an
13 endowment fund; or

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

17 “(b) EXCEPTION.—Subsection (a) shall not apply to
18 funds received by the institution from the grant, loan, or
19 work assistance that is awarded under title IV to the stu-
20 dents attending such institution.”.

21 (c) CONFORMING AMENDMENTS.—

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

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



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

4 (4) Subsection (d) of section 484 (20 U.S.C.
5 1091(d)) is amended by striking the designation and
6 heading of such subsection and inserting the fol-
7 lowing:

8 “(d) SATISFACTION OF SECONDARY EDUCATION
9 STANDARDS.—”.

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

13 (6) Section 487(e)(1)(A)(iii) (20 U.S.C.
14 1094(e)(1)(A)(iii)) is amended by striking “section
15 102(a)(1)(C)” and inserting “section 102”.

16 (7) Section 487(d) (20 U.S.C. 1094(d)) is
17 amended by striking “section 102” and inserting
18 “section 101”.

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

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



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

4 (11) Section 498(j)(1) (20 U.S.C. 1099c) is
5 amended by striking “except that such branch shall
6 not be required to meet the requirements of sections
7 102(b)(1)(E) and 102(c)(1)(C) prior to seeking such
8 certification” and inserting “except that such branch
9 shall not be required to be in existence for at least
10 2 years prior to seeking such certification”.

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

14 **SEC. 102. NEW BORROWER DEFINITION.**

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

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

20 “(A) part B or part D of title IV means
21 an individual who on that date has no out-
22 standing balance of principal or interest owing
23 on any loan made, insured, or guaranteed under
24 either of those parts; and



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

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

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

7 (1) by amending subsection (a) to read as fol-
8 lows:

9 “(a) PROTECTION OF RIGHTS.—

10 “(1) It is the sense of Congress that no student
11 attending an institution of higher education on a
12 full- or part-time basis should, on the basis of par-
13 ticipation in protected speech or protected associa-
14 tion, be excluded from participation in, be denied the
15 benefits of, or be subjected to discrimination or offi-
16 cial sanction under any education program, activity,
17 or division of the institution directly or indirectly re-
18 ceiving financial assistance under this Act, whether
19 or not such program, activity, or division is spon-
20 sored or officially sanctioned by the institution; and

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

22 “(A) the diversity of institutions and edu-
23 cational missions is one of the key strengths of
24 American higher education;



1 “(B) individual colleges and universities
2 have different missions and each institution
3 should design its academic program in accord-
4 ance with its educational goals;

5 “(C) within the context of its institutional
6 mission, a college should promote intellectual
7 pluralism and facilitate the free and open ex-
8 change of ideas;

9 “(D) students should not be intimidated,
10 harassed, discouraged from speaking out, dis-
11 criminated against, or subject to official sanc-
12 tion because of their personal political, ideolog-
13 ical, or religious beliefs; and

14 “(E) students should be treated equally
15 and fairly, including evaluation and grading,
16 without regard to or consideration of their per-
17 sonal political views or ideological beliefs.

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

22 (2) in subsection (b)(1), by inserting after
23 “higher education” the following: “, if the imposition
24 of such sanction is done objectively, fairly, and with-



1 out regard to the student's personal political, ideo-
2 logical, or religious beliefs”.

3 **SEC. 104. EXTENSION OF NATIONAL ADVISORY COMMITTEE**
4 **ON INSTITUTIONAL QUALITY AND INTEGRITY.**

5 Section 114(g) (20 U.S.C. 1011c(g)) is amended by
6 striking “2004” and inserting “2012”.

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

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

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

11 and

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

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

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

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

19 Part A of title I is further amended by adding after
20 section 122 (20 U.S.C. 1011k) the following new section:

21 **“SEC. 123. LIMITATION ON CERTAIN USES OF FUNDS.**

22 “No funds made available to carry out this Act may
23 be used—

24 “(1) for publicity or propaganda purposes not
25 authorized by the Congress before the date of enact-



1 ment of the College Access and Opportunity Act of
2 2005; or

3 “(2) unless authorized by law in effect on such
4 date of enactment, to produce any prepackaged news
5 story intended for broadcast or distribution unless
6 such story includes a clear a notification contained
7 within the text or audio of such story stating that
8 the prepackaged news story was prepared or funded
9 by the Department of Education.”.

10 **SEC. 108. CONSUMER INFORMATION AND PUBLIC AC-**
11 **COUNTABILITY IN HIGHER EDUCATION.**

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

14 **“SEC. 131. CONSUMER INFORMATION AND PUBLIC AC-**
15 **COUNTABILITY IN HIGHER EDUCATION.**

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

17 “(1) provide students and families with an
18 easy-to-use, comprehensive web-based tool for re-
19 searching and comparing institutions of higher edu-
20 cation;

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

23 “(3) raise public awareness of information
24 available about postsecondary education, particularly



1 among low-income families, non-traditional student
2 populations, and first-generation college students.

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

6 “(1) shall identify the data elements that are of
7 greatest importance to prospective students, enrolled
8 students, and their families, paying particular atten-
9 tion to low-income, non-traditional student popu-
10 lations, and first-generation college students;

11 “(2) shall convene a group of individuals with
12 expertise in the collection and reporting of data re-
13 lated to institutions of higher education, the meas-
14 urement of institutional compliance costs, consumer
15 use of data related to institutions of higher edu-
16 cation, general consumer marketing, and college
17 intervention services to—

18 “(A) determine the relevance of particular
19 data elements to prospective students, enrolled
20 students, and families;

21 “(B) assess the cost-effectiveness of var-
22 ious ways in which institutions of higher edu-
23 cation might produce the data desired by con-
24 sumers;



1 “(C) determine the general comparability
2 of the data across institutions of higher edu-
3 cation;

4 “(D) make recommendations regarding the
5 inclusion of specific data items and the most ef-
6 fective and least burdensome methods to insti-
7 tutions of higher education of collecting and re-
8 porting useful data; and

9 “(3) shall assure that the redesigned COOL
10 website—

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

14 “(B) includes clear and uniform informa-
15 tion determined to be relevant to prospective
16 students, enrolled students, and families;

17 “(C) provides comparable information, by
18 assuring that data is based on accepted criteria
19 and common definitions;

20 “(D) includes a sorting function that per-
21 mits users to customize their search for and
22 comparison of institutions of higher education
23 based on the information identified through the
24 process as prescribed in paragraph (1) as being



1 of greatest relevance to choosing an institution
2 of higher education.

3 “(c) DATA COLLECTION.—

4 “(1) DATA SYSTEM.—The Secretary shall con-
5 tinue to redesign the relevant parts of the Integrated
6 Postsecondary Education Data System to include
7 additional data as required by this section and to
8 continue to improve the usefulness and timeliness of
9 data collected by such systems in order to inform
10 consumers about institutions of higher education.

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

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

24 “(B) The room and board charges for such
25 a student.



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

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

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

9 “(ii) institutional and other assist-
10 ance; and

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

13 “(E) The number of first-time, full-time
14 students receiving financial assistance described
15 in each clause of subparagraph (D).

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

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

21 “(d) DATA DISSEMINATION.—The Secretary shall
22 make available, at a minimum, the data collected pursuant
23 to this section, including an institution’s college afford-
24 ability index as calculated in accordance with subsection
25 (e). Such data shall be made available in a manner that



1 permits the review and comparison of data submissions
2 of individual institutions of higher education. Such data
3 shall be presented in a form that is easily accessible and
4 understandable and allows parents and students to make
5 informed decisions based on the prices for typical full-time
6 undergraduate students and the institution's rate of cost
7 increase. The Secretary shall work with public and private
8 entities to promote broad public awareness, particularly
9 among middle and high school students and their families,
10 of the information made available under this section, in-
11 cluding by distribution to students who participate in or
12 receive benefits from Federally funded education pro-
13 grams and other Federal programs determined by the Sec-
14 retary.

15 “(e) COLLEGE AFFORDABILITY INDEX.—

16 “(1) IN GENERAL.—The Secretary shall, on the
17 basis of the data submitted under subsection (a),
18 calculate a college affordability index for each insti-
19 tution of higher education submitting such data and
20 shall make the index available in accordance with
21 subsection (d) as soon as operationally possible on
22 the Department's college opportunity online Web
23 site.

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



1 “(A) the percentage increase in the tuition
2 and fees charged for a first-time, full-time, full-
3 year undergraduate student between the first of
4 the 3 most recent preceding academic years and
5 the last of those 3 academic years; divided by

6 “(B) the percentage increase in the Con-
7 sumer Price Index—All Urban Consumers
8 (Current Series) from July of the first of those
9 3 academic years to July of the last of those 3
10 academic years.

11 “(f) OUTCOMES AND ACTIONS.—

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

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

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



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

4 “(D) if determinations of tuition and fee
5 increases are not within the exclusive control of
6 the institution, a description of the agency or
7 instrumentality of State government or other
8 entity that participates in such determinations
9 and the authority exercised by such agency, in-
10 strumentality, or entity.

11 “(2) INFORMATION TO THE PUBLIC.—Upon re-
12 ceipt of the institution’s report and management
13 plan under paragraph (1), the Secretary shall make
14 the institution’s report required under paragraph (1)
15 available to the public in accordance with subsection
16 (b).

17 “(3) CONSEQUENCES FOR 2-YEAR CONTINU-
18 ATION OF FAILURE.—If the Secretary determines
19 that the institution has failed to comply with the
20 management plan and action plan submitted by the
21 institution under this subsection following the next
22 2 academic years that begin after the submission of
23 such plans, and has failed to reduce the college af-
24 fordability index below 2.0 for such 2 academic
25 years, the Secretary—



1 “(A) shall make available to the public a
2 detailed report provided by the institution on all
3 costs and expenditures, and on all tuition and
4 fees charged to students, for such 2 academic
5 years;

6 “(B) shall place the institution on an af-
7 fordability alert status and shall make the in-
8 formation regarding the institution’s failure
9 available in accordance with subsection (d);

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

12 “(D) may require the institution to submit
13 to a review and audit by the Inspector General
14 of the Department of Education to determine
15 the cause of the institution’s failure.

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



1 the Secretary with that institution to such agency,
2 instrumentality, or entity.

3 “(5) EXEMPTIONS.—

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

24 “(B) DOLLAR INCREASE EXEMPTION.—An
25 institution that has a college affordability index



1 computed under paragraph (1) that exceeds 2.0
2 for any 3-year interval, but that exceeds such
3 2.0 by a dollar amount that is less than \$500,
4 shall not be subject to the actions required by
5 subparagraph (B) or (C) of paragraph (1), or
6 any action under paragraph (3), unless such in-
7 stitution has a college affordability index for a
8 subsequent 3-year interval that exceeds 2.0 by
9 more than such dollar amount.

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

18 “(g) FINES.—In addition to actions authorized in
19 section 487(c), the Secretary may impose a fine in an
20 amount not to exceed \$25,000 on an institution of higher
21 education for failing to provide the information described
22 in this section in a timely and accurate manner, or for
23 failing to otherwise cooperate with the National Center for
24 Education Statistics regarding efforts to obtain data on
25 the cost and price of higher education under this section



1 and pursuant to the program participation agreement en-
2 tered into under section 487.

3 “(h) GAO STUDY AND REPORT.—

4 “(1) GAO STUDY.—The Comptroller General
5 shall conduct a study of the policies and procedures
6 implemented by institutions in increasing the afford-
7 ability of postsecondary education. Such study shall
8 include information with respect to—

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

10 “(i) have reduced their college afford-
11 ability indexes; or

12 “(ii) are, as determined under sub-
13 section (f)(5)(A), within the least costly
14 quartile of institutions within each class
15 described in subsection (f)(5)(C);

16 “(B) policies implemented to stem the in-
17 crease in tuition and fees and institutional
18 costs;

19 “(C) the extent to which room and board
20 costs and prices changed;

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

23 “(E) the extent to which the institution’s
24 policies affected student body demographics and
25 time to completion;



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

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

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

8 “(I) other information as necessary to de-
9 termine best practices in increasing the afford-
10 ability of postsecondary education.

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

19 “(i) STUDENT AID RECIPIENT SURVEY.—

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

24 “(A) to identify the population of students
25 receiving Federal student aid;



1 “(B) to describe the income distribution
2 and other socioeconomic characteristics of fed-
3 erally aided students;

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

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

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

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

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



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

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

7 **SEC. 109. PERFORMANCE-BASED ORGANIZATION.**

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

9 (1) in subsection (a)(2)(B)—

10 (A) by inserting “unit” after “to reduce
11 the”; and

12 (B) by inserting “and, to the extent prac-
13 ticable, the total costs of administering those
14 programs” after “those programs”;

15 (2) in subsection (c)—

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

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

21 (C) in paragraph (2)(B), by striking
22 “Chief Financial Officer Act of 1990 and” and
23 inserting “Chief Financial Officers Act of
24 1990,” and by inserting before the period at the



1 end the following: “, and other relevant stat-
2 utes”; and

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

5 **TITLE II—TEACHER**
6 **PREPARATION**

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

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

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

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

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

14 “(1) improve student academic achievement;

15 “(2) improve the quality of the current and fu-
16 ture teaching force by improving the preparation of
17 prospective teachers and enhancing professional de-
18 velopment activities;

19 “(3) hold institutions of higher education ac-
20 countable for preparing highly qualified teachers;
21 and

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

25 “(b) DEFINITIONS.—In this part:



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

3 “(A) when referring to an organizational
4 unit of an institution of higher education, any
5 academic unit that offers 1 or more academic
6 majors in disciplines or content areas cor-
7 responding to the academic subject matter
8 areas in which teachers provide instruction; and

9 “(B) when referring to a specific academic
10 subject matter area, the disciplines or content
11 areas in which academic majors are offered by
12 the arts and science organizational unit.

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

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



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

4 “(A)(i)(I) that serves not fewer than
5 10,000 children from families with incomes
6 below the poverty line; or

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

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

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

21 “(B)(i) for which there is a high percent-
22 age of teachers not teaching in the academic
23 subjects or grade levels that the teachers were
24 trained to teach; or



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

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

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

15 “(7) SCIENTIFICALLY BASED READING RE-
16 SEARCH.—The term ‘scientifically based reading re-
17 search’ has the meaning given such term in section
18 1208 of the Elementary and Secondary Education
19 Act of 1965 (20 U.S.C. 6368).

20 “(8) SCIENTIFICALLY BASED RESEARCH.—The
21 term ‘scientifically based research’ has the meaning
22 given such term in section 9101 of the Elementary
23 and Secondary Education Act of 1965 (20 U.S.C.
24 7801).



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

3 “(A) are based on scientifically based re-
4 search;

5 “(B) enable teachers to effectively convey
6 and explain subject matter content;

7 “(C) lead to increased student academic
8 achievement; and

9 “(D) use strategies that—

10 “(i) are specific to subject matter;

11 “(ii) include ongoing assessment of
12 student learning;

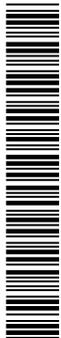
13 “(iii) focus on identification and tai-
14 loring of academic instruction to students’s
15 specific learning needs; and

16 “(iv) focus on classroom management.

17 **“SEC. 202. STATE GRANTS.**

18 “(a) IN GENERAL.—From amounts made available
19 under section 210(1) for a fiscal year, the Secretary is
20 authorized to award grants under this section, on a com-
21 petitive basis, to eligible States to enable the eligible
22 States to carry out the activities described in subsection
23 (d).

24 “(b) ELIGIBLE STATE.—



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

3 “(A) the Governor of a State; or

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

10 “(2) CONSULTATION.—The Governor or the in-
11 dividual, entity, or agency designated under para-
12 graph (1)(B) shall consult with the Governor, State
13 board of education, State educational agency, or
14 State agency for higher education, as appropriate,
15 with respect to the activities assisted under this sec-
16 tion.

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

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



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

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

4 “(3) includes a description of how the eligible
5 State intends to use funds provided under this sec-
6 tion;

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

9 “(5) demonstrates the State has submitted and
10 is actively implementing a plan that meets the re-
11 quirements of sections 1111(h)(1)(C)(viii) and 1119
12 of the Elementary and Secondary Education Act of
13 1965 (20 U.S.C. 6311(h)(1)(C)(viii) and 6319); and

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

16 “(d) USES OF FUNDS.—An eligible State that re-
17 ceives a grant under this section shall use the grant funds
18 to reform teacher preparation requirements, to coordinate
19 with State activities under section 2113(c) of the Elemen-
20 tary and Secondary Education Act of 1965 (20 U.S.C.
21 6613(c)), and to ensure that current and future teachers
22 are highly qualified, by carrying out one or more of the
23 following activities:

24 “(1) REFORMS.—Ensuring that all teacher
25 preparation programs in the State are preparing



1 teachers who are highly qualified, are able to under-
2 stand scientifically based research and its applica-
3 bility, and are able to use advanced technology effec-
4 tively in the classroom, including use for instruc-
5 tional techniques to improve student academic
6 achievement, by assisting such programs—

7 “(A) to retrain faculty; and

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

10 “(i) are based on rigorous academic
11 content, scientifically based research (in-
12 cluding scientifically based reading re-
13 search), and challenging State student aca-
14 demic content standards; and

15 “(ii) promote strong teaching skills.

16 “(2) CERTIFICATION OR LICENSURE REQUIRE-
17 MENTS.—Reforming teacher certification (including
18 recertification) or licensing requirements to ensure
19 that—

20 “(A) teachers have the subject matter
21 knowledge and teaching skills in the academic
22 subjects that the teachers teach that are nec-
23 essary to help students meet challenging State
24 student academic achievement standards; and



1 “(B) such requirements are aligned with
2 challenging State academic content standards.

3 “(3) ALTERNATIVES TO TRADITIONAL TEACHER
4 PREPARATION AND STATE CERTIFICATION.—Pro-
5 viding prospective teachers with alternative routes to
6 State certification and traditional preparation to be-
7 come highly qualified teachers through—

8 “(A) innovative approaches that reduce un-
9 necessary barriers to State certification while
10 producing highly qualified teachers;

11 “(B) programs that provide support to
12 teachers during their initial years in the profes-
13 sion; and

14 “(C) alternative routes to State certifi-
15 cation of teachers for qualified individuals, in-
16 cluding mid-career professionals from other oc-
17 cupations, former military personnel, and recent
18 college graduates with records of academic dis-
19 tinction.

20 “(4) INNOVATIVE PROGRAMS.—Planning and
21 implementing innovative programs to enhance the
22 ability of institutions of higher education to prepare
23 highly qualified teachers, such as charter colleges of
24 education or university and local educational agency
25 partnership schools, that—



1 “(A) permit flexibility in meeting State re-
2 quirements as long as graduates, during their
3 initial years in the profession, increase student
4 academic achievement;

5 “(B) provide long-term data gathered from
6 teachers’ performance over multiple years in the
7 classroom on the ability to increase student aca-
8 demic achievement;

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

11 “(D) create performance measures that
12 can be used to document the effectiveness of in-
13 novative methods for preparing highly qualified
14 teachers.

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

17 “(A) merit-based performance systems that
18 reward teachers who increase student academic
19 achievement; and

20 “(B) strategies that provide differential
21 and bonus pay in high-need local educational
22 agencies to retain—

23 “(i) principals;



1 “(ii) highly qualified teachers who
2 teach in high-need academic subjects, such
3 as reading, mathematics, and science;

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

9 “(iv) special education teachers;

10 “(v) teachers specializing in teaching
11 limited English proficient children; and

12 “(vi) highly qualified teachers in
13 urban and rural schools or districts.

14 “(6) TEACHER ADVANCEMENT.—Developing, or
15 assisting local educational agencies in developing,
16 teacher advancement and retention initiatives that
17 promote professional growth and emphasize multiple
18 career paths (such as paths to becoming a highly
19 qualified mentor teacher or exemplary teacher) and
20 pay differentiation.

21 “(7) TEACHER REMOVAL.—Developing and im-
22 plementing effective mechanisms to ensure that local
23 educational agencies and schools are able to remove
24 expeditiously incompetent or unqualified teachers



1 consistent with procedures to ensure due process for
2 the teachers.

3 “(8) TECHNICAL ASSISTANCE.—Providing tech-
4 nical assistance to low-performing teacher prepara-
5 tion programs within institutions of higher education
6 identified under section 208(a).

7 “(9) TEACHER EFFECTIVENESS.—Developing—
8 “(A) systems to measure the effectiveness
9 of teacher preparation programs and profes-
10 sional development programs; and

11 “(B) strategies to document gains in stu-
12 dent academic achievement or increases in
13 teacher mastery of the academic subjects the
14 teachers teach as a result of such programs.

15 “(10) TEACHER RECRUITMENT AND RETEN-
16 TION.—Undertaking activities that—

17 “(A) develop and implement effective
18 mechanisms to ensure that local educational
19 agencies and schools are able effectively to re-
20 cruit and retain highly qualified teachers; or

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

22 “(11) PRESCHOOL TEACHERS.—Developing
23 strategies—



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

4 “(B) to improve and expand preschool
5 teacher preparation programs.

6 “(12) GIFTED AND TALENTED STUDENTS.—In-
7 corporating the learning needs of gifted and talented
8 students into the activities described in paragraph
9 (1), (2), or (3) in order to ensure that new teachers
10 possess the basic knowledge and skills necessary to
11 meet the educational needs of gifted and talented
12 students.

13 “(13) NEW-TEACHER MENTORING ON THE
14 NEEDS OF GIFTED AND TALENTED STUDENTS.—
15 Establishing or expanding new-teacher mentoring
16 and assessment programs (including induction and
17 evaluation programs) that are a part of a licensure
18 process which is designed to demonstrate that new
19 teachers possess basic knowledge of the classroom
20 indicators of giftedness, are able to identify student
21 learning differences among gifted students, and are
22 able to provide instruction to accommodate such dif-
23 ferences.

24 “(e) EVALUATION.—



1 “(1) EVALUATION SYSTEM.—An eligible State
2 that receives a grant under this section shall develop
3 and utilize a system to evaluate annually the effective-
4 ness of teacher preparation programs and profes-
5 sional development activities within the State in pro-
6 ducing gains in—

7 “(A) the teacher’s annual contribution to
8 improving student academic achievement, as
9 measured by State academic assessments re-
10 quired under section 1111(b)(3) of the Elemen-
11 tary and Secondary Education Act of 1965 (20
12 U.S.C. 6311(b)(3)); and

13 “(B) teacher mastery of the academic sub-
14 jects they teach, as measured by pre- and post-
15 participation tests of teacher knowledge, as ap-
16 propriate.

17 “(2) USE OF EVALUATION SYSTEM.—Such eval-
18 uation system shall be used by the State to
19 evaluate—

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

22 “(B) the quality of its teacher education
23 programs.

24 “(3) PUBLIC REPORTING.—The State shall
25 make the information described in paragraph (1)



1 widely available through public means, such as post-
2 ing on the Internet, distribution to the media, and
3 distribution through public agencies.

4 **“SEC. 203. PARTNERSHIP GRANTS.**

5 “(a) GRANTS.—From amounts made available under
6 section 210(2) for a fiscal year, the Secretary is author-
7 ized to award grants under this section, on a competitive
8 basis, to eligible partnerships to enable the eligible part-
9 nerships to carry out the activities described in subsections
10 (d) and (e).

11 “(b) DEFINITIONS.—

12 “(1) ELIGIBLE PARTNERSHIPS.—In this part,
13 the term ‘eligible partnership’ means an entity
14 that—

15 “(A) shall include—

16 “(i) a partner institution;

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

18 “(iii) a high-need local educational
19 agency; and

20 “(iv) a public or private educational
21 organization; and

22 “(B) may include a Governor, State edu-
23 cational agency, the State board of education,
24 the State agency for higher education, an insti-
25 tution of higher education not described in sub-



1 paragraph (A), a public charter school, a public
2 or private elementary school or secondary
3 school, a public or private educational organiza-
4 tion, a business, a science-, mathematics-, or
5 technology-oriented entity, a faith-based or
6 community organization, a prekindergarten pro-
7 gram, a teacher organization, an education
8 service agency, a consortia of local educational
9 agencies, or a nonprofit telecommunications en-
10 tity.

11 “(2) PARTNER INSTITUTION.—In this section,
12 the term ‘partner institution’ means an institution of
13 higher education, the teacher training program of
14 which demonstrates that—

15 “(A) graduates from the teacher training
16 program exhibit strong performance on State-
17 determined qualifying assessments for new
18 teachers through—

19 “(i) demonstrating that the graduates
20 of the program who intend to enter the
21 field of teaching have passed all of the ap-
22 plicable State qualification assessments for
23 new teachers, which shall include an as-
24 sessment of each prospective teacher’s sub-
25 ject matter knowledge in the content area



1 or areas in which the teacher intends to
2 teach; or

3 “(ii) being ranked among the highest-
4 performing teacher preparation programs
5 in the State as determined by the State—

6 “(I) using criteria consistent with
7 the requirements for the State report
8 card under section 207(a); and

9 “(II) using the State report card
10 on teacher preparation required under
11 section 207(a); or

12 “(B) the teacher training program requires
13 all the students of the program to participate in
14 intensive clinical experience, to meet high aca-
15 demic standards, and—

16 “(i) in the case of secondary school
17 candidates, to successfully complete an
18 academic major in the subject area in
19 which the candidate intends to teach or to
20 demonstrate competence through a high
21 level of performance in relevant content
22 areas; and

23 “(ii) in the case of elementary school
24 candidates, to successfully complete an
25 academic major in the arts and sciences or



1 to demonstrate competence through a high
2 level of performance in core academic sub-
3 ject areas.

4 “(c) APPLICATION.—Each eligible partnership desir-
5 ing a grant under this section shall submit an application
6 to the Secretary at such time, in such manner, and accom-
7 panied by such information as the Secretary may require.
8 Each such application shall—

9 “(1) contain a needs assessment of all the part-
10 ners with respect to teaching and learning and a de-
11 scription of how the partnership will coordinate with
12 other teacher training or professional development
13 programs, and how the activities of the partnership
14 will be consistent with State, local, and other edu-
15 cation reform activities that promote student aca-
16 demic achievement;

17 “(2) contain a resource assessment that de-
18 scribes the resources available to the partnership,
19 the intended use of the grant funds, including a de-
20 scription of how the grant funds will be used in ac-
21 cordance with subsection (f), and the commitment of
22 the resources of the partnership to the activities as-
23 sisted under this part, including financial support,
24 faculty participation, time commitments, and con-
25 tinuation of the activities when the grant ends;



1 “(3) contain a description of—

2 “(A) how the partnership will meet the
3 purposes of this part;

4 “(B) how the partnership will carry out
5 the activities required under subsection (d) and
6 any permissible activities under subsection (e);

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

9 “(D) how faculty of the teacher prepara-
10 tion program at the partner institution will
11 serve, over the term of the grant, with highly
12 qualified teachers in the classrooms of the high-
13 need local educational agency included in the
14 partnership;

15 “(E) how the partnership will ensure that
16 teachers, principals, and superintendents in pri-
17 vate elementary and secondary schools located
18 in the geographic areas served by an eligible
19 partnership under this section will participate
20 equitably in accordance with section 9501 of
21 the Elementary and Secondary Education Act
22 of 1965 (20 U.S.C. 7881);

23 “(F) how the partnership will design and
24 implement a clinical program component that
25 includes close supervision of student teachers by



1 faculty of the teacher preparation program at
2 the partner institution and mentor teachers;

3 “(G) how the partnership will design and
4 implement an induction program to support all
5 new teachers through the first 3 years of teach-
6 ing that includes mentors who are trained and
7 compensated by the partnership for their work
8 with new teachers; and

9 “(H) how the partnership will collect, ana-
10 lyze, and use data on the retention of all teach-
11 ers in schools located in the geographic areas
12 served by the partnership to evaluate the effec-
13 tiveness of its teacher support system; and

14 “(4) contain a certification from the high-need
15 local educational agency included in the partnership
16 that it has reviewed the application and determined
17 that the grant proposed will comply with subsection
18 (f).

19 “(d) REQUIRED USES OF FUNDS.—An eligible part-
20 nership that receives a grant under this section shall use
21 the grant funds to reform teacher preparation require-
22 ments, to coordinate with State activities under section
23 2113(c) of the Elementary and Secondary Education Act
24 of 1965 (20 U.S.C. 6613(c)), and to ensure that current



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

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

11 “(A) retraining faculty; and

12 “(B) designing (or redesigning) teacher
13 preparation programs so they—

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

19 “(ii) promote strong teaching skills.

20 “(2) CLINICAL EXPERIENCE AND INTER-
21 ACTION.—Providing sustained and high-quality
22 preservice and in-service clinical experience, includ-
23 ing the mentoring of prospective teachers by exem-
24 plary teachers, substantially increasing interaction
25 between faculty at institutions of higher education



1 and new and experienced teachers, principals, and
2 other administrators at elementary schools or sec-
3 ondary schools, and providing support for teachers,
4 including preparation time and release time, for such
5 interaction.

6 “(3) PROFESSIONAL DEVELOPMENT.—Creating
7 opportunities for enhanced and ongoing professional
8 development that improves the academic content
9 knowledge of teachers in the subject areas in which
10 the teachers are certified to teach or in which the
11 teachers are working toward certification to teach,
12 and that promotes strong teaching skills.

13 “(4) TEACHER PREPARATION.—Developing, or
14 assisting local educational agencies in developing,
15 professional development activities that—

16 “(A) provide training in how to teach and
17 address the needs of students with different
18 learning styles, particularly students with dis-
19 abilities, limited English proficient students,
20 gifted and talented students, and students with
21 special learning needs; and

22 “(B) provide training in methods of—

23 “(i) improving student behavior in the
24 classroom; and



1 “(ii) identifying early and appropriate
2 interventions to help students described in
3 subparagraph (A) learn.

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

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

12 “(A) innovative approaches that reduce un-
13 necessary barriers to teacher preparation while
14 producing highly qualified teachers;

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

17 “(C) alternative routes to State certifi-
18 cation of teachers for qualified individuals, in-
19 cluding mid-career professionals from other oc-
20 cupations, former military personnel, and recent
21 college graduates with records of academic dis-
22 tinction.

23 “(2) DISSEMINATION AND COORDINATION.—
24 Broadly disseminating information on effective prac-
25 tices used by the partnership, and coordinating with



1 the activities of the Governor, State board of edu-
2 cation, State higher education agency, and State
3 educational agency, as appropriate.

4 “(3) MANAGERIAL AND LEADERSHIP SKILLS.—
5 Developing and implementing professional develop-
6 ment programs for principals and superintendents
7 that enable them to be effective school leaders and
8 prepare all students to meet challenging State aca-
9 demic content and student academic achievement
10 standards.

11 “(4) TEACHER RECRUITMENT.—Activities—
12 “(A) to encourage students to become
13 highly qualified teachers, such as extra-
14 curricular enrichment activities; and

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

16 “(5) CLINICAL EXPERIENCE IN SCIENCE, MATH-
17 EMATICS, AND TECHNOLOGY.—Creating opportuni-
18 ties for clinical experience and training, by participa-
19 tion in the business, research, and work environ-
20 ments with professionals, in areas relating to
21 science, mathematics, and technology for teachers
22 and prospective teachers, including opportunities for
23 use of laboratory equipment, in order for the teacher
24 to return to the classroom for at least 2 years and



1 provide instruction that will raise student academic
2 achievement.

3 “(6) COORDINATION WITH COMMUNITY COL-
4 LEGES.—Coordinating with community colleges to
5 implement teacher preparation programs, including
6 through distance learning, for the purposes of allow-
7 ing prospective teachers—

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

10 “(B) to become highly qualified teachers.

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

13 “(A) includes minimum qualifications for
14 mentors;

15 “(B) provides training and stipends for
16 mentors;

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

19 “(D) provides regular and ongoing oppor-
20 tunities for mentors and mentees to observe
21 each other’s teaching methods in classroom set-
22 tings during the school day;

23 “(E) establishes an evaluation and ac-
24 countability plan for activities conducted under



1 this paragraph that includes rigorous objectives
2 to measure the impact of such activities; and

3 “(F) provides for a report to the Secretary
4 on an annual basis regarding the partnership’s
5 progress in meeting the objectives described in
6 subparagraph (E).

7 “(8) COMPUTER SOFTWARE FOR MULTI-
8 LINGUAL EDUCATION.—Training teachers to use
9 computer software for multilingual education to ad-
10 dress the needs of limited English proficient stu-
11 dents.

12 “(9) GIFTED AND TALENTED STUDENTS.—In-
13 creasing the knowledge and skills of preservice
14 teachers participating in activities under subsection
15 (d) in the educational and related needs of gifted
16 and talented students by, among other strategies, in-
17 fusing teacher coursework with units on the charac-
18 teristics of high-ability learners, using assessments
19 to identify preexisting knowledge and skills among
20 students, and developing teaching strategies that are
21 driven by the learner’s progress.

22 “(f) SPECIAL RULE.—At least 50 percent of the
23 funds made available to an eligible partnership under this
24 section shall be used directly to benefit the high-need local
25 educational agency included in the partnership. Any entity



1 described in subsection (b)(1)(A) may be the fiscal agent
2 under this section.

3 “(g) CONSTRUCTION.—Nothing in this section shall
4 be construed to prohibit an eligible partnership from using
5 grant funds to coordinate with the activities of more than
6 one Governor, State board of education, State educational
7 agency, local educational agency, or State agency for high-
8 er education.

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

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

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

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

22 “(1) an eligible State described in section
23 202(b); or

24 “(2) an eligible partnership described in section
25 203(b).



1 “(c) APPLICATION.—Any eligible applicant desiring
2 to receive a grant under this section shall submit an appli-
3 cation to the Secretary at such time, in such form, and
4 containing such information as the Secretary may require,
5 including—

6 “(1) a description of the assessment that the el-
7 ible applicant, and the other entities with whom
8 the eligible applicant will carry out the grant activi-
9 ties, have undertaken to determine the most critical
10 needs of the participating high-need local edu-
11 cational agencies;

12 “(2) a description of the activities the eligible
13 applicant will carry out with the grant, including the
14 extent to which the applicant will use funds to re-
15 cruit minority students to become highly qualified
16 teachers; and

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

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

23 “(1)(A) to award scholarships to help students,
24 such as individuals who have been accepted for their
25 first year, or who are enrolled in their first or second



1 year, of a program of undergraduate education at an
2 institution of higher education, pay the costs of tui-
3 tion, room, board, and other expenses of completing
4 a teacher preparation program;

5 “(B) to provide support services, if needed to
6 enable scholarship recipients—

7 “(i) to complete postsecondary education
8 programs; or

9 “(ii) to transition from a career outside of
10 the field of education into a teaching career;
11 and

12 “(C) for followup services provided to former
13 scholarship recipients during the recipients first 3
14 years of teaching; or

15 “(2) to develop and implement effective mecha-
16 nisms to ensure that high-need local educational
17 agencies and schools are able effectively to recruit
18 highly qualified teachers.

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

23 “(1) to develop and implement effective mecha-
24 nisms to recruit into the teaching profession employ-
25 ees from—



1 “(A) high-demand industries, including
2 technology industries; and

3 “(B) the fields of science, mathematics,
4 and engineering; and

5 “(2) to conduct outreach and coordinate with
6 inner city and rural secondary schools to encourage
7 students to pursue teaching as a career.

8 “(f) SERVICE REQUIREMENTS.—

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

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

17 “(i) one year; increased by

18 “(ii) the period for which the recipient
19 received scholarship assistance; or

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

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

24 “(g) PRIORITY.—The Secretary shall give priority
25 under this section to eligible applicants who provide an



1 assurance that they will recruit a high percentage of mi-
2 nority students to become highly qualified teachers.

3 **“SEC. 205. ADMINISTRATIVE PROVISIONS.**

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

5 “(1) DURATION.—

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

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

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

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

20 “(b) PEER REVIEW.—

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



1 commend the application for funding or for dis-
2 approval.

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

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

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

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

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

24 “(B) with respect to grants under section
25 203—



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

5 “(ii) take into consideration—

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

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

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

20 “(c) MATCHING REQUIREMENTS.—

21 “(1) STATE GRANTS.—Each eligible State re-
22 ceiving a grant under section 202 or 204 shall pro-
23 vide, from non-Federal sources, an amount equal to
24 50 percent of the amount of the grant (in cash or



1 in kind) to carry out the activities supported by the
2 grant.

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

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

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

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



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

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

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

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

22 “(5) DECREASING TEACHER SHORTAGES.—De-
23 creasing shortages of highly qualified teachers in
24 poor urban and rural areas.



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

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

10 “(B) promotes strong teaching skills.

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

18 “(b) ELIGIBLE PARTNERSHIP EVALUATION.—Each
19 eligible partnership applying for a grant under section 203
20 shall establish, and include in the application submitted
21 under section 203(c), an evaluation plan that includes
22 strong performance objectives. The plan shall include ob-
23 jectives and measures for—

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



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

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

5 “(4) increased percentage of highly qualified
6 teachers; and

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

13 “(c) REVOCATION OF GRANT.—

14 “(1) REPORT.—Each eligible State or eligible
15 partnership receiving a grant under section 202 or
16 203 shall report annually on the progress of the eli-
17 gible State or eligible partnership toward meeting
18 the purposes of this part and the goals, objectives,
19 and measures described in subsections (a) and (b).

20 “(2) REVOCATION.—

21 “(A) ELIGIBLE STATES AND ELIGIBLE AP-
22 PPLICANTS.—If the Secretary determines that an
23 eligible State or eligible applicant is not making
24 substantial progress in meeting the purposes,
25 goals, objectives, and measures, as appropriate,



1 by the end of the second year of a grant under
2 this part, then the grant payment shall not be
3 made for the third year of the grant.

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

12 “(d) EVALUATION AND DISSEMINATION.—The Sec-
13 retary shall evaluate the activities funded under this part
14 and report annually the Secretary’s findings regarding the
15 activities to the Committee on Health, Education, Labor,
16 and Pensions of the Senate and the Committee on Edu-
17 cation and the Workforce of the House of Representatives.
18 The Secretary shall broadly disseminate successful prac-
19 tices developed by eligible States and eligible partnerships
20 under this part, and shall broadly disseminate information
21 regarding such practices that were found to be ineffective.

22 **“SEC. 207. ACCOUNTABILITY FOR PROGRAMS THAT PRE-**
23 **PARE TEACHERS.**

24 “(a) STATE REPORT CARD ON THE QUALITY OF
25 TEACHER PREPARATION.—Each State that receives funds



1 under this Act shall provide to the Secretary annually, in
2 a uniform and comprehensible manner that conforms with
3 the definitions and methods established by the Secretary,
4 a State report card on the quality of teacher preparation
5 in the State, both for traditional certification or licensure
6 programs and for alternative certification or licensure pro-
7 grams, which shall include at least the following:

8 “(1) A description of the teacher certification
9 and licensure assessments, and any other certifi-
10 cation and licensure requirements, used by the
11 State.

12 “(2) The standards and criteria that prospec-
13 tive teachers must meet in order to attain initial
14 teacher certification or licensure and to be certified
15 or licensed to teach particular subjects or in par-
16 ticular grades within the State.

17 “(3) A description of the extent to which the
18 assessments and requirements described in para-
19 graph (1) are aligned with the State’s standards and
20 assessments for students.

21 “(4) The percentage of students who have com-
22 pleted at least 50 percent of the requirements for a
23 teacher preparation program at an institution of
24 higher education or alternative certification program
25 and who have taken and passed each of the assess-



1 ments used by the State for teacher certification and
2 licensure, and the passing score on each assessment
3 that determines whether a candidate has passed that
4 assessment.

5 “(5) For students who have completed at least
6 50 percent of the requirements for a teacher prepa-
7 ration program at an institution of higher education
8 or alternative certification program, and who have
9 taken and passed each of the assessments used by
10 the State for teacher certification and licensure,
11 each such institution’s and each such program’s av-
12 erage raw score, ranked by teacher preparation pro-
13 gram, which shall be made available widely and pub-
14 licly.

15 “(6) A description of each State’s alternative
16 routes to teacher certification, if any, and the num-
17 ber and percentage of teachers certified through
18 each alternative certification route who pass State
19 teacher certification or licensure assessments.

20 “(7) For each State, a description of proposed
21 criteria for assessing the performance of teacher
22 preparation programs in the State, including indica-
23 tors of teacher candidate skills, academic content
24 knowledge, and evidence of gains in student aca-
25 demic achievement.



1 “(8) For each teacher preparation program in
2 the State, the number of students in the program,
3 the average number of hours of supervised practice
4 teaching required for those in the program, and the
5 number of full-time equivalent faculty and students
6 in supervised practice teaching.

7 “(b) REPORT OF THE SECRETARY ON THE QUALITY
8 OF TEACHER PREPARATION.—

9 “(1) REPORT CARD.—The Secretary shall pro-
10 vide to Congress, and publish and make widely avail-
11 able, a report card on teacher qualifications and
12 preparation in the United States, including all the
13 information reported in paragraphs (1) through (8)
14 of subsection (a). Such report shall identify which el-
15 igible States received a grant under this part, and
16 the States in which eligible partnerships receiving
17 grants are located. Such report shall be published
18 and made available annually.

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

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

23 “(B) regarding the national mean and me-
24 dian scores on any standardized test that is



1 used in more than 1 State for teacher certifi-
2 cation or licensure.

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

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

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

20 “(1) REPORT CARD.—Each institution of higher
21 education or alternative certification program that
22 conducts a teacher preparation program that enrolls
23 students receiving Federal assistance under this Act
24 shall report annually to the State and the general
25 public, in a uniform and comprehensible manner



1 that conforms with the definitions and methods es-
2 tablished by the Secretary, both for traditional cer-
3 tification or licensure programs and for alternative
4 certification or licensure programs, the following in-
5 formation:

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

16 “(ii) A comparison of the institution or
17 program’s pass rate for students who have com-
18 pleted at least 50 percent of the requirements
19 for the teacher preparation program with the
20 average pass rate for institutions and programs
21 in the State.

22 “(iii) A comparison of the institution or
23 program’s average raw score for students who
24 have completed at least 50 percent of the re-
25 quirements for the teacher preparation program



1 with the average raw scores for institutions and
2 programs in the State.

3 “(iv) In the case of programs with fewer
4 than 10 students who have completed at least
5 50 percent of the requirements for a teacher
6 preparation program taking any single initial
7 teacher certification or licensure assessment
8 during an academic year, the institution shall
9 collect and publish information with respect to
10 an average pass rate on State certification or li-
11 censure assessments taken over a 3-year period.

12 “(B) PROGRAM INFORMATION.—The num-
13 ber of students in the program, the average
14 number of hours of supervised practice teaching
15 required for those in the program, and the
16 number of full-time equivalent faculty and stu-
17 dents in supervised practice teaching.

18 “(C) STATEMENT.—In States that require
19 approval or accreditation of teacher education
20 programs, a statement of whether the institu-
21 tion’s program is so approved or accredited,
22 and by whom.

23 “(D) DESIGNATION AS LOW-PER-
24 FORMING.—Whether the program has been des-



1 ignated as low-performing by the State under
2 section 208(a).

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

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

16 “(e) DATA QUALITY.—Either—

17 “(1) the Governor of the State; or

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

23 shall attest annually, in writing, as to the reliability, valid-
24 ity, integrity, and accuracy of the data submitted pursuant
25 to this section.



1 **“SEC. 208. STATE FUNCTIONS.**

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

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

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



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

4 **“SEC. 209. GENERAL PROVISIONS.**

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

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

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

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

24 “(c) LIMITATIONS.—



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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

5 **“PART C—CENTERS OF EXCELLENCE**

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

23 “(3) SCIENTIFICALLY BASED READING RE-
24 SEARCH.—The term ‘scientifically based reading re-
25 search’ has the meaning given such term in section



1 1208 of the Elementary and Secondary Education
2 Act of 1965 (20 U.S.C. 6368).

3 “(4) SCIENTIFICALLY BASED RESEARCH.—The
4 term ‘scientifically based research’ has the meaning
5 given such term in section 9101 of the Elementary
6 and Secondary Education Act of 1965 (20 U.S.C.
7 7801).

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

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

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

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

24 “(A) retraining faculty; and



1 “(B) designing (or redesigning) teacher
2 preparation programs that—

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

9 “(ii) promote strong teaching skills.

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

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

23 “(A) teacher or principal mentoring from
24 exemplary teachers or principals; or



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

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

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

12 “(6) Activities authorized under sections 202,
13 203, and 204.

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

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

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



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

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

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

9 **SEC. 204. TRANSITION.**

10 The Secretary of Education shall take such actions
11 as the Secretary determines to be appropriate to provide
12 for the orderly implementation of this title.

13 **TITLE III—INSTITUTIONAL AID**

14 **SEC. 301. TITLE III GRANTS FOR AMERICAN INDIAN TRIB-**
15 **ALLY CONTROLLED COLLEGES AND UNIVER-**
16 **SITIES.**

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

20 “(b) DEFINITIONS.—

21 “(1) ELIGIBLE INSTITUTIONS.—For purposes
22 of this section, Tribal Colleges and Universities are
23 the following:

24 “(A) any of the following institutions that
25 qualify for funding under the Tribally Con-



1 trolled College or University Assistance Act of
2 1978 or is listed in Equity in Educational Land
3 Grant Status Act of 1994 (7 U.S.C. 301 note):
4 Bay Mills Community College; Blackfeet Com-
5 munity College; Cankdeska Cikana Community
6 College; Chief Dull Knife College; College of
7 Menominee Nation; Crownpoint Institute of
8 Technology; Diné College; D–Q University;
9 Fond du Lac Tribal and Community College;
10 Fort Belknap College; Fort Berthold Commu-
11 nity College; Fort Peck Community College;
12 Haskell Indian Nations University; Institute of
13 American Indian and Alaska Native Culture
14 and Arts Development; Lac Courte Oreilles
15 Ojibwa Community College; Leech Lake Tribal
16 College; Little Big Horn College; Little Priest
17 Tribal College; Nebraska Indian Community
18 College; Northwest Indian College; Oglala
19 Lakota College; Saginaw Chippewa Tribal Col-
20 lege; Salish Kootenai College; Si Tanka Univer-
21 sity—Eagle Butte Campus; Sinte Gleska Uni-
22 versity; Sisseton Wahpeton Community College;
23 Sitting Bull College; Southwestern Indian Poly-
24 technic Institute; Stone Child College; Tohono
25 O’Odham Community College; Turtle Mountain



1 Community College; United Tribes Technical
2 College; and White Earth Tribal and Commu-
3 nity College; and

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

10 “(2) INDIAN.—The term ‘Indian’ has the mean-
11 ing given the term in section 2 of the Tribally Con-
12 trolled College or University Assistance Act of
13 1978.”.

14 (b) DISTANCE LEARNING.—Subsection (c)(2) of such
15 section is amended—

16 (1) by amending subparagraph (B) to read as
17 follows:

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



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

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

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

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

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

12 “(d) APPLICATION AND ALLOTMENT.—

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

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

22 “(3) ALLOTMENTS TO INSTITUTIONS.—

23 “(A) ALLOTMENT: PELL GRANT BASIS.—
24 From the amount appropriated to carry out
25 this section for any fiscal year, the Secretary



1 shall allot to each eligible institution a sum
2 which bears the same ratio to one-half that
3 amount as the number of Pell Grant recipients
4 in attendance at such institution at the end of
5 the award year preceding the beginning of that
6 fiscal year bears to the total number of Pell
7 Grant recipients at all eligible institutions.

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

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

22 “(4) SPECIAL RULES.—

23 “(A) CONCURRENT FUNDING.—For the
24 purposes of this part, no Tribal College or Uni-
25 versity that is eligible for and receives funds



1 under this section shall concurrently receive
2 funds under other provisions of this part or
3 part B.

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

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

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

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

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

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

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



1 (4) by inserting after subparagraph (H) the fol-
2 lowing new subparagraph:

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

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

9 “(3) ENDOWMENT FUNDS.—

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

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

23 “(C) APPLICABILITY OF OTHER PROVI-
24 SIONS.—The provisions of part C regarding the
25 establishment or increase of an endowment



1 fund, that the Secretary determines are not in-
2 consistent with this paragraph, shall apply to
3 funds used under subparagraph (A).”.

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

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

13 (2) in paragraph (2)—

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

16 (B) by striking subparagraph (A) and in-
17 serting the following:

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

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

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

25 (a) USE OF FUNDS.—



1 (1) FACILITIES AND EQUIPMENT.—

2 (A) UNDERGRADUATE INSTITUTIONS.—

3 Paragraph (2) of section 323(a) (20 U.S.C.
4 1062(a)) is amended to read as follows:

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

12 (B) GRADUATE AND PROFESSIONAL
13 SCHOOLS.—Paragraph (2) of section 326(c) is
14 amended to read as follows:

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

22 (2) OUTREACH AND COLLABORATION.—Para-
23 graph (11) of section 323(a) is amended to read as
24 follows:



1 “(11) Establishing community outreach pro-
2 grams and collaborative partnerships between part B
3 institutions and local elementary or secondary
4 schools. Such partnerships may include mentoring,
5 tutoring, or other instructional opportunities that
6 will boost student academic achievement and assist
7 elementary and secondary school students in devel-
8 oping the academic skills and the interest to pursue
9 postsecondary education.”.

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

12 (1) by redesignating subsection (c) as sub-
13 section (d); and

14 (2) by inserting after subsection (b) the fol-
15 lowing new subsection:

16 “(c) TECHNICAL ASSISTANCE.—

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

21 “(2) TECHNICAL ASSISTANCE SERVICES.—

22 Technical assistance services may include assistance
23 with enrollment management, financial management,
24 and strategic planning.



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

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

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

20 (e) ELIGIBLE GRADUATE OR PROFESSIONAL
21 SCHOOLS.—

22 (1) GENERAL AUTHORITY.—Section 326(a)(1)
23 (20 U.S.C. 1063b(a)(1)) is amended—

24 (A) by inserting “(A)” after “subsection
25 (e) that”;



1 (B) by inserting before the period at the
2 end the following: “, (B) is accredited by a na-
3 tionally recognized accrediting agency or asso-
4 ciation determined by the Secretary to be a reli-
5 able authority as to the quality of training of-
6 fered, and (C) according to such an agency or
7 association, is in good standing”.

8 (2) ELIGIBLE INSTITUTIONS.—Section
9 326(e)(1) (20 U.S.C. 1063b(e)(1)) is amended—

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

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

15 (C) by adding at the end the following new
16 subparagraphs:

17 “(S) Alabama State University qualified
18 graduate program;

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

21 “(U) Coppin State University qualified
22 graduate program; and

23 “(V) Delaware State University qualified
24 graduate program.”.



1 (3) CONFORMING AMENDMENT.—Section
2 326(e)(3) (20 U.S.C. 1063b(e)(3)) is amended—

3 (A) by striking “1998” and inserting
4 “2005”; and

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

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

9 (1) in paragraph (1)—

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

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

13 (2) in paragraph (2)—

14 (A) by striking “\$26,600,000 but not in
15 excess of \$28,600,000” and inserting
16 “\$54,500,000, but not in excess of
17 \$58,500,000”; and

18 (B) by striking “subparagraphs (Q) and
19 (R)” and inserting “subparagraphs (S), (T),
20 (U), and (V)”;

21 (3) in paragraph (3)—

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

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



1 (g) HOLD HARMLESS.—Section 326(g) (20 U.S.C.
2 1063b(g)) is amended by striking “1998” and inserting
3 “2005”.

4 **SEC. 304. TECHNICAL AMENDMENTS.**

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

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

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

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

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

16 (2) in section 312(b)(1)(A) (20 U.S.C.
17 1058(b)(1)(A)), by striking “subsection (c)” and in-
18 serting “subsection (d)”;

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

22 (4) in section 312(b)(1) (20 U.S.C.
23 1058(b)(1)), by redesignating subparagraphs (E)
24 and (F) as subparagraphs (F) and (G), respectively,



1 and by inserting after subparagraph (D) the fol-
2 lowing new subparagraph:

3 “(E) which provides a program that is not
4 less than a 2-year educational program that is
5 acceptable for full credit toward a bachelor’s de-
6 gree;”;

7 (5) in section 316(c)(2) (20 U.S.C.
8 1059c(c)(2))—

9 (A) by redesignating subparagraphs (G)
10 through (M) (as redesignated by section
11 301(b)(2) of this Act) as subparagraphs (H)
12 through (N), respectively;

13 (B) by inserting after subparagraph (F)
14 the following:

15 “(G) education or counseling services de-
16 signed to improve the financial literacy and eco-
17 nomic literacy of students and, as appropriate,
18 their parents;” and

19 (C) in subparagraph (N), as redesignated
20 by subparagraph (A), by striking “subpara-
21 graphs (A) through (K)” and inserting “sub-
22 paragraphs (A) through (M)”;

23 (6) in section 317(c)(2) (20 U.S.C.
24 1059d(c)(2))—



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

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

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

6 “(I) education or counseling services de-
7 signed to improve the financial literacy and eco-
8 nomic literacy of students and, as appropriate,
9 their parents.”;

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

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

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

16 (C) by inserting after paragraph (6) the
17 following:

18 “(7) 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 (8) in section 324(d)(2) (20 U.S.C.
23 1063(d)(2)), by striking “section 360(a)(2)(A)” and
24 inserting “section 399(a)(2)(A)”;



1 (9) in section 326(e)(1) (20 U.S.C.
2 1063b(e)(1)), in the matter preceding subparagraph
3 (A), by inserting a colon after “the following”;

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

6 (11) in section 342(5)(C) (20 U.S.C.
7 1066a(5)(C))—

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

10 (B) by striking “technology,,” and insert-
11 ing “technology,”;

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

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

17 (14) in section 391(b)(7)(E) (20 U.S.C.
18 1068(b)(7)(E)), by striking “subparagraph (E)” and
19 inserting “subparagraph (D)”;

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

22 (b) REPEAL.—Section 1024 (20 U.S.C. 1135b–3), as
23 transferred by section 301(a)(5) of the Higher Education
24 Amendments of 1998 (Public Law 105–244; 112 Stat.
25 1636), is repealed.



1 **SEC. 305. TITLE III AUTHORIZATIONS.**

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

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

5 (2) by striking “4 succeeding fiscal years” each
6 place it appears and inserting “5 succeeding fiscal
7 years”;

8 (3) in paragraph (1)—

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

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

13 (4) in paragraph (2)—

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

16 and

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

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

21 **TITLE IV—STUDENT ASSISTANCE**

22 **PART 1—GRANTS TO STUDENTS**

23 **SEC. 401. PELL GRANTS.**

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



1 (b) DIRECT PAYMENT.—Section 401(a) (20 U.S.C.
2 1070a(a)) is further amended—

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

4 (2) by redesignating paragraph (3) as para-
5 graph (2).

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

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

15 (d) TUITION SENSITIVITY.—Section 401(b) is further
16 amended—

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

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

20 (e) MULTIPLE GRANTS.—Paragraph (5) of section
21 401(b) (as redesignated by subsection (d)(2)) is amended
22 to read as follows:

23 “(5) YEAR-ROUND PELL GRANTS.—

24 “(A) IN GENERAL.—The Secretary shall,
25 for students enrolled full time in a bacca-



1 laureate degree program of study at an eligible
2 institution, award such students two Pell grants
3 during a single award year to permit such stu-
4 dents to accelerate progress toward their degree
5 objectives by enrolling in academic programs for
6 12 months rather than 9 months.

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

15 “(C) EVALUATION.—The Secretary shall
16 conduct an evaluation of the program under
17 this paragraph and submit to the Congress an
18 evaluation report no later than October 1,
19 2011.

20 “(D) REGULATIONS REQUIRED.—The Sec-
21 retary shall promulgate regulations imple-
22 menting this paragraph.”.

23 (f) ELIGIBILITY PERIOD.—Section 401(c)(2) (20
24 U.S.C. 1070a(c)(2)) is amended by inserting “, for not



1 more than one academic year,” after “which are deter-
2 mined by the institution” in the first sentence.

3 (g) PELL GRANTS PLUS: ACHIEVEMENT GRANTS
4 FOR STATE SCHOLARS PROGRAM.—

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

8 **“SEC. 401A. PELL GRANTS PLUS: ACHIEVEMENT GRANTS**
9 **FOR STATE SCHOLARS.**

10 “(a) GRANTS AUTHORIZED.—From sums appro-
11 priated to carry out section 401, the Secretary shall estab-
12 lish a program to award Pell Grants Plus to students
13 who—

14 “(1) have successfully completed a rigorous
15 high school program of study established by a State
16 or local educational agency in consultation with a
17 State coalition assisted by the Center for State
18 Scholars;

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

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

25 “(b) AMOUNT OF GRANTS.—



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

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

10 “(c) SELECTION OF RECIPIENTS.—

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

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

24 “(3) CONTINUATION OF GRANT REQUIRE-
25 MENTS.—In order for a student to continue to be el-



1 eligible to receive an award under this section for the
2 second year of undergraduate education, the eligible
3 student must—

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

6 “(B) obtain a grade point average of at
7 least 3.0 (or the equivalent as determined under
8 regulations prescribed by the Secretary) for the
9 first year of undergraduate education; and

10 “(C) be enrolled full-time and fulfill the re-
11 quirements for satisfactory progress described
12 in section 484(c).

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

20 (2) **CONFORMING AMENDMENT.**—Chapter 3 of
21 subpart 2 of part A of title IV (20 U.S.C. 1070a–
22 31 through 1070a–35) is repealed.

23 **SEC. 402. TRIO PROGRAMS.**

24 (a) **DURATION OF GRANTS.**—



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

4 “(2) DURATION.—Grants or contracts awarded
5 under this chapter shall be awarded for a period of
6 5 years, except that—

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

9 “(B) grants under section 402H shall be
10 awarded for a period determined by the Sec-
11 retary.”.

12 (2) TRANSITION TO SYNCHRONOUS GRANT PE-
13 RIODS.—Notwithstanding section 402A(b)(2) of the
14 Higher Education Act of 1965 (as in effect both
15 prior to and after the amendment made by para-
16 graph (1) of this subsection), the Secretary of Edu-
17 cation may continue an award made before the date
18 of enactment of this Act under section 402B, 402C,
19 402D, 402E, or 402F of such Act as necessary to
20 permit all the awards made under such a section to
21 expire at the end of the same fiscal year, and there-
22 after to expire at the end of 5 years as provided in
23 the amendment made by paragraph (1) of this sub-
24 section.



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

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

9 (c) PRIOR EXPERIENCE; NOVICE APPLICANTS.—Sec-
10 tion 402A(c)(2) (20 U.S.C. 1070a–11(c)(2)) is
11 amended—

12 (1) by striking “In making grants” and insert-
13 ing “(A) Subject to subparagraph (B), in making
14 grants”; and

15 (2) by adding at the end the following new sub-
16 paragraph:

17 “(B) From the amount available under sub-
18 section (f) for a program under this chapter (other
19 than a program under section 402G or 402H) for
20 any fiscal year in which the Secretary conducts a
21 competition for the award of grants or contracts
22 under such program, the Secretary shall reserve 10
23 percent of such available amount for purposes of
24 funding applications from novice applicants. If the
25 Secretary determines that there are an insufficient



1 number of qualified novice applicants to utilize the
2 amount so reserved, the Secretary shall restore the
3 unutilized remainder of the amount reserved for use
4 by applicants qualifying under subparagraph (A).”.

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

8 (e) DOCUMENTATION OF STATUS.—Section 402A(e)
9 (20 U.S.C. 1070a–11(e)) is amended by striking “(g)(2)”
10 each place it appears in paragraphs (1) and (2) and insert-
11 ing “(g)(4)”.

12 (f) AUTHORIZATION OF APPROPRIATIONS.—Section
13 402A(f) (20 U.S.C. 1070a–11(f)) is amended by striking
14 “\$700,000,000 for fiscal year 1999, and such sums as
15 may be necessary for each of the 4 succeeding fiscal years”
16 and inserting “\$836,500,000 for fiscal year 2006 and
17 such sums as may be necessary for each of the 5 suc-
18 ceeding fiscal years”.

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

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

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



1 (3) by inserting before paragraph (3), as redese-
2 ignated, the following:

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

5 “(A) is geographically apart from the main
6 campus of the institution;

7 “(B) is permanent in nature; and

8 “(C) offers courses in educational pro-
9 grams leading to a degree, certificate, or other
10 recognized educational credential.

11 “(2) DIFFERENT POPULATION.—The term ‘dif-
12 ferent population’ means a group of individuals, with
13 respect to whom an entity seeks to serve through an
14 application for funding under this chapter, that—

15 “(A) is separate and distinct from any
16 other population that the entity seeks to serve
17 through an application for funding under this
18 chapter; or

19 “(B) while sharing some of the same needs
20 as another population that the entity seeks to
21 serve through an application for funding under
22 this chapter, has distinct needs for specialized
23 services.”.



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

4 (1) in section 402B(b) (20 U.S.C. 1070a–
5 12(b))—

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

9 (B) by inserting after paragraph (2) the
10 following:

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

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

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

20 (A) in subsection (b)—

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

24 (ii) by inserting after paragraph (1)
25 the following:



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

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

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

12 (3) in section 402D(b) (20 U.S.C. 1070a-
13 14(b))—

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

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

19 “(2) 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;”; and

23 (C) in paragraph (11), as redesignated by
24 subparagraph (A), by striking “paragraphs (1)



1 through (9)” and inserting “paragraphs (1)
2 through (10)”;

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

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

7 (B) by inserting after paragraph (6) the
8 following:

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

13 (5) in section 402F(b) (20 U.S.C. 1070a–
14 16(b))—

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

18 (B) by inserting after paragraph (3) the
19 following:

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

24 (C) in paragraph (11), as redesignated by
25 subparagraph (A), by striking “paragraphs (1)



1 through (9)” and inserting “paragraphs (1)
2 through (10)”.

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

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

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

8 (j) STUDENT SUPPORT SERVICES.—Section
9 402D(d)(6) (20 U.S.C. 1070a–14(d)(6)) is amended—

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

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

14 (3) by inserting after subparagraph (B) the fol-
15 lowing new subparagraph:

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

21 (k) POSTBACCALAUREATE ACHIEVEMENT MAXIMUM
22 STIPENDS.—Section 402E(e)(1) (20 U.S.C. 1070a–
23 15(e)(1)) is amended by striking “\$2,800” and inserting
24 “\$5,000”.



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

4 (1) by striking “and” at the end of paragraph
5 (2);

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

8 (3) by inserting after paragraph (3) the fol-
9 lowing new paragraph:

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

15 **SEC. 403. GEARUP.**

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

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

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

23 “(3) DURATION.—An award made by the Sec-
24 retary under this chapter to an eligible entity de-



1 scribed in paragraph (1) or (2) of subsection (c)
2 shall be for the period of 6 years.”.

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

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

10 (c) CONTINUITY OF SERVICE.—

11 (1) COHORT APPROACH.—Section
12 404B(g)(1)(B) (20 U.S.C. 1070a–22(g)(1)(B)) is
13 amended by inserting “and provide the option of
14 continued services through the student’s first year of
15 attendance at an eligible institution of higher edu-
16 cation” after “grade level”.

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

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

23 (B) in subsection (c), by inserting “, and
24 may consider students in their first year of at-



1 tendance at an eligible institution,” after
2 “grade 12”.

3 (d) COORDINATION.—Section 404C(a)(2) (20 U.S.C.
4 1070a–23(a)(2)) is amended—

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

7 (2) by redesignating subparagraph (B) as sub-
8 paragraph (C); and

9 (3) by inserting after subparagraph (A) the fol-
10 lowing new subparagraph:

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

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

20 (f) REAUTHORIZATION.—Section 404H (20 U.S.C.
21 1070a–28) is amended by striking “\$200,000,000 for fis-
22 cal year 1999 and such sums as may be necessary for each
23 of the 4 succeeding fiscal years” and inserting
24 “\$306,500,000 for fiscal year 2006 and such sums as may
25 be necessary for each of the 5 succeeding fiscal years”.



1 **SEC. 404. FEDERAL SUPPLEMENTAL EDUCATIONAL OPPOR-**
2 **TUNITY GRANTS.**

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

10 (b) PHASEOUT OF ALLOCATION BASED ON PREVIOUS
11 ALLOCATIONS.—

12 (1) AMENDMENT.—Subsection (a) of section
13 413D (20 U.S.C. 1070b–3(a)) is amended to read as
14 follows:

15 “(a) ALLOCATION BASED ON PREVIOUS ALLOCA-
16 TION.—

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



1 “(A) 80 percent for fiscal years 2008 and
2 2009;

3 “(B) 60 percent for fiscal years 2010 and
4 2011;

5 “(C) 40 percent for fiscal years 2012 and
6 2013;

7 “(D) 20 percent for fiscal years 2014 and
8 2015; and

9 “(E) 0 percent for fiscal year 2016 and
10 any succeeding fiscal year.

11 “(2) RATABLE REDUCTIONS FOR INSUFFICIENT
12 APPROPRIATIONS.—

13 “(A) REDUCTION OF BASE GUARANTEE.—

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

19 “(B) ADDITIONAL APPROPRIATIONS ALLO-

20 CATION.—If additional amounts are appro-
21 priated for any such fiscal year, such reduced
22 amounts shall be increased on the same basis as
23 they were reduced (until the amount allocated
24 equals the amount required to be allocated
25 under this subsection).



1 “(3) ADDITIONAL ALLOCATIONS FOR CERTAIN
2 INSTITUTIONS.—

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

11 “(B) ELIGIBLE INSTITUTIONS.—For pur-
12 poses of subparagraph (A)—

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

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



1 such institution graduate within 2 calendar
2 years of the first day of enrollment.”.

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

8 (c) **BOOKS AND SUPPLIES.**—Section 413D(c)(3)(D)
9 (20 U.S.C. 1070–3(c)(3)(D)) is amended by striking
10 “\$450” and inserting “\$600”.

11 **SEC. 405. LEAP.**

12 Section 415A(b)(1) (20 U.S.C. 1070c(b)(1)) is
13 amended—

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

16 (2) by striking “4 succeeding” and inserting “5
17 succeeding”.

18 **SEC. 406. HEP/CAMP PROGRAM.**

19 Section 418A (20 U.S.C. 1070d–2) is amended—

20 (1) in subsection (b)(1)(B)(i), by inserting “, or
21 whose spouse” after “themselves”;

22 (2) in subsection (b)(3)(B), by inserting “, in-
23 cluding preparation for college entrance exams,”
24 after “program”;



1 (3) in subsection (b)(8), by inserting “, includ-
2 ing child care and transportation” after “supportive
3 services”;

4 (4) by striking “and” at the end of subsection
5 (b)(7), by striking the period at the end of sub-
6 section (b)(8) and inserting “; and”, and by adding
7 at the end of subsection (b) the following new para-
8 graph:

9 “(9) follow-up activity and reporting require-
10 ments, except that not more than 2 percent of the
11 funds provided under this section may be used for
12 such purposes.”;

13 (5) in subsection (c)(1)(A), by inserting “, or
14 whose spouse” after “themselves”;

15 (6) in subsection (c)(1)(B), by striking clause
16 (i) and inserting the following:

17 “(i) personal, academic, career, and eco-
18 nomic education or personal finance counseling
19 as an ongoing part of the program;”;

20 (7) in subsection (c)(2)(B), by inserting “(in-
21 cluding mentoring and guidance of such students)”
22 after “services”;

23 (8) in subsection (c)(2), by striking “and” at
24 the end of subparagraph (A), by striking the period
25 at the end of subparagraph (B) and inserting “;



1 and”, and by adding at the end of subsection (e)(2)
2 the following new subparagraph:

3 “(C) for students in any program that
4 does not award a bachelor’s degree, encour-
5 aging the transfer to, and persistence in, such
6 a program, and monitoring the rate of such
7 transfer, persistence, and completion.”;

8 (9) in subsection (e), by striking “section
9 402A(c)(1)” and inserting “section 402A(c)(2)”;
10 and

11 (10) in subsection (h)—

12 (A) in paragraph (1), by striking
13 “\$15,000,000 for fiscal year 1999 and such
14 sums as may be necessary for each of the 4
15 succeeding fiscal years” and inserting
16 “\$24,000,000 for fiscal year 2006 and such
17 sums as may be necessary for each of the 5
18 succeeding fiscal years”; and

19 (B) in paragraph (2), by striking
20 “\$5,000,000 for fiscal year 1999 and such
21 sums as may be necessary for each of the 4
22 succeeding fiscal years” and inserting
23 “\$16,000,000 for fiscal year 2006 and such
24 sums as may be necessary for each of the 5
25 succeeding fiscal years”.



1 **SEC. 407. BYRD SCHOLARSHIP.**

2 Section 419K (20 U.S.C. 1070d–41) is amended—

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

4 and

5 (2) by striking “4 succeeding” and inserting “5

6 succeeding”.

7 **SEC. 408. CHILD CARE ACCESS.**

8 Section 419N(g) (20 U.S.C. 1070e(g)) is amended—

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

10 and

11 (2) by striking “4 succeeding” and inserting “5

12 succeeding”.

13 **SEC. 409. LEARNING ANYTIME ANYWHERE PARTNERSHIPS.**

14 (a) REPEAL.—Subpart 8 of part A of title IV (20
15 U.S.C. 1070f—1070f–6) is repealed.

16 (b) CONFORMING AMENDMENT.—Section 400(b) (20
17 U.S.C. 1070(b)) is amended by striking “through 8” and
18 inserting “through 7”.

19 **SEC. 410. TECHNICAL AMENDMENTS.**

20 Part A of title IV is further amended as follows:

21 (1) Section 419C(b)(1) (20 U.S.C. 1070d–
22 33(b)(1)) is amended by inserting “and” after the
23 semicolon at the end thereof.

24 (2) Section 419D(d) (20 U.S.C. 1070d–34(d))
25 is amended by striking “Public Law 95–1134” and
26 inserting “Public Law 95–134”.



1 **PART 2—FEDERAL FAMILY EDUCATION LOAN**

2 **PROGRAM**

3 **SEC. 421. REAUTHORIZATION OF FEDERAL FAMILY EDU-**
4 **CATION LOAN PROGRAM.**

5 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
6 421(b)(5) (20 U.S.C. 1071(b)(5)) is amended by striking
7 “administrative cost allowance” and inserting “loan proc-
8 essing and issuance fee”.

9 (b) EXTENSION OF AUTHORITY.—

10 (1) FEDERAL INSURANCE LIMITATIONS.—Sec-
11 tion 424(a) (20 U.S.C. 1074(a)) is amended—

12 (A) by striking “2004” and inserting
13 “2012”; and

14 (B) by striking “2008” and inserting
15 “2016”.

16 (2) GUARANTEED LOANS.—Section 428(a)(5)
17 (20 U.S.C. 1078(a)(5)) is amended—

18 (A) by striking “2004” and inserting
19 “2012”; and

20 (B) by striking “2008” and inserting
21 “2016”.

22 (3) CONSOLIDATION LOANS.—Section 428C(e)
23 (20 U.S.C. 1078–3(e)) is amended by striking
24 “2004” and inserting “2012”.



1 **SEC. 422. LOAN LIMITS.**

2 (a) FEDERAL INSURANCE LIMITS.—Section
3 425(a)(1)(A) (20 U.S.C. 1075(a)(1)(A)) is amended—

4 (1) in clause (i)(I), by striking “\$2,625” and
5 inserting “\$3,500”; and

6 (2) in clause (ii)(I), by striking “\$3,500” and
7 inserting “\$4,500”.

8 (b) GUARANTEE LIMITS.—Section 428(b)(1)(A) (20
9 U.S.C. 1078(b)(1)(A)) is amended—

10 (1) in clause (i)(I), by striking “\$2,625” and
11 inserting “\$3,500”; and

12 (2) in clause (ii)(I), by striking “\$3,500” and
13 inserting “\$4,500”.

14 (c) COUNTING OF CONSOLIDATION LOANS AGAINST
15 LIMITS.—Section 428C(a)(3)(B) (20 U.S.C. 1078–
16 3(a)(3)(B)) is amended by adding at the end the following
17 new clause:

18 “(ii) Loans made under this section shall, to
19 the extent used to discharge loans made under this
20 title, be counted against the applicable limitations on
21 aggregate indebtedness contained in sections
22 425(a)(2), 428(b)(1)(B), 428H(d), 455, and
23 464(a)(2)(B).”.

24 (d) EFFECTIVE DATE.—The amendments made by
25 this section shall apply with respect to any loan made, in-
26 sured, or guaranteed under part B or part D of title IV



1 of the Higher Education Act of 1965 for which the first
2 disbursement of principal is made on or after July 1,
3 2007.

4 **SEC. 423. INTEREST RATES AND SPECIAL ALLOWANCES.**

5 (a) FFEL INTEREST RATE.—Section 427A (20
6 U.S.C. 1077a(k)) is amended—

7 (1) in subsection (k)—

8 (A) by striking “, AND BEFORE JULY 1,
9 2006” in the heading of such subsection; and

10 (B) by striking “, and before July 1,
11 2006,” each place it appears other than para-
12 graph (4);

13 (2) by striking subsection (l); and

14 (3) by redesignating subsections (m) and (n) as
15 subsections (l) and (m), respectively.

16 (b) DIRECT LOAN INTEREST RATES.—Section
17 455(b) (20 U.S.C. 1087e(b)) is amended—

18 (1) in paragraph (6)—

19 (A) by striking “, AND BEFORE JULY 1,
20 2006” in the heading of such paragraph; and

21 (B) by striking “, and before July 1,
22 2006,” each place it appears other than sub-
23 paragraph (D);

24 (2) by striking paragraph (7); and



1 (3) by redesignating paragraphs (8) and (9) as
2 paragraphs (7) and (8), respectively.

3 (c) CONSOLIDATION LOANS.—

4 (1) FFEL CONSOLIDATION LOANS.—Section
5 427A(k) (20 U.S.C. 1077a(k)) is further amended—

6 (A) by redesignating paragraph (5) as
7 paragraph (6); and

8 (B) by inserting after paragraph (4) the
9 following new paragraph:

10 “(5) VARIABLE RATE FOR CONSOLIDATION
11 LOANS.—With respect to any consolidation loan
12 under section 428C for which the application is re-
13 ceived by an eligible lender on or after July 1, 2006,
14 the applicable rate of interest shall, during any 12-
15 month period beginning on July 1 and ending on
16 June 30, be determined on the preceding June 1
17 and be equal to—

18 “(A) the bond equivalent rate of 91-day
19 Treasury bills auctioned at the final auction
20 held prior to such June 1; plus

21 “(B) 2.3 percent,
22 except that such rate shall not exceed 8.25 percent,
23 and the rate determined under paragraph (3) shall
24 apply in lieu of the rate determined under this para-
25 graph in the case of any such consolidation loan that



1 is used to repay loans each of which was made under
2 section 428B or was a Federal Direct PLUS Loan
3 (or both).”.

4 (2) DIRECT CONSOLIDATION LOANS.—Section
5 455(b)(6) (20 U.S.C. 1087e(b)(6)) is further
6 amended—

7 (A) by redesignating subparagraph (E) as
8 subparagraph (F); and

9 (B) by inserting after subparagraph (D)
10 the following new subparagraph:

11 “(E) VARIABLE RATE FOR CONSOLIDATION
12 LOANS.—With respect to any Federal Direct
13 Consolidation loan for which the application is
14 received on or after July 1, 2006, the applicable
15 rate of interest shall, during any 12-month pe-
16 riod beginning on July 1 and ending on June
17 30, be determined on the preceding June 1 and
18 be equal to—

19 “(i) the bond equivalent rate of 91-
20 day Treasury bills auctioned at the final
21 auction held prior to such June 1; plus

22 “(ii) 2.3 percent,
23 except that such rate shall not exceed 8.25 per-
24 cent, and the rate determined under subpara-
25 graph (C) shall apply in lieu of the rate deter-



1 mined under this subparagraph in the case of
2 any such consolidation loan that is used to
3 repay loans each of which was made under sec-
4 tion 428B or was a Federal Direct PLUS Loan
5 (or both).”.

6 (d) CONSOLIDATION LOAN CONFORMING AMEND-
7 MENT.—Section 428C(c)(1)(A)(ii) (20 U.S.C. 1078-
8 3(c)(1)(A)(ii)) is amended by striking “section
9 427A(l)(3)” and inserting “section 427A(k)(5)”.

10 (e) CONFORMING AMENDMENTS FOR SPECIAL AL-
11 LOWANCES.—

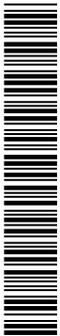
12 (1) AMENDMENT.—Subparagraph (I) of section
13 438(b)(2) (20 U.S.C. 1087-1(b)(2)) is amended—

14 (A) by striking clause (ii) and inserting the
15 following:

16 “(ii) IN SCHOOL AND GRACE PE-
17 RIOD.—In the case of any loan for which
18 the first disbursement is made on or after
19 January 1, 2000, and for which the appli-
20 cable interest rate is described in section
21 427A(k)(2), clause (i)(III) of this subpara-
22 graph shall be applied by substituting
23 ‘1.74 percent’ for ‘2.34 percent’.”;

24 (B) in clause (iii)—

25 (i) by striking “or (l)(2)”; and



1 (ii) by striking “, subject to clause (v)
2 of this subparagraph”;

3 (C) in clause (iv)—

4 (i) by striking “or (l)(3)” and insert-
5 ing “or (k)(5)”; and

6 (ii) by striking “, subject to clause
7 (vi) of this subparagraph”; and

8 (D) by striking clauses (v), (vi), and (vii)
9 and inserting the following:

10 “(v) RECAPTURE OF EXCESS INTER-
11 EST.—

12 “(I) EXCESS CREDITED.—With
13 respect to a loan on which the applica-
14 ble interest rate is determined under
15 section 427A(k) and for which the
16 first disbursement of principal is
17 made on or after July 1, 2006, if the
18 applicable interest rate for any 3-
19 month period exceeds the special al-
20 lowance support level applicable to
21 such loan under this subparagraph for
22 such period, then an adjustment shall
23 be made by calculating the excess in-
24 terest in the amount computed under
25 subclause (II) of this clause, and by



1 crediting the excess interest to the
2 Government not less often than annu-
3 ally.

4 “(II) CALCULATION OF EX-
5 CESS.—The amount of any adjust-
6 ment of interest on a loan to be made
7 under this subsection for any quarter
8 shall be equal to—

9 “(aa) the applicable interest
10 rate minus the special allowance
11 support level determined under
12 this subparagraph; multiplied by

13 “(bb) the average daily prin-
14 cipal balance of the loan (not in-
15 cluding unearned interest added
16 to principal) during such cal-
17 endar quarter; divided by

18 “(cc) four.

19 “(III) SPECIAL ALLOWANCE SUP-
20 PORT LEVEL.—For purposes of this
21 clause, the term ‘special allowance
22 support level’ means, for any loan, a
23 number expressed as a percentage
24 equal to the sum of the rates deter-
25 mined under subclauses (I) and (III)



1 of clause (i), and applying any substi-
2 tution rules applicable to such loan
3 under clauses (ii), (iii), and (iv) in de-
4 termining such sum.”.

5 (2) EFFECTIVE DATE.—The amendments made
6 by this subsection shall not apply with respect to
7 any special allowance payment made under section
8 438 of the Higher Education Act of 1965 (20 U.S.C
9 1087–1) before July 1, 2006.

10 **SEC. 424. ADDITIONAL LOAN TERMS AND CONDITIONS.**

11 (a) FEDERAL DEFAULT FEES.—

12 (1) IN GENERAL.—Subparagraph (H) of section
13 428(b)(1)) (20 U.S.C. 1078(b)(1)(H)) is amended to
14 read as follows:

15 “(H) provides—

16 “(i) for the collection of a single in-
17 surance premium equal to not more than
18 1.0 percent of the principal amount of the
19 loan, by deduction proportionately from
20 each installment payment of the proceeds
21 of the loan to the borrower, and insures
22 that the proceeds of the premium will not
23 be used for incentive payments to lenders;
24 or



1 “(ii) for loans for which the first dis-
2 bursement of principal is made on or after
3 July 1, 2006, provides for the collection
4 and deposit into the Federal Student Loan
5 Reserve Fund under section 422A of a
6 Federal default fee of 1.0 percent of the
7 principal amount of such loan, obtained by
8 deduction proportionately from each in-
9 stallment payment of the proceeds of the
10 loan to the borrower, and insures that the
11 proceeds of the Federal default fee will not
12 be used for incentive payments to lend-
13 ers;”.

14 (2) UNSUBSIDIZED LOANS.—Section 428H(h)
15 (20 U.S.C. 1078–8(h)) is amended by adding at the
16 end the following new sentence: “In lieu of the in-
17 surance premium authorized under the preceding
18 sentence, and effective for loans for which the first
19 disbursement of principal is made on or after July
20 1, 2006, each State or nonprofit private institution
21 or organization having an agreement with the Sec-
22 retary under section 428(b)(1) shall collect and de-
23 posit into the Federal Student Loan Reserve Fund
24 under section 422A a Federal default fee of 1.0 per-
25 cent of the principal amount of the loan, obtained by



1 deduction proportionately from each installment pay-
2 ment of the proceeds of the loan to the borrower.”.

3 (3) VOLUNTARY FLEXIBLE AGREEMENTS.—Sec-
4 tion 428A(a)(1) (20 U.S.C. 1078–1(a)(1)) is
5 amended—

6 (A) by striking “or” at the end of subpara-
7 graph (A);

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

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

12 “(C) the Federal default fee required by
13 section 428(b)(1)(H) and the second sentence
14 of section 428H(h).”.

15 (b) DISBURSEMENT.—Section 428(b)(1)(N) (20
16 U.S.C. 1078(b)(1)(N)(ii)) is amended—

17 (1) by striking “or” at the end of clause (i);
18 and

19 (2) by striking clause (ii) and inserting the fol-
20 lowing:

21 “(ii) in the case of a student who is
22 studying outside the United States in a
23 program of study abroad that is approved
24 for credit by the home institution at which
25 such student is enrolled, are, at the re-



1 quest of the student, disbursed directly to
2 the student by the means described in
3 clause (i), unless such student requests
4 that the check be endorsed, or the funds
5 transfer authorized, pursuant to an au-
6 thorized power-of-attorney; or

7 “(iii) in the case of a student who is
8 studying outside the United States in a
9 program of study at an eligible foreign in-
10 stitution, are, at the request of the foreign
11 institution, disbursed directly to the stu-
12 dent by the means described in clause
13 (i).”.

14 (c) REPAYMENT PLANS.—

15 (1) FFEL LOANS.—Section 428(b)(9)(A) (20
16 U.S.C. 1078(b)(9)(A)) is amended—

17 (A) by inserting before the semicolon at
18 the end of clause (ii) the following: “, and the
19 Secretary may not restrict the proportions or
20 ratios by which such payments may be grad-
21 uated with the informed agreement of the bor-
22 rower”;

23 (B) by striking “and” at the end of clause
24 (iii);



1 (C) by redesignating clause (iv) as clause
2 (v); and

3 (D) by inserting after clause (iii) the fol-
4 lowing new clause:

5 “(iv) a delayed repayment plan under
6 which the borrower makes scheduled pay-
7 ments for not more than 2 years that are
8 annually not less than the amount of inter-
9 est due or \$600, whichever is greater, and
10 then makes payments in accordance with
11 clause (i), (ii), or (iii); and”.

12 (2) DIRECT LOANS.—Section 455(d)(1) (20
13 U.S.C. 1087e(d)(1)) is amended—

14 (A) by redesignating subparagraph (D) as
15 subparagraph (E); and

16 (B) by striking subparagraphs (A), (B),
17 and (C) and inserting the following:

18 “(A) a standard repayment plan, con-
19 sistent with subsection (a)(1) of this section
20 and with section 428(b)(9)(A)(i);

21 “(B) a graduated repayment plan, con-
22 sistent with section 428(b)(9)(A)(ii);

23 “(C) an extended repayment plan, con-
24 sistent with section 428(b)(9)(A)(iv), except
25 that the borrower shall annually repay a min-



1 imum amount determined by the Secretary in
2 accordance with section 428(b)(1)(L);

3 “(D) a delayed repayment plan under
4 which the borrower makes scheduled payments
5 for not more than 2 years that are annually not
6 less than the amount of interest due or \$600,
7 whichever is greater, and then makes payments
8 in accordance with subparagraph (A), (B), or
9 (C); and”.

10 (d) ORIGINATION FEES.—

11 (1) FFEL PROGRAM.—Paragraph (2) of section
12 438(c) (20 U.S.C. 1087–1(c)) is amended—

13 (A) by striking the designation and head-
14 ing of such paragraph and inserting the fol-
15 lowing:

16 “(2) AMOUNT OF ORIGINATION FEES.—

17 “(A) IN GENERAL.—”; and

18 (B) by adding at the end the following new
19 subparagraph:

20 “(B) SUBSEQUENT REDUCTIONS.—Sub-
21 paragraph (A) shall be applied to loans made
22 under this part (other than loans made under
23 sections 428C and 439(o))—

24 “(i) by substituting ‘2.0 percent’ for
25 ‘3.0 percent’ with respect to loans for



1 which the first disbursement of principal is
2 made on or after July 1, 2006, and before
3 July 1, 2007;

4 “(ii) by substituting ‘1.5 percent’ for
5 ‘3.0 percent’ with respect to loans for
6 which the first disbursement of principal is
7 made on or after July 1, 2007, and before
8 July 1, 2008;

9 “(iii) by substituting ‘1.0 percent’ for
10 ‘3.0 percent’ with respect to loans for
11 which the first disbursement of principal is
12 made on or after July 1, 2008, and before
13 July 1, 2009;

14 “(iv) by substituting ‘0.5 percent’ for
15 ‘3.0 percent’ with respect to loans for
16 which the first disbursement of principal is
17 made on or after July 1, 2009, and before
18 July 1, 2010; and

19 “(v) by substituting ‘0.0 percent’ for
20 ‘3.0 percent’ with respect to loans for
21 which the first disbursement of principal is
22 made on or after July 1, 2010.”.

23 (2) DIRECT LOAN PROGRAM.—Subsection (c) of
24 section 455 (20 U.S.C. 1087e(c)) is amended to
25 read as follows:



1 “(c) LOAN FEE.—

2 “(1) IN GENERAL.—The Secretary shall charge
3 the borrower of a loan made under this part an
4 origination fee of 4.0 percent of the principal
5 amount of loan.

6 “(2) SUBSEQUENT REDUCTION.—Paragraph
7 (1) shall be applied to loans made under this part,
8 other than consolidation loans and PLUS loans—

9 “(A) by substituting ‘not more or less than
10 3.0 percent’ for ‘4.0 percent’ with respect to
11 loans for which the first disbursement of prin-
12 cipal is made on or after July 1, 2006, and be-
13 fore July 1, 2007;

14 “(B) by substituting ‘not more or less than
15 2.5 percent’ for ‘4.0 percent’ with respect to
16 loans for which the first disbursement of prin-
17 cipal is made on or after July 1, 2007, and be-
18 fore July 1, 2008;

19 “(C) by substituting ‘not more or less than
20 2.0 percent’ for ‘4.0 percent’ with respect to
21 loans for which the first disbursement of prin-
22 cipal is made on or after July 1, 2008, and be-
23 fore July 1, 2009;

24 “(D) by substituting ‘not more or less than
25 1.5 percent’ for ‘4.0 percent’ with respect to



1 loans for which the first disbursement of prin-
2 cipal is made on or after July 1, 2009, and be-
3 fore July 1, 2010; and

4 “(E) by substituting ‘not more or less than
5 1.0 percent’ for ‘4.0 percent’ with respect to
6 loans for which the first disbursement of prin-
7 cipal is made on or after July 1, 2010.

8 “(3) WAIVERS AND REPAYMENT INCENTIVES
9 PROHIBITED.—Beginning with loans made on or
10 after July 1, 2006, the Secretary is prohibited—

11 “(A) from waiving any amount of the loan
12 fee prescribed under this section as part of a
13 repayment incentive in 455(b)(7); and

14 “(B) from providing any repayment incen-
15 tive before the borrower enters repayment.”.

16 **SEC. 425. CONSOLIDATION LOAN CHANGES.**

17 (a) CROSS-CONSOLIDATION BETWEEN PROGRAMS.—
18 Section 428C (20 U.S.C. 1078–3) is amended—

19 (1) in subsection (a)(3)(B)(i)—

20 (A) by inserting “or under section 455(g)”
21 after “under this section” both places it ap-
22 pears;

23 (B) by inserting “under both sections”
24 after “terminates”



1 (C) by striking “and” at the end of sub-
2 clause (III);

3 (D) by striking the period at the end of
4 subclause (IV) and inserting “; and”; and

5 (E) by adding at the end the following new
6 subclause:

7 “(V) an individual may obtain a subse-
8 quent consolidation loan under section 455(g)
9 only for the purposes of obtaining an income
10 contingent repayment plan.”; and

11 (2) in subsection (b)(5), by striking the first
12 sentence and inserting the following: “In the event
13 that a lender with an agreement under subsection
14 (a)(1) of this section denies a consolidation loan ap-
15 plication submitted to it by an eligible borrower
16 under this section, or denies an application sub-
17 mitted to it by such a borrower for a consolidation
18 loan with income-sensitive repayment terms, the Sec-
19 retary shall offer any such borrower who applies for
20 it, a direct consolidation loan.”.

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. UNSUBSIDIZED STAFFORD LOANS.**

11 (a) AMENDMENT.—Section 428H(d)(2)(C) (20
12 U.S.C. 1078–8(d)(2)(C)) is amended by striking
13 “\$10,000” and inserting “\$12,000”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 subsection (a) shall apply to loans for which the first dis-
16 bursement of principal is made on or after July 1, 2007.

17 **SEC. 427. ELIMINATION OF TERMINATION DATES FROM**
18 **TAXPAYER-TEACHER PROTECTION ACT OF**
19 **2004.**

20 (a) EXTENSION OF LIMITATIONS ON SPECIAL AL-
21 LOWANCE FOR LOANS FROM THE PROCEEDS OF TAX EX-
22 EMPT ISSUES.—Section 438(b)(2)(B) (20 U.S.C. 1087–
23 1(b)(2)(B)) is amended—

24 (1) in clause (iv), by striking “and before Janu-
25 ary 1, 2006,”; and



1 (2) in clause (v)(II)—

2 (A) by striking “and before January 1,
3 2006,” each place it appears in divisions (aa)
4 and (bb); and

5 (B) by striking “, and before January 1,
6 2006” in division (cc).

7 (b) ADDITIONAL LIMITATION ON SPECIAL ALLOW-
8 ANCE FOR LOANS FROM THE PROCEEDS OF TAX EXEMPT
9 ISSUES.—Section 438(b)(2)(B) (20 U.S.C. 1087–
10 1(b)(2)(B)) is further amended by adding at the end
11 thereof the following new clause:

12 “(vi) Notwithstanding clauses (i), (ii), and (v),
13 the quarterly rate of the special allowance shall be
14 the rate determined under subparagraph (A), (E),
15 (F), (G), (H), or (I) of this paragraph, as the case
16 may be, for a holder of loans that were made or pur-
17 chased on or after 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)—



1 (A) in subsection (a)(1)(B), by inserting
2 after “1965” the following: “, or meets the re-
3 quirements of subsection (g)(3)”; and

4 (B) in subsection (g), by adding at the end
5 the following new paragraph:

6 “(3) PRIVATE SCHOOL TEACHERS.—An indi-
7 vidual who is employed as a teacher in a private
8 school and is exempt from State certification re-
9 quirements (unless otherwise applicable under State
10 law), may, in lieu of the requirement of subsection
11 (a)(1)(B), have such employment treated as quali-
12 fying employment under this section if such indi-
13 vidual is permitted to and does satisfy rigorous sub-
14 ject knowledge and skills tests by taking competency
15 tests in the applicable grade levels and subject areas.
16 For such purposes, the competency tests taken by
17 such a private school teacher must be recognized by
18 5 or more States for the purpose of fulfilling the
19 highly qualified teacher requirements under section
20 9101 of the Elementary and Secondary Education
21 Act of 1965, and the score achieved by such teacher
22 on each test must equal or exceed the average pass-
23 ing score of those 5 States.”.

24 (2) DIRECT LOAN PROVISIONS.—Section 460
25 (20 U.S.C. 1087j) is amended—



1 (A) in subsection (a)(1)(A)(ii), by inserting
2 after “1965” the following: “, or meets the re-
3 quirements of subsection (g)(3)”; and

4 (B) in subsection (g), by adding at the end
5 the following new paragraph:

6 “(3) PRIVATE SCHOOL TEACHERS.—An indi-
7 vidual who is employed as a teacher in a private
8 school and is exempt from State certification re-
9 quirements (unless otherwise applicable under State
10 law), may, in lieu of the requirement of subsection
11 (a)(1)(A)(ii), have such employment treated as
12 qualifying employment under this section if such in-
13 dividual is permitted to and does satisfy rigorous
14 subject knowledge and skills tests by taking com-
15 petency tests in the applicable grade levels and sub-
16 ject areas. For such purposes, the competency tests
17 taken by such a private school teacher must be rec-
18 ognized by 5 or more States for the purpose of ful-
19 filling the highly qualified teacher requirements
20 under section 9101 of the Elementary and Sec-
21 ondary Education Act of 1965, and the score
22 achieved by such teacher on each test must equal or
23 exceed the average passing score of those 5 States.”.

24 **SEC. 428. ADDITIONAL ADMINISTRATIVE PROVISIONS.**

25 (a) TREATMENT OF EXEMPT CLAIMS.—



1 (1) INSURANCE COVERAGE.—Section
2 428(b)(1)(G) (20 U.S.C. 1078(b)(1)(G)) is amended
3 by inserting before the semicolon at the end the fol-
4 lowing: “and 100 percent of the unpaid principal
5 amount of exempt claims as defined in subsection
6 (c)(1)(G)”.

7 (2) TREATMENT.—Section 428(c)(1) (20
8 U.S.C. 1078(c)(1)) is amended—

9 (A) by redesignating subparagraph (G) as
10 subparagraph (H), and moving such subpara-
11 graph 2 em spaces to the left; and

12 (B) by inserting after subparagraph (F)
13 the following new subparagraph:

14 “(G)(i) Notwithstanding any other provisions of
15 this section, in the case of exempt claims, the Sec-
16 retary shall apply the provisions of—

17 “(I) the fourth sentence of subparagraph
18 (A) by substituting ‘100 percent’ for ‘95 per-
19 cent’;

20 “(II) subparagraph (B)(i) by substituting
21 ‘100 percent’ for ‘85 percent’; and

22 “(III) subparagraph (B)(ii) by substituting
23 ‘100 percent’ for ‘75 percent’.

24 “(ii) For purposes of clause (i) of this subpara-
25 graph, the term ‘exempt claims’ means claims with



1 respect to loans for which it is determined that the
2 borrower (or the student on whose behalf a parent
3 has borrowed), without the lender's or the institu-
4 tion's knowledge at the time the loan was made, pro-
5 vided false or erroneous information or took actions
6 that caused the borrower or the student to be ineli-
7 gible for all or a portion of the loan or for interest
8 benefits thereon.”.

9 (b) DOCUMENTATION OF FORBEARANCE AGREE-
10 MENTS.—Section 428(c) (20 U.S.C. 1078(c)) is further
11 amended—

12 (1) in paragraph (3)(A)(i), by striking “in writ-
13 ing”; and

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

16 “(10) DOCUMENTATION OF FORBEARANCE
17 AGREEMENTS.—For the purposes of paragraph (3),
18 the terms of forbearance agreed to by the parties
19 shall be documented by confirming the agreement of
20 the borrower by notice to the borrower from the
21 lender, and by recording the terms in the borrower's
22 file.”.

23 (c) CONSOLIDATION OF DEFAULTED LOANS.—Sec-
24 tion 428(c) (20 U.S.C. 1078(c)) is further amended—

25 (1) in paragraph (2)(A)—



1 (A) by inserting “(i)” after “including”;

2 and

3 (B) by inserting before the semicolon at
4 the end the following: “and (ii) requirements es-
5 tablishing procedures to preclude consolidation
6 lending from being an excessive proportion of
7 guaranty agency recoveries on defaulted loans
8 under this part”;

9 (2) in paragraph (2)(D), by striking “para-
10 graph (6)” and inserting “paragraph (6)(A)”; and

11 (3) in paragraph (6)—

12 (A) by inserting “(A)” before “For the
13 purposes of paragraph (2)(D),”;

14 (B) by redesignating subparagraphs (A)
15 and (B) as clauses (i) and (ii), respectively; and

16 (C) by adding at the end the following new
17 subparagraphs:

18 “(B) GUARANTY AGENCY OBLIGATIONS.—A
19 guaranty agency shall—

20 “(i) on or after October 1, 2006—

21 “(I) not charge the borrower collec-
22 tion costs in an amount in excess of 18.5
23 percent of the outstanding principal and
24 interest of a defaulted loan that is paid off



1 through consolidation by the borrower
2 under this title; and

3 “(II) remit to the Secretary a portion
4 of the collection charge under subclause (I)
5 equal to 8.5 percent of the outstanding
6 principal and interest of such defaulted
7 loan; and

8 “(ii) on and after October 1, 2009, remit
9 to the Secretary the entire amount charged
10 under clause (i)(I) with respect to each de-
11 faulted loan that is paid off with excess consoli-
12 dation proceeds.

13 “(C) EXCESS CONSOLIDATION PRO-
14 CEEDS.—For purposes of subparagraph (B),
15 the term ‘excess consolidation proceeds’ means,
16 with respect to any guaranty agency for any
17 Federal fiscal year beginning on or after Octo-
18 ber 1, 2009, the proceeds of consolidation of de-
19 faulted loans under this title that exceed 45
20 percent of the agency’s total collections on de-
21 faulted loans in such Federal fiscal year.”.

22 (d) VOLUNTARY FLEXIBLE AGREEMENTS.—Section
23 428A (20 U.S.C. 1078–1) is amended—



1 (1) in subsection (a)(1)(B), by striking “unless
2 the Secretary” and all that follows through “des-
3 ignated guarantor”;

4 (2) by striking paragraph (2) of subsection (a);

5 (3) in paragraph (4)(B) of such subsection, by
6 striking “and any waivers provided to other guar-
7 anty agencies under paragraph (2)”;

8 (4) by redesignating paragraphs (3) and (4) of
9 subsection (a) as paragraphs (2) and (3), respec-
10 tively; and

11 (5) by striking paragraph (3) of subsection (c)
12 and inserting the following:

13 “(3) NOTICE TO INTERESTED PARTIES.—Once
14 the Secretary reaches a tentative agreement in prin-
15 ciple under this section, the Secretary shall publish
16 in the Federal Register a notice that invites inter-
17 ested parties to comment on the proposed agree-
18 ment. The notice shall state how to obtain a copy of
19 the tentative agreement in principle and shall give
20 interested parties no less than 30 days to provide
21 comments. The Secretary may consider such com-
22 ments prior to providing the notices pursuant to
23 paragraph (2).”.

24 (e) DEFAULT REDUCTION PROGRAM.—Section
25 428F(a)(1) (20 U.S.C. 1078–6(a)(1)) is amended—



1 (1) in subparagraph (A), by striking “consecu-
2 tive payments for 12 months” and inserting “9 pay-
3 ments made within 20 days of the due date during
4 10 consecutive months”;

5 (2) by redesignating subparagraph (C) as sub-
6 paragraph (D); and

7 (3) by inserting after subparagraph (B) the fol-
8 lowing new subparagraph:

9 “(C) A guaranty agency may charge the
10 borrower and retain collection costs in an
11 amount not to exceed 18.5 percent of the out-
12 standing principal and interest at the time of
13 sale of a loan rehabilitated under subparagraph
14 (A).”.

15 (f) FINANCIAL AND ECONOMIC LITERACY.—

16 (1) DEFAULT REDUCTION PROGRAM.—Section
17 428F is further amended by adding at the end the
18 following:

19 “(c) FINANCIAL AND ECONOMIC LITERACY.—Where
20 appropriate, each program described under subsection (b)
21 shall include making available financial and economic edu-
22 cation materials for the borrower.”.

23 (2) PROGRAM ASSISTANCE FOR BORROWERS.—
24 Section 432(k)(1) (20 U.S.C. 1082(k)(1)) is amend-
25 ed by striking “and offering” and all that follows



1 through the period and inserting “, offering loan re-
2 payment matching provisions as part of employee
3 benefit packages, and providing employees with fi-
4 nancial and economic education and counseling.”.

5 (g) CREDIT BUREAU ORGANIZATION AGREE-
6 MENTS.—Section 430A(a) (20 U.S.C. 1080a(a)) is
7 amended by striking “agreements with credit bureau orga-
8 nizations” and inserting “an agreement with each national
9 credit bureau organization (as described in section 603(p)
10 of the Fair Credit Reporting Act)”.

11 (h) UNIFORM ADMINISTRATIVE AND CLAIMS PROCE-
12 DURE.—Section 432(l)(1)(H) (20 U.S.C. 1082(l)(1)(H))
13 is amended by inserting “and anticipated graduation
14 date” after “status change”.

15 (i) DEFAULT REDUCTION MANAGEMENT.—Section
16 432 is further amended—

17 (1) by striking subsection (n); and

18 (2) by redesignating subsections (o) and (p) as
19 subsections (n) and (o), respectively.

20 (j) SCHOOL AS LENDER.—Section 435(d)(2) (20
21 U.S.C. 1085(d)(2)) is amended by striking subparagraphs
22 (C) through (F) and the material following subparagraph
23 (F) and inserting the following:

24 “(C) shall not make a loan, other than a
25 loan made under section 428 or 428H to a



1 graduate or professional student, unless the
2 borrower has previously received a loan from
3 the school, and shall not make a loan to a bor-
4 rower who is not enrolled at that institution;

5 “(D) shall not have a cohort default rate
6 (as defined in section 435(m)) greater than 15
7 percent; and

8 “(E) shall use the proceeds from special al-
9 lowance payments and interest payments from
10 borrowers, any proceeds from the sale or other
11 disposition of loans, and interest subsidies re-
12 ceived from the Secretary for need-based grant
13 programs, except for reasonable reimbursement
14 for direct administrative expenses.”.

15 (k) DISABILITY DETERMINATIONS.—Section 437(a)
16 (20 U.S.C. 1087(a)) is amended by adding at the end the
17 following new sentence: “In making such determination of
18 permanent and total disability, the Secretary shall provide
19 that a borrower who has been certified as permanently and
20 totally disabled by the Department of Veterans Affairs or
21 the Social Security Administration shall not be required
22 to present further documentation for purposes of this
23 title.”.

24 (l) TREATMENT OF FALSELY CERTIFIED BOR-
25 ROWERS.—Section 437(c)(1) (20 U.S.C. 1087(c)(1)) is



1 amended by inserting “or parent’s eligibility” after “such
2 student’s eligibility”.

3 (m) PERFECTION OF SECURITY INTERESTS.—Sec-
4 tion 439(d) (20 U.S.C. 1087–2(d)) is amended—

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

6 (2) by redesignating paragraphs (4) and (5) as
7 paragraphs (3) and (4), respectively.

8 (n) ADDITIONAL TECHNICAL AMENDMENTS.—

9 (1) Section 428(a)(2)(A) (20 U.S.C.
10 1078(a)(2)(A)) is amended—

11 (A) by striking “and” at the end of sub-
12 clause (II) of clause (i); and

13 (B) by moving the margin of clause (iii)
14 two ems to the left.

15 (2) Section 428(a)(3)(A)(v) (20 U.S.C.
16 1078(a)(3)(A)(v)) is amended—

17 (A) by striking “or” at the end of sub-
18 clause (I);

19 (B) by striking the period at the end of
20 subclause (II) and inserting “; or”; and

21 (C) by adding after subclause (II) the fol-
22 lowing new subclause:

23 “(III) in the case of a loan disbursed
24 through an escrow agent, 3 days before the first
25 disbursement of the loan.”.



1 (3) Section 428(c)(1) (20 U.S.C. 1078(c)(1)) is
2 amended by striking “30 days” in the last sentence
3 and inserting “45 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 428H(e) (20 U.S.C. 1078–8(e)) is
8 amended by striking paragraph (6) and inserting the
9 following:

10 “(6) TIME LIMITS ON BILLING INTEREST.—A
11 lender may not receive interest on a loan under this
12 section from a borrower for any period that precedes
13 the dates described in section 428(a)(3)(A)(v).”.

14 (6) Section 428I(g) (20 U.S.C. 1078–9(g)) is
15 amended by striking “Code,” and inserting “Code”.

16 (7) Section 432(m)(1)(B) (20 U.S.C.
17 1082(m)(1)(B)) is amended—

18 (A) in clause (i), by inserting “and” after
19 the semicolon at the end; and

20 (B) in clause (ii), by striking “; and” and
21 inserting a period.

22 (8) Section 438(b)(4)(B) (20 U.S.C. 1087–
23 1(b)(4)(B)) is amended by striking “shall be com-
24 puted” and all that follows through “to the loan”
25 and inserting “described in subparagraph (A) shall



1 be computed using the interest rate described in sec-
2 tion 3902(a) of title 31, United States Code,”.

3 **PART 3—FEDERAL WORK-STUDY PROGRAMS**

4 **SEC. 441. AUTHORIZATION OF APPROPRIATIONS.**

5 Section 441(b) (42 U.S.C. 2751(b)) is amended—

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

7 and

8 (2) by striking “4 succeeding” and inserting “5
9 succeeding”.

10 **SEC. 442. COMMUNITY SERVICE.**

11 Section 441(c)(1) (42 U.S.C. 2751(c)(1)) is amended
12 by striking “that are open and accessible to the commu-
13 nity”.

14 **SEC. 443. ALLOCATION OF FUNDS.**

15 (a) PHASEOUT OF ALLOCATION BASED ON PREVIOUS
16 ALLOCATIONS.—Subsection (a) of section 442 (42 U.S.C.
17 2752(a)) is amended to read as follows:

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

20 “(1) BASE GUARANTEE.—From the amount ap-
21 propriated pursuant to section 441(b) for each fiscal
22 year after fiscal year 2007, the Secretary shall, sub-
23 ject to paragraph (2), first allocate to each eligible
24 institution an amount equal to the following percent-
25 age of the amount such institution received under



1 subsection (a) of this section for fiscal year 2007 (as
2 such subsection was in effect with respect to alloca-
3 tions for such fiscal year):

4 “(A) 80 percent for fiscal years 2008 and
5 2009;

6 “(B) 60 percent for fiscal years 2010 and
7 2011;

8 “(C) 40 percent for fiscal years 2012 and
9 2013;

10 “(D) 20 percent for fiscal years 2014 and
11 2015; and

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

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

16 “(A) REDUCTION OF BASE GUARANTEE.—

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

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



1 they were reduced (until the amount allocated
2 equals the amount required to be allocated
3 under this subsection).

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

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

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

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

23 “(ii) an eligible institution that is a 2-
24 year institution may receive an allocation
25 under subparagraph (A) if more than 50



1 percent of the students who are degree-
2 seeking Pell Grant recipients attending
3 such institution graduate within 2 calendar
4 years of the first day of enrollment.”.

5 (b) **EFFECTIVE DATE.**—The amendment made by
6 subsection (a) shall apply with respect to any amounts ap-
7 propriated under section 441(b) of the Higher Education
8 Act of 1965 (42 U.S.C. 2751(b)) for fiscal year 2007 or
9 any succeeding fiscal year.

10 **SEC. 444. BOOKS AND SUPPLIES.**

11 Section 442(e)(4)(D) (42 U.S.C. 2752(e)(4)(D)) is
12 amended by striking “\$450” and inserting “\$600”.

13 **SEC. 445. JOB LOCATION AND DEVELOPMENT.**

14 Section 446(a)(1) (42 U.S.C. 2756(a)(1)) is
15 amended—

16 (1) by striking “10 percent or \$50,000” and in-
17 serting “15 percent or \$75,000”; and

18 (2) by inserting before the period at the end the
19 following: “, except that not less than one-third of
20 such amount shall be specifically allocated to locate
21 and develop community service jobs”.

22 **SEC. 446. WORK COLLEGES.**

23 Section 448 (42 U.S.C. 2756b) is amended—

24 (1) by striking “work-learning” each place it
25 appears and inserting “work-learning-service”;



1 (2) by striking “work-service” each place it ap-
2 pears and inserting “work-learning-service”;

3 (3) by amending subparagraph (C) of sub-
4 section (e)(1) to read as follows:

5 “(C) requires all resident students, includ-
6 ing at least one-half of all students who are en-
7 rolled on a full-time basis, to participate in a
8 comprehensive work-learning-service program
9 for at least 5 hours each week, or at least 80
10 hours during each period of enrollment, unless
11 the student is engaged in an institutionally or-
12 ganized or approved study abroad or externship
13 program; and”;

14 (4) by amending paragraph (2) of subsection
15 (e) to read as follows:

16 “(2) the term ‘comprehensive student work-
17 learning-service program’—

18 “(A) means a student work-learning-serv-
19 ice program that is an integral and stated part
20 of the institution’s educational philosophy and
21 program;

22 “(B) requires participation of all resident
23 students for enrollment and graduation;



1 “(C) includes learning objectives, evalua-
2 tion, and a record of work performance as part
3 of the student’s college record;

4 “(D) provides programmatic leadership by
5 college personnel at levels comparable to tradi-
6 tional academic programs;

7 “(E) recognizes the educational role of
8 work-learning-service supervisors; and

9 “(F) includes consequences for non-
10 performance or failure in the work-learning-
11 service program similar to the consequences for
12 failure in the regular academic program.”; and

13 (5) in subsection (f), by striking “1999 and
14 such sums as may be necessary for each of the 4
15 succeeding fiscal years” and inserting “2006 and
16 such sums as may be necessary for the 5 succeeding
17 fiscal years”.

18 **PART 4—FEDERAL DIRECT LOAN PROGRAM**

19 **SEC. 451. REAUTHORIZATION OF THE DIRECT LOAN PRO-**
20 **GRAM.**

21 (a) ADMINISTRATIVE EXPENSES.—Section 458(a)(1)
22 (20 U.S.C. 1087h(a)(1)) is amended by striking
23 “\$617,000,000” and all that follows through “fiscal year
24 2003” and inserting “\$820,000,000 in fiscal year 2006,
25 \$833,000,000 in fiscal year 2007, \$847,000,000 in fiscal



1 year 2008, \$862,000,000 in fiscal year 2009, and
2 \$878,000,000 in fiscal year 2010, and \$894,000,000 in
3 fiscal year 2011”.

4 (b) CALCULATION BASIS.—Subsection (b) of section
5 458 (20 U.S.C. 1087h(b)) is amended by striking “shall
6 be calculated—” and all that follows through the end of
7 such subsection and inserting “shall be calculated on the
8 basis of 0.10 percent of the original principal amount of
9 outstanding loans on which insurance was issued under
10 part B.”.

11 (c) SPECIAL RULES: FEE CAP.—Section 458(c)(1)
12 (20 U.S.C. 1087h(c)(1)) is amended by striking subpara-
13 graphs (A) through (E) and inserting the following:

14 “(A) for fiscal year 2006, shall not exceed
15 \$220,000,000;

16 “(B) for fiscal year 2007, shall not exceed
17 \$233,000,000;

18 “(C) for fiscal year 2008, shall not exceed
19 \$247,000,000;

20 “(D) for fiscal year 2009, shall not exceed
21 \$262,000,000;

22 “(E) for fiscal year 2010, shall not exceed
23 \$278,000,000; and

24 “(F) for fiscal year 2011, shall not exceed
25 \$294,000,000.”.



1 (d) INCOME CONTINGENT REPAYMENT.—Section
2 455(e)(2) (20 U.S.C. 1087e(e)(2)) is amended by striking
3 “and files a Federal income tax return jointly with the
4 borrower’s spouse”.

5 **PART 5—FEDERAL PERKINS LOAN PROGRAM**

6 **SEC. 461. REAUTHORIZATION OF PROGRAM.**

7 (a) PROGRAM AUTHORIZATION.—

8 (1) AUTHORIZATION OF APPROPRIATIONS.—
9 Section 461(b) (20 U.S.C. 1087aa(b)) is amended—

10 (A) in paragraph (1)—

11 (i) by striking “1999” and inserting
12 “2006”; and

13 (ii) by striking “4 succeeding” and in-
14 serting “5 succeeding”; and

15 (B) in paragraph (2), by striking “2003”
16 each place it appears and inserting “2012”.

17 (2) FEDERAL CAPITAL CONTRIBUTION RECOV-
18 ERY.—Section 466 (20 U.S.C. 1087ff) is amended—

19 (A) by striking “2004” each place it ap-
20 pears in subsections (a), (b), and (c) and insert-
21 ing “2012”; and

22 (B) in subsection (a), by striking “2003”
23 each place it appears and inserting “2011”.

24 (b) PHASEOUT OF ALLOCATION BASED ON PREVIOUS
25 ALLOCATIONS.—



1 (1) AMENDMENT.—Subsection (a) of section
2 462 (20 U.S.C. 1087bb(a)) is amended to read as
3 follows:

4 “(a) ALLOCATION BASED ON PREVIOUS ALLOCA-
5 TION.—

6 “(1) BASE GUARANTEE.—From the amount ap-
7 propriated pursuant to section 461(b) for each fiscal
8 year after fiscal year 2007, the Secretary shall, sub-
9 ject to paragraphs (2) and (3), first allocate to each
10 eligible institution an amount equal to—

11 “(A) 100 percent of the amount such insti-
12 tution received under subsection (a) of this sec-
13 tion for fiscal year 2007 (as such subsection
14 was in effect with respect to allocations for such
15 fiscal year), multiplied by

16 “(B) the institution’s default penalty, as
17 determined under subsection (e), except that if
18 the institution has a cohort default rate in ex-
19 cess of the applicable maximum cohort default
20 rate under subsection (f), the institution may
21 not receive an allocation under this paragraph.

22 “(2) PHASE OUT.—For each of the fiscal years
23 after fiscal year 2007, paragraph (1) shall be ap-
24 plied by substituting for ‘100 percent’:



1 “(A) ‘80 percent’ for fiscal years 2008 and
2 2009;

3 “(B) ‘60 percent’ for fiscal years 2010 and
4 2011;

5 “(C) ‘40 percent’ for fiscal years 2012 and
6 2013;

7 “(D) ‘20 percent’ for fiscal years 2014 and
8 2015; and

9 “(E) ‘0 percent’ for fiscal year 2016 and
10 any succeeding fiscal year.

11 “(3) RATABLE REDUCTIONS FOR INSUFFICIENT
12 APPROPRIATIONS.—

13 “(A) REDUCTION OF BASE GUARANTEE.—

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

19 “(B) ADDITIONAL APPROPRIATIONS ALLO-

20 CATION.—If additional amounts are appro-
21 priated for any such fiscal year, such reduced
22 amounts shall be increased on the same basis as
23 they were reduced (until the amount allocated
24 equals the amount required to be allocated
25 under this subsection).”.



1 (2) EFFECTIVE DATE.—The amendment made
2 by paragraph (1) shall apply with respect to any
3 amounts appropriated under section 461(b) of the
4 Higher Education Act of 1965 (20 U.S.C.
5 1087bb(b)) for fiscal year 2008 or any succeeding
6 fiscal year.

7 (c) BOOKS AND SUPPLIES.—Section 462(c)(4)(D)
8 (20 U.S.C. 1087bb(c)(4)(D)) is amended by striking
9 “\$450” and inserting “\$600”.

10 **SEC. 462. LOAN TERMS AND CONDITIONS.**

11 (a) LOAN LIMITS.—Section 464(a) (20 U.S.C.
12 1087dd(a))—

13 (1) in paragraph (2)(A)—

14 (A) by striking “\$4,000” in clause (i) and
15 inserting “\$5,500”; and

16 (B) by striking “\$6,000” in clause (ii) and
17 inserting “\$8,000”; and

18 (2) in paragraph (2)(B)—

19 (A) by striking “\$40,000” in clause (i) and
20 inserting “\$60,000”;

21 (B) by striking “\$20,000” in clause (ii)
22 and inserting “\$27,500”; and

23 (C) by striking “\$8,000” in clause (iii) and
24 inserting “\$11,000”.



1 (b) FORBEARANCE.—Section 464(e) (20 U.S.C.
2 1087dd(e)) is amended by striking “, upon written re-
3 quest,”.

4 (c) SPECIAL REPAYMENT RULE.—Paragraph (2) of
5 section 464(f) is amended to read as follows:

6 “(2) No compromise repayment of a defaulted loan
7 as authorized by paragraph (1) may be made unless
8 agreed to by the Secretary.”.

9 (d) REHABILITATION.—Section 464(h)(1)(A) (20
10 U.S.C. 1087dd(h)(1)(A)) is amended by striking “12
11 ontime” and inserting “9 on-time”.

12 **SEC. 463. LOAN CANCELLATION.**

13 Section 465(a)(3)(A) (20 U.S.C. 1087ee(a)(3)(A)) is
14 amended—

15 (1) by inserting “(D),” after “subparagraph
16 (A), (C),” in clause (i);

17 (2) by inserting “or” after the semicolon at the
18 end of clause (ii);

19 (3) by striking clause (iii); and

20 (4) by redesignating clause (iv) as clause (iii).

21 **SEC. 464. TECHNICAL AMENDMENTS.**

22 Part E is further amended as follows:

23 (1) Section 462(g)(1)(E)(i)(I) (20 U.S.C.
24 1087bb(g)(1)(E)(i)(I)) is amended by inserting
25 “monthly” after “consecutive”.



1 (2) Section 463(a)(4)(A) (20 U.S.C.
2 1087cc(a)(4)(A)) is amended by striking “the Sec-
3 retary may” and inserting “the Secretary shall”.

4 (3) Section 464(c)(1)(D) (20 U.S.C.
5 1087dd(c)(1)(D)) is amended by redesignating sub-
6 clauses (I) and (II) as clauses (i) and (ii), respec-
7 tively.

8 (4) Section 465(a)(2) (20 U.S.C. 1087ee(a)(2))
9 is amended—

10 (A) in subparagraph (A), by striking “sec-
11 tion 111(c)” and inserting “section
12 1113(a)(5)”; and

13 (B) in subparagraph (C), by striking
14 “With Disabilities” and inserting “with Disabil-
15 ities”.

16 (5) Section 467(b) (20 U.S.C. 1087gg(b)) is
17 amended by striking “(5)(A), (5)(B)(i), or (6)” and
18 inserting “(4)(A), (4)(B), or (5)”.

19 (6) Section 469(c) (20 U.S.C. 1087ii(c)) is
20 amended—

21 (A) by striking “sections 602(a)(1) and
22 672(1)” and inserting “sections 602(3) and
23 632(5)”;



1 (B) by striking “qualified professional pro-
2 vider of early intervention services” and insert-
3 ing “early intervention services”; and

4 (C) by striking “section 672(2)” and in-
5 serting “section 632(4)”.

6 **PART 6—NEED ANALYSIS**

7 **SEC. 471. SIMPLIFIED NEEDS TEST IMPROVEMENTS.**

8 Section 479 (20 U.S.C. 1087ss) is amended—

9 (1) by striking clause (i) of subsection (b)(1)(A)
10 and inserting the following:

11 “(i) the student’s parents file a form
12 described in paragraph (3) or certify that
13 they are not required to file an income tax
14 return, and the student files such a form
15 or certifies that the student is not required
16 to file an income tax return, or the stu-
17 dent’s parents receive benefits under a
18 means-tested Federal benefit program;”.

19 (2) by striking clause (i) of subsection
20 (b)(1)(B) and inserting the following:

21 “(i) the student (and the student’s
22 spouse, if any) files a form described in
23 paragraph (3) or certifies that the student
24 (and the student’s spouse, if any) is not re-
25 quired to file an income tax return, or the



1 student (and the student's spouse, if any)
2 receives benefits under a means-tested
3 Federal benefit program;”;

4 (3) by striking subparagraph (A) of subsection
5 (c)(1) and inserting the following:

6 “(A) the student's parents file a form de-
7 scribed in subsection (b)(3) or certify that they
8 are not required to file an income tax return,
9 and the student files such a form or certifies
10 that the student is not required to file an in-
11 come tax return, or the student's parents re-
12 ceive benefits under a means-tested Federal
13 benefit program;”;

14 (4) by striking subparagraph (A) of subsection
15 (c)(2) and inserting the following:

16 “(A) the student (and the student's
17 spouse, if any) files a form described in sub-
18 section (b)(3) or certifies that the student (and
19 the student's spouse, if any) is not required to
20 file an income tax return, or the student (and
21 the student's spouse, if any) receives benefits
22 under a means-tested Federal benefit pro-
23 gram;”;

24 (5) by adding at the end the following new sub-
25 section:



1 “(d) DEFINITION OF MEANS-TESTED FEDERAL
2 BENEFIT PROGRAM.—For purposes of this section, the
3 term ‘means-tested Federal benefit program’ means a
4 mandatory spending program of the Federal Government,
5 other than a program under this title, in which eligibility
6 for the programs’ benefits, or the amount of such benefits,
7 or both, are determined on the basis of income or re-
8 sources of the individual or family seeking the benefit, and
9 may include such programs as the supplemental security
10 income program under title XVI of the Social Security
11 Act, the food stamp program under the Food Stamp Act
12 of 1977, and the free and reduced price school lunch pro-
13 gram under the Richard B. Russell National School Lunch
14 Act, and other programs identified by the Secretary.”.

15 **SEC. 472. ADDITIONAL NEED ANALYSIS AMENDMENTS.**

16 (a) INCOME PROTECTION ALLOWANCE FOR DEPEND-
17 ENT STUDENTS.—

18 (1) AMENDMENT.—Section 475(g)(2)(D) (20
19 U.S.C. 1087oo(g)(2)(D)) is amended by striking
20 “\$2,200” and inserting “\$3,000”.

21 (2) EFFECTIVE DATE.—The amendment made
22 by paragraph (1) shall apply with respect to deter-
23 minations of need for periods of enrollment begin-
24 ning on or after July 1, 2006.



1 (b) EMPLOYMENT EXPENSE ALLOWANCE.—Section
2 478(h) (20 U.S.C. 1087rr(h)) is amended—

3 (1) by striking “476(b)(4)(B),”; and

4 (2) by striking “meals away from home, apparel
5 and upkeep, transportation, and housekeeping serv-
6 ices” and inserting “food away from home, apparel,
7 transportation, and household furnishings and oper-
8 ations”.

9 (c) DISCRETION OF STUDENT FINANCIAL AID AD-
10 MINISTRATORS.—Section 479A(a) (20 U.S.C. 1087tt(a))
11 is amended—

12 (1) by striking “(a) IN GENERAL.—” and in-
13 serting the following:

14 “(a) AUTHORITY TO MAKE ADJUSTMENTS.—

15 “(1) ADJUSTMENTS FOR SPECIAL CIR-
16 CUMSTANCES.—”;

17 (2) by inserting before “Special circumstances
18 may” the following:

19 “(2) SPECIAL CIRCUMSTANCES DEFINED.—”;

20 (3) by inserting “a student’s status as a ward
21 of the court at any time prior to attaining 18 years
22 of age,” after “487,”;

23 (4) by inserting before “Adequate documenta-
24 tion” the following:



1 “(3) DOCUMENTATION AND USE OF SUPPLE-
2 MENTARY INFORMATION.—”; and

3 (5) by inserting before “No student” the fol-
4 lowing:

5 “(4) FEES FOR SUPPLEMENTARY INFORMATION
6 PROHIBITED.—”.

7 (d) TREATING ACTIVE DUTY MEMBERS OF THE
8 ARMED FORCES AS INDEPENDENT STUDENTS.—Section
9 480(d)(3) (20 U.S.C. 1087vv(d)(3)) is amended by insert-
10 ing before the semicolon at the end the following: “or is
11 currently serving on active duty in the Armed Forces for
12 other than training purposes”.

13 (e) EXCLUDABLE INCOME.—Section 480(e) (20
14 U.S.C. 1087vv(e)) is amended—

15 (1) by striking “and” at the end of paragraph
16 (3);

17 (2) by striking the period at the end of para-
18 graph (4); and

19 (3) by adding at the end the following new
20 paragraph:

21 “(5) any part of any distribution from a quali-
22 fied tuition program established under section 529
23 of the Internal Revenue Code of 1986 that is not in-
24 cludable in gross income under such section 529.”.

25 (f) TREATMENT OF SAVINGS PLANS.—



1 (1) AMENDMENT.—Section 480(f) (20 U.S.C.
2 1087vv(f)) is amended—

3 (A) in paragraph (1), by inserting “quali-
4 fied tuition programs established under section
5 529 of the Internal Revenue Code of 1986 (26
6 U.S.C. 529), except as provided in paragraph
7 (2),” after “tax shelters,”;

8 (B) by redesignating paragraph (2) as
9 paragraph (3); and

10 (C) by inserting after paragraph (1) the
11 following new paragraph:

12 “(2) A qualified tuition program shall not be consid-
13 ered an asset of a dependent student under section 475
14 of this part. The value of a qualified tuition program for
15 purposes of determining the assets of parents or inde-
16 pendent students shall be—

17 “(A) the refund value of any tuition credits or
18 certificates purchased under section 529 of the In-
19 ternal Revenue Code of 1986 (26 U.S.C. 529) on be-
20 half of a beneficiary; or

21 “(B) the current balance of any account which
22 is established under such section for the purpose of
23 meeting the qualified higher education expenses of
24 the designated beneficiary of the account.”.



1 (2) CONFORMING AMENDMENT.—Section 480(j)
2 (20 U.S.C. 1087vv(j)) is amended—

3 (A) by striking “; TUITION PREPAYMENT
4 PLANS” in the heading of such subsection;

5 (B) by striking paragraph (2);

6 (C) in paragraph (3), by inserting “, or a
7 distribution that is not includable in gross in-
8 come under section 529 of such Code,” after
9 “1986”; and

10 (D) by redesignating paragraph (3) as
11 paragraph (2).

12 **PART 7—GENERAL PROVISIONS RELATING TO**
13 **STUDENT FINANCIAL ASSISTANCE**

14 **SEC. 481. DEFINITIONS OF ACADEMIC YEAR AND ELIGIBLE**
15 **PROGRAM.**

16 (a) ACADEMIC YEAR.—Paragraph (2) of section
17 481(a) (20 U.S.C. 1088(a)) is amended to read as follows:

18 “(2) For the purpose of any program under this title,
19 the term ‘academic year’ shall—

20 “(A) require a minimum of 30 weeks of instruc-
21 tional time for a course of study that measures its
22 program length in credit hours; or

23 “(B) require a minimum of 26 weeks of instruc-
24 tional time for a course of study that measures its
25 program length in clock hours; and



1 “(C) require an undergraduate course of study
2 to contain an amount of instructional time whereby
3 a full-time student is expected to complete at least
4 (i) 24 semester or trimester hours or 36 quarter
5 credit hours in a course of study that measures its
6 program length in credit hours, or (ii) 900 clock
7 hours in a course of study that measures its pro-
8 gram length in clock hours.”.

9 (b) ELIGIBLE PROGRAM.—Section 481(b) (20 U.S.C.
10 1088(b)) is amended by adding at the end the following
11 new paragraph:

12 “(3) For purposes of this title, an eligible program
13 includes an instructional program that utilizes direct as-
14 sessment of student learning, or recognizes the direct as-
15 sessment of student learning, in lieu of credit hours or
16 clock hours as the measure of student learning. In the case
17 of a program being determined eligible for the first time
18 under this paragraph, such determination shall be made
19 by the Secretary before such program is considered to be
20 eligible. The Secretary shall provide an annual report to
21 Congress identifying the programs made eligible under
22 this paragraph.”.

23 **SEC. 482. DISTANCE EDUCATION.**

24 (a) DISTANCE EDUCATION: ELIGIBLE PROGRAM.—
25 Section 481(b) (20 U.S.C. 1088(b)) is amended by adding



1 after paragraph (3) (as added by section 481(b) of this
2 Act) the following new paragraph:

3 “(4) DISTANCE EDUCATION.—An otherwise eli-
4 gible program that is offered in whole or in part
5 through telecommunications is eligible for the pur-
6 poses of this title if the program is offered by an in-
7 stitution, other than a foreign institution, that has
8 been evaluated and determined (before or after the
9 date of enactment of this paragraph) to have the ca-
10 pability to effectively deliver distance education pro-
11 grams by an accrediting agency or association
12 that—

13 “(A) is recognized by the Secretary under
14 subpart 2 of Part H; and

15 “(B) has evaluation of distance education
16 programs within the scope of its recognition, as
17 described in section 496(n)(3).”.

18 (b) CORRESPONDENCE COURSES.—Section 484(l)(1)
19 (20 U.S.C. 1091(l)(1)) is amended—

20 (1) in subparagraph (A)—

21 (A) by striking “for a program of study of
22 1 year or longer”; and

23 (B) by striking “unless the total” and all
24 that follows through “courses at the institu-
25 tion”; and



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

3 “(B) EXCEPTION.—Subparagraph (A)
4 does not apply to an institution or school de-
5 scribed in section 3(3)(C) of the Carl D. Per-
6 kins Vocational and Technical Education Act of
7 1998.”.

8 **SEC. 483. EXPANDING INFORMATION DISSEMINATION RE-**
9 **GARDING ELIGIBILITY FOR PELL GRANTS.**

10 Section 483(a) (20 U.S.C. 1090(a)) is amended by
11 adding at the end the following new paragraph:

12 “(8) EXPANDING INFORMATION DISSEMINATION
13 REGARDING ELIGIBILITY FOR PELL GRANTS.—The
14 Secretary shall make special efforts, in conjunction
15 with State efforts, to notify students and their par-
16 ents who qualify for a free lunch under the Richard
17 B. Russell National School Lunch Act (42 U.S.C.
18 1751 et seq.), the Food Stamps program, or such
19 other programs as the Secretary shall determine, of
20 their potential eligibility for a maximum Pell Grant,
21 and shall disseminate such informational materials
22 as the Secretary deems appropriate.”.

23 **SEC. 484. STUDENT ELIGIBILITY.**

24 (a) SUSPENSION OF ELIGIBILITY FOR DRUG OF-
25 FENSES.—Section 484(r)(1) (20 U.S.C. 1091(r)(1)) is



1 amended by striking everything preceding the table and
2 inserting the following:

3 “(1) IN GENERAL.—A student who is convicted
4 of any offense under any Federal or State law in-
5 volving the possession or sale of a controlled sub-
6 stance for conduct that occurred during a period of
7 enrollment for which the student was receiving any
8 grant, loan, or work assistance under this title shall
9 not be eligible to receive any grant, loan, or work as-
10 sistance under this title from the date of that convic-
11 tion for the period of time specified in the following
12 table:”.

13 (b) FREELY ASSOCIATED STATES.—Section 484(j)
14 (20 U.S.C. 1091(j)) is amended by inserting “and shall
15 be eligible only for assistance under subpart 1 of part A
16 thereafter,” after “part C,”.

17 (c) VERIFICATION OF INCOME DATE.—Paragraph
18 (1) of section 484(q) (20 U.S.C. 1091(q)) is amended to
19 read as follows:

20 “(1) CONFIRMATION WITH IRS.—The Secretary
21 of Education, in cooperation with the Secretary of
22 the Treasury, is authorized to confirm with the In-
23 ternal Revenue Service the information specified in
24 section 6103(l)(13) of the Internal Revenue Code of
25 1986 reported by applicants (including parents)



1 under this title on their Federal income tax returns
2 for the purpose of verifying the information reported
3 by applicants on student financial aid applications.”.

4 (d) TECHNICAL AMENDMENT.—Section 484(b)(5) is
5 amended by inserting “or parent (on behalf of a student)”
6 after “student”.

7 **SEC. 485. INSTITUTIONAL REFUNDS.**

8 Section 484B (20 U.S.C. 1091b) is amended—

9 (1) in subsection (a)(1), by inserting “subpart
10 4 of part A or” after “received under”;

11 (2) in subsection (a)(2), by striking “takes a
12 leave” and by inserting “takes one or more leaves”;

13 (3) in subsection (a)(3)(B)(ii), by inserting “(as
14 determined in accordance with subsection (d))” after
15 “student has completed”;

16 (4) in subsection (a)(4), by amending subpara-
17 graph (A) to read as follows:

18 “(A) IN GENERAL.—After determining the
19 eligibility of the student for a late disbursement
20 or post-withdrawal disbursement (as required in
21 regulations prescribed by the Secretary), the in-
22 stitution of higher education shall contact the
23 borrower and obtain confirmation that the loan
24 funds are still required by the borrower. In
25 making such contact, the institution shall ex-



1 plain to the borrower the borrower's obligation
2 to repay the funds following any such disburse-
3 ment. The institution shall document in the
4 borrower's file the result of such contact and
5 the final determination made concerning such
6 disbursement.”;

7 (5) in subsection (b)(1), by inserting “no later
8 than 45 days from the determination of withdrawal”
9 after “return”;

10 (6) in subsection (b)(2), by amending subpara-
11 graph (C) to read as follows:

12 “(C) GRANT OVERPAYMENT REQUIRE-
13 MENTS.—

14 “(i) IN GENERAL.—Notwithstanding
15 subparagraphs (A) and (B), a student
16 shall only be required to return grant as-
17 sistance in the amount (if any) by which—

18 “(I) the amount to be returned
19 by the student (as determined under
20 subparagraphs (A) and (B)), exceeds

21 “(II) 50 percent of the total
22 grant assistance received by the stu-
23 dent under this title for the payment
24 period or period of enrollment.



1 “(ii) MINIMUM.—A student shall not
2 be required to return amounts of \$50 or
3 less.”; and

4 (7) in subsection (d), by striking “(a)(3)(B)(i)”
5 and inserting “(a)(3)(B)”.

6 **SEC. 486. INSTITUTIONAL AND FINANCIAL ASSISTANCE IN-**
7 **FORMATION FOR STUDENTS.**

8 (a) INFORMATION DISSEMINATION ACTIVITIES.—
9 Section 485(a)(1) (20 U.S.C. 1092(a)(1)) is amended—
10 (1) by amending the second sentence to read as
11 follows: “The information required by this section
12 shall be produced and be made publicly available to
13 an enrolled student and to any prospective student,
14 through appropriate publications, mailings, elec-
15 tronic media, and the reports required by the insti-
16 tution’s accrediting agency under section
17 496(c)(9).”;

18 (2) by amending subparagraph (G) to read as
19 follows:

20 “(G) the academic programs of the institution,
21 including—

22 “(i) the current degree programs and other
23 educational and training programs;

24 “(ii) the institution’s educational mission
25 and goals;



1 “(iii) the instructional, laboratory, and
2 other physical plant facilities which relate to the
3 academic programs; and

4 “(iv) the faculty and other instructional
5 personnel;”;

6 (3) by striking subparagraph (L) and inserting
7 the following:

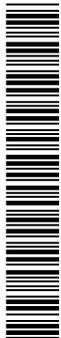
8 “(L) a summary of student outcomes for full-
9 time undergraduate students, including—

10 “(i) the completion or graduation rates of
11 certificate- or degree-seeking undergraduate
12 students entering such institutions; and

13 “(ii) any other student outcome data, qual-
14 itative or quantitative, including data regarding
15 distance education, deemed by the institution to
16 be appropriate to its stated educational mission
17 and goals, and, when applicable, licensing and
18 placement rates for professional and vocational
19 programs;”;

20 (4) by inserting before the semicolon at the end
21 of subparagraph (J) the following: “, and the proc-
22 ess for students to register complaints with the ac-
23 crediting agencies or associations”;

24 (5) in subparagraph (M), by striking “guaran-
25 teed student loans under part B of this title or di-



1 rect student loans under part E of this title, or
2 both,” and inserting “student loans under part B,
3 D, or E of this title”;

4 (6) by striking “and” at the end of subpara-
5 graph (N);

6 (7) by striking the period at the end of sub-
7 paragraph (O) and inserting a semicolon; and

8 (8) by adding at the end the following new sub-
9 paragraphs:

10 “(P) the penalties contained in subsection
11 484(r) regarding suspension of eligibility for drug
12 related offenses; and

13 “(Q) the policies of the institution regarding
14 the acceptance or denial of academic credit earned
15 at another institution of higher education, which
16 shall include a statement that such decisions will not
17 be based solely on the source of accreditation of a
18 sending institution, provided that the sending insti-
19 tution is accredited by an agency or association that
20 is recognized by the Secretary pursuant to section
21 496 to be a reliable authority as to the quality of the
22 education or training offered, and except that noth-
23 ing in this subparagraph shall be construed to—

24 “(i) authorize an officer or employee of the
25 Department to exercise any direction, super-



1 vision, or control over the curriculum, program
2 of instruction, administration, or personnel of
3 any institution of higher education, or over any
4 accrediting agency or association;

5 “(ii) limit the application of the General
6 Education Provisions Act; or

7 “(iii) create any legally enforceable right.”.

8 (b) ADDITIONAL AMENDMENTS.—Section 485(a) is
9 further amended by striking paragraph (6) and inserting
10 the following:

11 “(6) Each institution may provide supplemental
12 information to enrolled and prospective students
13 showing the completion or graduation rate for stu-
14 dents described in paragraph (4). For the purpose of
15 this paragraph, the definitions provided in the Inte-
16 grated Postsecondary Education Data System shall
17 apply.

18 “(7) Each eligible institution participating in
19 any program under this title may publicly report to
20 currently enrolled and prospective students the vol-
21 untary information collected by the National Survey
22 of Student Engagement (NSSE), the Community
23 College Survey of Student Engagement (CCSSE), or
24 other instruments that provide evidence of student
25 participation in educationally purposeful activities.



1 The information shall be produced and made avail-
2 able in a uniform and comprehensible manner,
3 through appropriate publications, mailings, and elec-
4 tronic media, and may be included in reports re-
5 quired by the institution's accrediting agency.”.

6 (c) EXIT COUNSELING.—Section 485(b) (20 U.S.C.
7 1092(b)) is amended by adding at the end the following
8 new paragraph:

9 “(3) Each eligible institution shall, during the exit
10 interview required by this subsection, provide to a bor-
11 rower of a loan made under part B, D, or E a clear and
12 conspicuous notice describing the effect of using a consoli-
13 dation loan to discharge the borrower's student loans,
14 including—

15 “(A) the effects of consolidation on total inter-
16 est to be paid, fees to be paid, and length of repay-
17 ment;

18 “(B) the effects of consolidation on a bor-
19 rower's underlying loan benefits, including loan for-
20 giveness, cancellation, and deferment;

21 “(C) the ability for the borrower to prepay the
22 loan, pay on a shorter schedule, and to change re-
23 payment plans, and that borrower benefit programs
24 may vary among different loan holders;



1 “(D) the tax benefits for which the borrower
2 may be eligible; and

3 “(E) the consequences of default.”.

4 (d) CAMPUS CRIME INFORMATION.—Section
5 485(f)(1) (20 U.S.C. 1092(f)(1)) is amended by inserting
6 “, other than a foreign institution of higher education,”
7 after “under this title”.

8 **SEC. 487. COLLEGE ACCESS INITIATIVE.**

9 Part G is further amended by inserting after section
10 485C (20 U.S.C. 1092c) the following new section:

11 **“SEC. 485D. COLLEGE ACCESS INITIATIVE.**

12 “(a) STATE-BY-STATE INFORMATION.—The Sec-
13 retary shall direct each guaranty agency with which the
14 Secretary has an agreement under section 428(c) to pro-
15 vide to the Secretary the information necessary for the de-
16 velopment of web links and access for students and fami-
17 lies to a comprehensive listing of the postsecondary edu-
18 cation opportunities programs, publications, Internet Web
19 sites, and other services available in the States for which
20 such agency serves as the designated guarantor.

21 “(b) GUARANTY AGENCY ACTIVITIES.—

22 “(1) PLAN AND ACTIVITY REQUIRED.—Each
23 guaranty agency with which the Secretary has an
24 agreement under section 428(c) shall develop a plan
25 and undertake the activity necessary to gather the



1 information required under subsection (a) and to
2 make such information available to the public and to
3 the Secretary in a form and manner as prescribed
4 by the Secretary.

5 “(2) ACTIVITIES.—Each guaranty agency shall
6 undertake such activities as are necessary to pro-
7 mote access to postsecondary education for students
8 through providing information on college planning,
9 career preparation, and paying for college. The guar-
10 anty agency shall publicize such information and co-
11 ordinate such activities with other entities that ei-
12 ther provide or distribute such information in the
13 States for which such guaranty agency serves as the
14 designated guarantor.

15 “(3) FUNDING.—The activities required by this
16 section may be funded from the guaranty agency’s
17 operating account established pursuant to section
18 422B and to the extent funds remain, from earnings
19 on the restricted account established pursuant to
20 section 422(h)(4).

21 “(c) ACCESS TO INFORMATION.—

22 “(1) SECRETARY’S RESPONSIBILITY.—The Sec-
23 retary shall ensure the availability of the information
24 provided by the guaranty agencies in accordance
25 with this section to students, parents and other in-



1 interested individuals, through web links or other
2 methods prescribed by the Secretary.

3 “(2) GUARANTY AGENCY RESPONSIBILITY.—
4 The guaranty agencies shall ensure that the infor-
5 mation required by this section is available without
6 charge in printed format for students and parents
7 requesting such information.

8 “(3) PUBLICITY.—Within 270 days after the
9 date of enactment of the College Access and Oppor-
10 tunity Act of 2005, the Secretary and guaranty
11 agencies shall publicize the availability of the infor-
12 mation required by this section, with special empha-
13 sis on ensuring that populations that are tradition-
14 ally underrepresented in postsecondary education are
15 made aware of the availability of such information.”.

16 **SEC. 488. DISTANCE EDUCATION DEMONSTRATION PRO-**
17 **GRAM.**

18 (a) ELIGIBLE APPLICANTS.—Section 486(b)(3) (20
19 U.S.C. 1093(b)(3)) is amended—

20 (1) in subparagraph (B), by striking “section
21 102(a)(1)(C)” and inserting “section 102”; and

22 (2) in subparagraph (C), by striking “sub-
23 section (a) of section 102, other than the require-
24 ment of paragraph (3)(A) or (3)(B) of such sub-
25 section,” and inserting “section 101, other than the



1 requirements of subparagraph (A) or (B) of sub-
2 section (b)(4) of such section”.

3 (b) SELECTION.—Section 486(d)(1) (20 U.S.C.
4 1093(d)(1)) is amended—

5 (1) by striking “the third year” and inserting
6 “subsequent years”;

7 (2) by striking “35 institutions” and inserting
8 “100 institutions”; and

9 (3) by adding at the end the following new sen-
10 tence: “Not more than 5 of such institutions, sys-
11 tems, or consortia may be accredited, degree-grant-
12 ing correspondence schools.”.

13 **SEC. 489. COLLEGE AFFORDABILITY DEMONSTRATION PRO-**
14 **GRAM.**

15 Part G of title IV is amended by inserting after sec-
16 tion 486 (20 U.S.C. 1093) the following new section:

17 **“SEC. 486A. COLLEGE AFFORDABILITY DEMONSTRATION**
18 **PROGRAM.**

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

20 “(1) to provide, through a college affordability
21 demonstration program, for increased innovation in
22 the delivery of higher education and student finan-
23 cial aid in a manner resulting in reduced costs for
24 students as well as the institution by accelerating
25 degree or program completion, increasing availability



1 of, and access to, distance components of education
2 delivery, and other alternative methodologies; and

3 “(2) to help determine—

4 “(A) the most effective means of delivering
5 student financial aid as well as quality edu-
6 cation;

7 “(B) the specific statutory and regulatory
8 requirements that should be altered to provide
9 for more efficient and effective delivery of stu-
10 dent financial aid, as well as access to high
11 quality distance education programs, resulting
12 in a student more efficiently completing post-
13 secondary education; and

14 “(C) the most effective methods of obtain-
15 ing and managing institutional resources.

16 “(b) DEMONSTRATION PROGRAM AUTHORIZED.—

17 “(1) IN GENERAL.—In accordance with the
18 purposes described in subsection (a) and the provi-
19 sions of subsection (d), the Secretary is authorized
20 to select not more than 100 institutions of higher
21 education or systems of such institutions for vol-
22 untary participation in the College Affordability
23 Demonstration Program in order to enable partici-
24 pating institutions to carry out such purposes by
25 providing programs of postsecondary education, and



1 making available student financial assistance under
2 this title to students enrolled in those programs, in
3 a manner that would not otherwise meet the require-
4 ments of this title.

5 “(2) WAIVERS.—The Secretary is authorized to
6 waive for any institutions of higher education, or
7 any system or consortia of institutions of higher
8 education, selected for participation in the College
9 Affordability Demonstration Program, any require-
10 ments of this Act or the regulations thereunder as
11 deemed necessary by the Secretary to meet the pur-
12 pose described in subsection (a)(1).

13 “(3) ELIGIBLE APPLICANTS.—

14 “(A) ELIGIBLE INSTITUTIONS.—Except as
15 provided in subparagraph (B), only an institu-
16 tion of higher education that is eligible to par-
17 ticipate in programs under this title shall be eli-
18 gible to participate in the demonstration pro-
19 gram authorized under this section.

20 “(B) PROHIBITION.—An institution of
21 higher education described in section 102 shall
22 not be eligible to participate in the demonstra-
23 tion program authorized under this section.

24 “(c) APPLICATION.—



1 “(1) IN GENERAL.—Each institution or system
2 of institutions desiring to participate in the dem-
3 onstration program under this section shall submit
4 an application to the Secretary at such time and in
5 such manner as the Secretary may require.

6 “(2) CONTENTS OF APPLICATIONS.—Each ap-
7 plication for the college affordability demonstration
8 program shall include at least the following:

9 “(A) a description of the institution or sys-
10 tem of institutions and what quality assurance
11 mechanisms are in place to insure the integrity
12 of the Federal financial aid programs;

13 “(B) a description of each regulatory or
14 statutory requirement for which waivers are
15 sought, with a reason for each waiver;

16 “(C) a description of the programs being
17 offered and the affected students;

18 “(D) a description of the expected out-
19 comes of the program changes proposed, includ-
20 ing the estimated reductions in costs both for
21 the institution and for students;

22 “(E) a description of any collaborative ar-
23 rangements with other institutions or organiza-
24 tions to reduce costs;



1 “(F) a description of any expected eco-
2 nomic impact of participation in the program
3 within the community in which the institution is
4 located;

5 “(G) a description of how the institution
6 will reduce the costs of instructional materials,
7 including textbooks;

8 “(H) an assurance that the participating
9 institution or system of institutions will offer
10 full cooperation with the ongoing evaluations of
11 the demonstration program provided for in this
12 section; and

13 “(I) any other information or assurances
14 the Secretary may require.

15 “(d) SELECTION.—In selecting institutions to partici-
16 pate in the demonstration program under this section, the
17 Secretary shall take into account—

18 “(1) the number and quality of applications re-
19 ceived, determined on the basis of the contents re-
20 quired by subsection (c)(2);

21 “(2) the Department’s capacity to oversee and
22 monitor each institution’s participation;

23 “(3) an institution’s—

24 “(A) financial responsibility;

25 “(B) administrative capability;



1 “(C) program or programs being offered
2 via distance education;

3 “(D) student completion rates; and

4 “(E) student loan default rates; and

5 “(4) the participation of a diverse group of in-
6 stitutions with respect to size, mission, and geo-
7 graphic distribution.

8 “(e) NOTIFICATION.—The Secretary shall make
9 available to the public and to the authorizing committees
10 a list of institutions and systems of institutions selected
11 to participate in the demonstration program authorized by
12 this section. Such notice shall include a listing of the spe-
13 cific statutory and regulatory requirements being waived
14 for each institution or system of institutions and a descrip-
15 tion of the distance education courses to be offered.

16 “(f) EVALUATIONS AND REPORTS.—

17 “(1) EVALUATION.—The Secretary shall evalu-
18 ate the demonstration program authorized under
19 this section on a biennial basis. Such evaluations
20 specifically shall review—

21 “(A) the number and types of students
22 participating in the programs offered, including
23 the progress of participating students toward
24 recognized certificates or degrees and the extent



1 to which participation in such programs in-
2 creased;

3 “(B) issues related to student financial as-
4 sistance for distance education;

5 “(C) effective technologies and alternative
6 methodologies for delivering student financial
7 assistance;

8 “(D) the extent of the cost savings to the
9 institution, the student, and the Federal Gov-
10 ernment by virtue of the waivers provided, and
11 an estimate as to future cost savings should the
12 demonstration program continue;

13 “(E) the extent to which students saved
14 money by virtue of completing their postsec-
15 ondary education sooner;

16 “(F) the extent to which the institution re-
17 duced its tuition and fees and its costs by virtue
18 of participation in the demonstration program;

19 “(G) the extent to which any collaborative
20 arrangements with other institutions or organi-
21 zations have reduced the participating institu-
22 tion’s costs; and

23 “(H) the extent to which statutory or reg-
24 ulatory requirements not waived under the dem-



1 onstration program present difficulties for stu-
2 dents or institutions.

3 “(2) POLICY ANALYSIS.—The Secretary shall
4 review current policies and identify those policies
5 that present impediments to the development and
6 use of distance education and other nontraditional
7 methods of expanding access to education.

8 “(3) REPORTS.—The Secretary shall provide a
9 report to the authorizing committees on a biennial
10 basis regarding—

11 “(A) the demonstration program author-
12 ized under this section;

13 “(B) the results of the evaluations con-
14 ducted under paragraph (1);

15 “(C) the cost savings to the Federal Gov-
16 ernment by the demonstration program author-
17 ized by this section; and

18 “(D) recommendations for changes to in-
19 crease the efficiency and effective delivery of fi-
20 nancial aid.

21 “(g) OVERSIGHT.—In conducting the demonstration
22 program authorized under this section, the Secretary
23 shall, on a continuing basis—

24 “(1) ensure compliance of institutions or sys-
25 tems of institutions with the requirements of this



1 title (other than the sections and regulations that
2 are waived under subsection (b)(2));

3 “(2) provide technical assistance to institutions
4 in their application to and participation in the dem-
5 onstration program;

6 “(3) monitor fluctuations in the student popu-
7 lation enrolled in the participating institutions or
8 systems of institutions;

9 “(4) monitor changes in financial assistance
10 provided at the institution; and

11 “(5) consult with appropriate accrediting agen-
12 cies or associations and appropriate State regulatory
13 authorities.

14 “(h) TERMINATION OF AUTHORITY.—The authority
15 of the Secretary under this section shall cease to be effec-
16 tive on October 1, 2011.”.

17 **SEC. 490. PROGRAM PARTICIPATION AGREEMENTS.**

18 (a) REFUND POLICIES.—Section 487(a) (20 U.S.C.
19 1094(a)) is amended—

20 (1) in paragraph (22), by striking “refund pol-
21 icy” and inserting “policy on the return of title IV
22 funds”; and

23 (2) in paragraph (23)—

24 (A) by moving subparagraph (C) 2 em
25 spaces to the left; and



1 (B) by adding after such subparagraph the
2 following new subparagraph:

3 “(D) An institution shall be considered in com-
4 pliance with the requirements of subparagraph (A)
5 for any student to whom the institution electroni-
6 cally transmits a message containing a voter reg-
7 istration form acceptable for use in the State in
8 which the institution is located, or an Internet ad-
9 dress where such a form can be downloaded, pro-
10 vided such information is in an electronic message
11 devoted to voter registration.”.

12 (b) AUDIT REQUIREMENTS.—Section 487(c)(1)(A)(i)
13 (20 U.S.C. 1094(c)(1)(A)(i)) is amended by inserting be-
14 fore the semicolon at the end the following: “, except that
15 the Secretary may modify the requirements of this clause
16 with respect to institutions of higher education that are
17 foreign institutions, and may waive such requirements
18 with respect to a foreign institution whose students receive
19 less than \$500,000 in loans under this title during the
20 award year preceding the audit period”.

21 (c) REPORTS ON DISCIPLINARY PROCEEDINGS.—

22 (1) AMENDMENT.—Section 487(a) (20 U.S.C.
23 1094(a)) is amended by adding at the end the fol-
24 lowing new paragraph:



1 “(24) The institution will disclose to the alleged
2 victim of any crime of violence (as that term is de-
3 fined in section 16 of title 18), or a nonforcible sex
4 offense, the final results of any disciplinary pro-
5 ceeding conducted by such institution against a stu-
6 dent who is the alleged perpetrator of such crime or
7 offense with respect to such crime or offense. If the
8 alleged victim of such crime or offense is deceased,
9 the next of kin of such victim shall be treated as the
10 alleged victim for purposes of this paragraph.”.

11 (2) EFFECTIVE DATE.—The amendment made
12 by paragraph (1) shall apply with respect to any dis-
13 ciplinary proceeding conducted by such institution
14 on or after one year after the date of enactment of
15 this Act.

16 **SEC. 491. ADDITIONAL TECHNICAL AND CONFORMING**
17 **AMENDMENTS.**

18 Part G is further amended as follows:

19 (1) Section 483(d) (20 U.S.C. 1090(d)) is
20 amended by striking “that is authorized under sec-
21 tion 685(d)(2)(C)” and inserting “, or another ap-
22 propriate provider of technical assistance and infor-
23 mation on postsecondary educational services, that is
24 supported under section 663”.

25 (2) Section 484 (20 U.S.C. 1091) is amended—



1 (A) in subsection (a)(4), by striking “cer-
2 tification,,” and inserting “certification,”;

3 (B) in subsection (b)(2)—

4 (i) in the matter preceding subpara-
5 graph (A), by striking “section 428A” and
6 inserting “section 428H”;

7 (ii) in subparagraph (A), by inserting
8 “and” after the semicolon at the end
9 thereof;

10 (iii) in subparagraph (B), by striking
11 “; and” and inserting a period; and

12 (iv) by striking subparagraph (C); and

13 (C) in subsection (l)(1)(B)(i), by striking
14 “section 521(4)(C) of the Carl D. Perkins Vo-
15 cational and Applied Technology Education
16 Act” and inserting “section 3(3)(C) of the Carl
17 D. Perkins Vocational and Technical Education
18 Act of 1998”.

19 (3) Section 484A(b)(2) (20 U.S.C.
20 1091a(b)(2)) is amended by striking “part B of this
21 title” and inserting “part B, D, or E of this title”.

22 (4) Section 485B(a) (20 U.S.C. 1092b(a)) is
23 amended—



1 (A) by redesignating paragraphs (6)
2 through (10) as paragraphs (7) through (11),
3 respectively;

4 (B) by redesignating the paragraph (5) (as
5 added by section 2008 of Public Law 101–239)
6 as paragraph (6); and

7 (C) in paragraph (5) (as added by section
8 204(3) of the National Community Service Act
9 of 1990 (Public Law 101–610))—

10 (i) by striking “(22 U.S.C. 2501 et
11 seq.),” and inserting “(22 U.S.C. 2501 et
12 seq.),”; and

13 (ii) by striking the period at the end
14 thereof and inserting a semicolon.

15 (5) Section 491(c) (20 U.S.C. 1098(c)) is
16 amended by adding at the end the following new
17 paragraph:

18 “(3) The appointment of members under subpara-
19 graphs (A) and (B) of paragraph (1) shall be effective
20 upon publication of the appointment in the Congressional
21 Record.”.

22 (6) Section 491(h) (20 U.S.C. 1098(h)) is
23 amended by striking “the rate authorized for GS–18
24 of the General Schedule” and inserting “the max-
25 imum rate payable under section 5376 of such title”.



1 (7) Section 491(k) (20 U.S.C. 1098(k)) is
2 amended by striking “2004” and inserting “2011”.

3 (8) Section 493A (20 U.S.C. 1098c) is re-
4 pealed.

5 (9) Section 498 (20 U.S.C. 1099c) is
6 amended—

7 (A) in subsection (c)(2), by striking “for
8 profit,” and inserting “for-profit,”; and

9 (B) in subsection (d)(1)(B), by inserting
10 “and” after the semicolon at the end thereof.

11 **PART 8—PROGRAM INTEGRITY**

12 **SEC. 495. ACCREDITATION.**

13 (a) STANDARDS FOR ACCREDITATION.—Section
14 496(a) (20 U.S.C. 1099b(a)) is amended—

15 (1) in paragraph (3)—

16 (A) by inserting “or” after the semicolon
17 at the end of subparagraph (A);

18 (B) by striking subparagraph (B); and

19 (C) by redesignating subparagraph (C) as
20 subparagraph (B);

21 (2) in paragraph (4)—

22 (A) by inserting “(A)” after “(4)”;

23 (B) by inserting “and” after the semicolon
24 at the end thereof; and



1 (C) by adding at the end the following new
2 subparagraph:

3 “(B) if such agency or association already has
4 or seeks to include within its scope of recognition
5 the evaluation of the quality of institutions or pro-
6 grams offering distance education, such agency or
7 association shall, in addition to meeting the other re-
8 quirements of this subpart, demonstrate to the Sec-
9 retary that—

10 “(i) the accreditation agency’s or associa-
11 tion’s standards effectively address the quality
12 of an institution’s distance education programs
13 in the areas identified in paragraph (5) of this
14 subsection, except that the agency or associa-
15 tion shall not be required to have separate
16 standards, procedures, or policies for the eval-
17 uation of distance education institutions or pro-
18 grams in order to meet the requirements of this
19 subparagraph; and

20 “(ii) the agency or association requires
21 that an institution that offers distance edu-
22 cation programs to have processes by which it
23 establishes that the student who registers in a
24 distance education course or program is the



1 same student who participates, completes aca-
2 demic work, and receives academic credit.”;

3 (3) in paragraph (5)—

4 (A) by amending subparagraph (A) to read
5 as follows:

6 “(A) success with respect to student
7 achievement in relation to the institution’s mis-
8 sion, including, as appropriate, consideration of
9 student academic achievement as determined by
10 the institution (in accordance with standards of
11 the accrediting agency or association), reten-
12 tion, course and program completion, State li-
13 censing examinations, and job placement rates;
14 and other student performance information se-
15 lected by the institution, particularly that infor-
16 mation used by the institution to evaluate or
17 strengthen its programs;”;

18 (B) by amending subparagraph (E) to read
19 as follows:

20 “(E) fiscal, administrative capacity, as ap-
21 propriate to the specified scale of operations,
22 and, for an agency or association where its ap-
23 proval for such institution determines eligibility
24 for student assistance under this title, board



1 governance, within the context of the institu-
2 tion's mission;”;

3 (4) by striking paragraph (6) and inserting the
4 following:

5 “(6) such an agency or association shall estab-
6 lish and apply review procedures throughout the ac-
7 crediting process, including evaluation and with-
8 drawal proceedings that comply with due process
9 that provides for—

10 “(A) adequate specification of require-
11 ments and deficiencies at the institution of
12 higher education or program being examined;

13 “(B) an opportunity for a written response
14 by any such institution to be included in the
15 evaluation and withdrawal proceedings;

16 “(C) upon the written request of an insti-
17 tution, an opportunity for the institution to ap-
18 peal any adverse action at a hearing prior to
19 such action becoming final before an appeals
20 panel that—

21 “(i) shall not include current members
22 of the agency or association's underlying
23 decision-making body that made the ad-
24 verse decision; and



1 “(ii) is subject to a conflict of interest
2 of policy; and

3 “(D) the right to representation by counsel
4 for an such institution;”; and

5 (5) by striking paragraph (8) and inserting the
6 following:

7 “(8) such agency or association shall make
8 available to the public and submit to the Secretary
9 and the State licensing or authorizing agency, to-
10 gether with the comments of the affected institution,
11 a summary of agency or association actions,
12 involving—

13 “(A) final denial, withdrawal, suspension,
14 or termination of accreditation; and

15 “(B) any other final adverse action taken
16 with respect to an institution.”.

17 (b) OPERATING PROCEDURES.—Section 496(c) (20
18 U.S.C. 1099b(c)) is amended—

19 (1) by inserting “(including those regarding dis-
20 tance education)” before the semicolon at the end of
21 paragraph (1);

22 (2) by striking “and” at the end of paragraph
23 (5);

24 (3) by striking the period at the end of para-
25 graph (6) and inserting a semicolon; and



1 (4) by inserting after paragraph (6) the fol-
2 lowing new paragraphs:

3 “(7) ensures that its onsite comprehensive re-
4 views for accreditation or reaccreditation include
5 evaluation of the substance of the information re-
6 quired in subparagraph (H) of section 485(a)(1);

7 “(8) confirms as a part of its review for accred-
8 itation or reaccreditation that the institution has
9 transfer policies that are—

10 “(A) publicly disclosed; and

11 “(B) do not deny transfer of credit based
12 solely on the accreditation of the sending insti-
13 tution as long as the association or agency is
14 recognized by the Secretary pursuant to section
15 496;

16 “(9) develops a brief summary, available to the
17 public, of final adverse actions in accordance with
18 the requirements of subsection (a)(8);

19 “(10) monitors the growth of distance edu-
20 cation programs, at institutions that are experi-
21 encing significant enrollment growth relative to insti-
22 tutional capacity in distance education;

23 “(11) discloses publicly, on the agency’s website
24 or through other similar dissemination—



1 “(A) a list of the individuals who com-
2 prised the evaluation teams during the prior
3 calendar year for each agency or association
4 and the title and institutional affiliation of such
5 individuals, although such list shall not be re-
6 quired to identify those individuals who com-
7 prised the evaluation team used for any specific
8 institution;

9 “(B) a description of the agency’s or asso-
10 ciation’s process for selecting, preparing, and
11 evaluating such individuals; and

12 “(C) any statements related to the accredi-
13 tation responsibilities of such individuals; and

14 “(12) reviews the record of student complaints
15 resulting from the student information process de-
16 scribed in section 485(a)(1)(J).”.

17 (c) LIMITATION, SUSPENSION, AND TERMINATION OF
18 RECOGNITION.—Section 496(l) is amended by adding at
19 the end the following new paragraph:

20 “(3) The Secretary shall provide an annual report to
21 Congress on the status of any agency or association for
22 which the Secretary has limited, suspended or terminated
23 recognition under this subsection.”.

24 (d) COLLEGE CONSUMER PROFILE.—Section 496 is
25 further amended—



1 (1) by redesignating subsection (o) as sub-
2 section (p); and

3 (2) by inserting after subsection (n):

4 “(o) COLLEGE CONSUMER PROFILE.—

5 “(1) INFORMATION DISSEMINATION.—No ac-
6 crediting agency or association shall be recognized
7 by the Secretary as a reliable authority as to the
8 quality of the education or training offered by an in-
9 stitution seeking to participate in the programs au-
10 thORIZED under this title, unless the agency ensures
11 each institution subject to its jurisdiction makes
12 publicly available in a uniform and comprehensible
13 manner, a college consumer profile including, at
14 minimum, information on the institution’s—

15 “(A) mission;

16 “(B) student demographics;

17 “(C) accreditation;

18 “(D) faculty/student ratios;

19 “(E) faculty qualifications, including the
20 number of faculty with terminal degrees;

21 “(F) tuition, fees, and other costs of at-
22 tending the institution;

23 “(G) student services, including services
24 for students with disabilities;



1 “(H) policies and procedures for evaluating
2 and accepting credits earned by students trans-
3 ferring from other institutions and the percent-
4 age of such credits accepted;

5 “(I) completion and graduation rates; and

6 “(J) placement rates and other measures
7 of success in preparing students for entry into
8 or advancement in the workforce.

9 “(2) PUBLICATION OF COLLEGE CONSUMER
10 PROFILE.—The contents of the college consumer
11 profile required by paragraph (1) shall be made pub-
12 lic through dissemination via the Secretary’s data
13 collection and dissemination system. The informa-
14 tion required to be disclosed by section 485 may be
15 used by the institution to provide (where applicable)
16 the contents of the college consumer profile, but
17 nothing in this subsection shall be construed to re-
18 lieve the institution of any information disclosure re-
19 quirement of such section.”.

20 (e) PROGRAM REVIEW AND DATA.—Section 498A(b)
21 (20 U.S.C. 1099c-1(b)) is amended—

22 (1) by striking “and” at the end of paragraph
23 (4);

24 (2) by striking the period at the end of para-
25 graph (5) and inserting a semicolon; and



1 (3) by adding at the end the following new
2 paragraphs:

3 “(6) provide to the institution adequate oppor-
4 tunity to review and respond to any program review
5 report or audit finding and underlying materials re-
6 lated thereto before any final program review or
7 audit determination is reached;

8 “(7) review and take into consideration the in-
9 stitution’s response in any final program review or
10 audit determination, and include in the final
11 determination—

12 “(A) a written statement addressing the
13 institution’s response and stating the basis for
14 such final determination; and

15 “(B) a copy of the institution’s statement
16 in response, appropriately redacted to protect
17 confidential information;

18 “(8) maintain and preserve at all times the con-
19 fidentiality of any program review report or audit
20 finding until the requirements of paragraphs (6) and
21 (7) are met, and until a final program review or
22 audit determination has been issued, except to the
23 extent required to comply with paragraph (5), pro-
24 vided, however, that the Secretary shall promptly



1 disclose any and all program review reports and
2 audit findings to the institution under review; and

3 “(9) require that the authority to approve or
4 issue any program review report or audit finding,
5 preliminary or otherwise, that contains any finding,
6 determination, or proposed assessment that exceeds
7 or may exceed \$500,000 in liabilities shall not be
8 delegated to any official beyond the Chief Operating
9 Officer of Federal Student Aid.”.

10 **TITLE V—DEVELOPING**
11 **INSTITUTIONS**

12 **SEC. 501. DEFINITIONAL CHANGES.**

13 Section 502(a) (20 U.S.C. 1101a(a)) is amended—

14 (1) in paragraph (5)—

15 (A) by inserting “and” after the semicolon
16 at the end of subparagraph (A);

17 (B) by inserting “at the end of the award
18 year immediately preceding the date of applica-
19 tion” after “Hispanic students” in subpara-
20 graph (B);

21 (C) by striking “; and” at the end of sub-
22 paragraph (B) and inserting a period; and

23 (D) by striking subparagraph (C); and

24 (2) by striking paragraph (7).



1 **SEC. 502. ASSURANCE OF ENROLLMENT OF NEEDY STU-**
2 **DENTS.**

3 Section 511(c) (20 U.S.C. 1103(c)) is amended—

4 (1) by redesignating paragraphs (8) and (9) as
5 paragraphs (9) and (10), respectively; and

6 (2) by inserting after paragraph (7) the fol-
7 lowing new paragraph:

8 “(8) contain such assurances as the Secretary
9 may require that the institution has an enrollment
10 of needy students as required by section 502(b);”.

11 **SEC. 503. ADDITIONAL AMENDMENTS.**

12 Title V is further amended—

13 (1) in section 502(a)(2)(A) (20 U.S.C.
14 1101a(a)(2)(A)), by redesignating clauses (v) and
15 (vi) as clauses (vi) and (vii), respectively, and insert-
16 ing after clause (iv) the following new clause:

17 “(v) which provides a program of not
18 less than 2 years that is acceptable for full
19 credit toward a bachelor’s degree; and”;

20 (2) in section 503(b) (20 U.S.C. 1101b(b))—

21 (A) by amending paragraph (2) to read as
22 follows:

23 “(2) Construction, maintenance, renovation,
24 and improvement in classrooms, libraries, labora-
25 tories, and other instructional facilities, including
26 purchase or rental of telecommunications technology



1 equipment or services, and the acquisition of real
2 property adjacent to the campus of the institution
3 on which to construct such facilities.”;

4 (B) by amending paragraph (12) to read
5 as follows:

6 “(12) Establishing community outreach pro-
7 grams and collaborative partnerships between His-
8 panic-serving institutions and local elementary or
9 secondary schools. Such partnerships may include
10 mentoring, tutoring, or other instructional opportu-
11 nities that will boost student academic achievement
12 and assist elementary and secondary school students
13 in developing the academic skills and the interest to
14 pursue postsecondary education.”;

15 (C) by redesignating paragraphs (5)
16 through (14) as paragraphs (6) through (15),
17 respectively; and

18 (D) by inserting after paragraph (4) the
19 following:

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

24 (3) in section 504(a) (20 U.S.C. 1101c(a))—

25 (A) by striking the following:



1 “(a) AWARD PERIOD.—

2 “(1) IN GENERAL.—The Secretary” and insert-
3 ing the following:

4 “(a) AWARD PERIOD.—The Secretary”; and

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

6 (4) in section 514(c) (20 U.S.C. 1103c(e)), by
7 striking “section 505” and inserting “section 504”.

8 **SEC. 504. TITLE V AUTHORIZATION.**

9 Subsection (a) of section 518 of such Act (20 U.S.C.
10 1103g(a)) is amended to read as follows:

11 “(a) AUTHORIZATIONS OF APPROPRIATIONS.—There
12 are authorized to be appropriated to carry out this title
13 \$96,000,000 for fiscal year 2006 and such sums as may
14 be necessary for each of the 5 succeeding fiscal years.”.

15 **TITLE VI—TITLE VI**
16 **AMENDMENTS**

17 **SEC. 601. INTERNATIONAL AND FOREIGN LANGUAGE STUD-**
18 **IES.**

19 (a) FINDINGS AND PURPOSES.—Section 601 (20
20 U.S.C. 1121) is amended—

21 (1) in subsection (a)—

22 (A) by striking “post-Cold War” in para-
23 graph (3);

24 (B) by redesignating paragraphs (4) and
25 (5) as paragraphs (5) and (6), respectively; and



1 (C) by inserting after paragraph (3) the
2 following new paragraph:

3 “(4) The events and aftermath of September
4 11, 2001, have underscored the need for the nation
5 to strengthen and enhance American knowledge of
6 international relations, world regions, and foreign
7 languages. Homeland security and effective United
8 States engagement abroad depend upon an increased
9 number of Americans who have received such train-
10 ing and are willing to serve their nation.”;

11 (2) in subsection (b)(1)—

12 (A) by striking “; and” at the end of sub-
13 paragraph (D) and inserting “, including
14 through linkages overseas with institutions of
15 higher education and relevant organizations
16 that contribute to the educational programs as-
17 sisted under this part;”;

18 (B) by inserting “and” after the semicolon
19 at the end of subparagraph (E);

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;”; and



1 (3) in subsection (b)(3), by inserting “reinforce
2 and” before “coordinate”.

3 (b) GRADUATE AND UNDERGRADUATE LANGUAGE
4 AND AREA CENTERS AND PROGRAMS.—Section 602(a)
5 (20 U.S.C. 1122(a)) is amended—

6 (1) in paragraph (1), by striking subparagraph
7 (A) and inserting the following:

8 “(A) IN GENERAL.—The Secretary is au-
9 thorized to make grants to institutions of high-
10 er education or consortia of such institutions
11 for the purpose of establishing, strengthening,
12 and operating—

13 “(i) comprehensive foreign language
14 and area or international studies centers
15 and programs; and

16 “(ii) a diverse network of under-
17 graduate foreign language and area or
18 international studies centers and pro-
19 grams.”;

20 (2) in paragraph (2)—

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

23 (B) by striking the period at the end of
24 subparagraph (H) and inserting a semicolon;
25 and



1 (C) by inserting after subparagraph (H)
2 the following new subparagraphs:

3 “(I) supporting instructors of the less com-
4 monly taught languages;

5 “(J) widely disseminating materials devel-
6 oped by the center or program to local edu-
7 cational agencies and public and private ele-
8 mentary and secondary education schools, and
9 institutions of higher education, presented from
10 diverse perspectives and reflective of the full
11 range of views on the subject matter, except
12 that no more than 50 percent of funds awarded
13 to an institution of higher education or con-
14 sortia of such institutions for purposes under
15 this title may be associated with the costs of
16 dissemination; and

17 “(K) projects that support in students an
18 understanding of science and technology in co-
19 ordination with foreign language proficiency.”;
20 and

21 (3) in paragraph (4)—

22 (A) by amending subparagraph (B) to read
23 as follows:

24 “(B) Partnerships or programs of linkage
25 and outreach with 2-year and 4-year colleges



1 and universities, including colleges of education
2 and teacher professional development pro-
3 grams.”;

4 (B) in subparagraph (C), by striking “Pro-
5 grams of linkage or outreach” and inserting
6 “Partnerships or programs of linkage and out-
7 reach”;

8 (C) in subparagraph (E)—

9 (i) by striking “foreign area” and in-
10 sserting “area studies”;

11 (ii) by striking “of linkage and out-
12 reach”; and

13 (iii) by striking “(C), and (D)” and
14 inserting “(D), and (E)”;

15 (D) by redesignating subparagraphs (C),
16 (D), and (E) as subparagraphs (D), (E), and
17 (F), respectively; and

18 (E) by inserting after subparagraph (B)
19 the following new subparagraph:

20 “(C) Partnerships with local educational
21 agencies and public and private elementary and
22 secondary education schools that are designed
23 to increase student academic achievement in
24 foreign language and knowledge of world re-
25 gions, and to facilitate the wide dissemination



1 of materials related to area studies, foreign lan-
2 guages, and international studies that are re-
3 flective of a full range of views on the subject
4 matter.”.

5 (c) LANGUAGE RESOURCE CENTERS.—Section
6 603(c) (20 U.S.C. 1123(c)) is amended by inserting “re-
7 flect the purposes of this part and” after “shall”.

8 (d) UNDERGRADUATE INTERNATIONAL STUDIES AND
9 FOREIGN LANGUAGE PROGRAMS.—Section 604 (20
10 U.S.C. 1124) is amended—

11 (1) in subsection (a)(1), by striking “combina-
12 tions” each place it appears and inserting “con-
13 sortia”;

14 (2) in subsection (a)(2)—

15 (A) in subparagraph (B)(ii), by striking
16 “teacher training” and inserting “teacher pro-
17 fessional development”;

18 (B) by redesignating subparagraphs (I)
19 through (M) as subparagraphs (J) through (N),
20 respectively;

21 (C) by inserting after subparagraph (H)
22 the following new subparagraph:

23 “(I) the provision of grants for educational
24 programs abroad that are closely linked to the
25 program’s overall goals and have the purpose of



1 promoting foreign language fluency and knowl-
2 edge of world regions, except that not more
3 than 10 percent of a grant recipient's funds
4 may be used for this purpose;"; and

5 (D) in subparagraph (M)(ii) (as redesign-
6 nated by subparagraph (B) of this paragraph),
7 by striking "elementary and secondary edu-
8 cation institutions" and inserting "local edu-
9 cational agencies and public and private ele-
10 mentary and secondary education schools";

11 (3) in subsection (a)(4)(B), by inserting "that
12 demonstrates a need for a waiver or reduction" be-
13 fore the period at the end;

14 (4) in subsection (a)(6), by inserting "reflect
15 the purposes of this part and" after "shall";

16 (5) in subsection (a)(8), by striking "may" and
17 inserting "shall"; and

18 (6) by striking subsection (e).

19 (e) RESEARCH; STUDIES; ANNUAL REPORT.—Sec-
20 tion 605(a) (20 U.S.C. 1125(a)) is amended by inserting
21 before the period at the end of the first sentence the fol-
22 lowing: " , including the systematic collection, analysis and
23 dissemination of data".



1 (f) TECHNOLOGICAL INNOVATION AND COOPERATION
2 FOR FOREIGN INFORMATION ACCESS.—Section 606 (20
3 U.S.C. 1126) is amended—

4 (1) in subsection (a)—

5 (A) by striking “or consortia of such insti-
6 tutions or libraries” and inserting “museums,
7 or consortia of such entities”;

8 (B) by striking “new”; and

9 (C) by inserting “from foreign sources”
10 after “disseminate information”;

11 (2) in subsection (b)—

12 (A) by inserting “acquire and” before “fa-
13 cilitate access” in paragraph (1);

14 (B) by striking “new means of” in para-
15 graph (3) and inserting “new means and stand-
16 ards for”;

17 (C) by striking “and” at the end of para-
18 graph (6);

19 (D) by striking the period at the end of
20 paragraph (7) and by inserting a semicolon;
21 and

22 (E) by inserting after paragraph (7) the
23 following new paragraphs:

24 “(8) to establish linkages between grant recipi-
25 ents under subsection (a) with libraries, museums,



1 organizations, or institutions of higher education lo-
2 cated overseas to facilitate carrying out the purposes
3 of this section; and

4 “(9) to carry out other activities deemed by the
5 Secretary to be consistent with the purposes of this
6 section.”; and

7 (3) by adding at the end the following new sub-
8 section:

9 “(e) SPECIAL RULE.—The Secretary may waive or
10 reduce the required non-Federal share for institutions
11 that—

12 “(1) are eligible to receive assistance under part
13 A or B of title III or under title V; and

14 “(2) have submitted a grant application under
15 this section that demonstrates a need for a waiver
16 or reduction.”.

17 (g) SELECTION OF GRANT RECIPIENTS.—Section
18 607(b) (20 U.S.C. 1125a(b)) is amended—

19 (1) by striking out “objectives” and inserting
20 “missions”; and

21 (2) by adding at the end the following new sen-
22 tence: “In keeping with the purposes of this part,
23 the Secretary shall take into account the degree to
24 which activities of centers, programs, and fellowships
25 at institutions of higher education advance national



1 interests, generate and disseminate information, and
2 foster debate on American foreign policy from di-
3 verse perspectives.”.

4 (h) **EQUITABLE DISTRIBUTION.**—Section 608(a) (20
5 U.S.C. 1128(a)) is amended by adding at the end the fol-
6 lowing new sentence: “Grants made under section 602
7 shall also reflect the purposes of this part.”.

8 (i) **AUTHORIZATION OF APPROPRIATIONS.**—Section
9 610 (20 U.S.C. 1128b) is amended—

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

11 and

12 (2) by striking “4 succeeding” and inserting “5
13 succeeding”.

14 (j) **CONFORMING AMENDMENTS.**—Sections 603(a),
15 604(a)(5), and 612 (20 U.S.C. 1123(a), 1124(a)(5),
16 1130–1) are each amended by striking “combinations”
17 each place it appears and inserting “consortia”.

18 **SEC. 602. BUSINESS AND INTERNATIONAL EDUCATION PRO-**

19 **GRAMS.**

20 (a) **CENTERS FOR INTERNATIONAL BUSINESS EDU-**
21 **CATION.**—Section 612 (20 U.S.C. 1130–1) is amended—

22 (1) in subsection (c)(1)(D), by inserting “(in-
23 cluding those that are eligible to receive assistance
24 under part A or B of title III or under title V)”
25 after “other institutions of higher education”; and



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

3 “(5) SPECIAL RULE.—The Secretary may waive
4 or reduce the required non-Federal share for institu-
5 tions that—

6 “(A) are eligible to receive assistance
7 under part A or B of title III or under title V;
8 and

9 “(B) have submitted a grant application
10 under this section that demonstrates a need for
11 a waiver or reduction.”.

12 (b) EDUCATION AND TRAINING PROGRAMS.—Section
13 613 (20 U.S.C. 1130a) is amended by adding at the end
14 the following new subsection:

15 “(e) SPECIAL RULE.—The Secretary may waive or
16 reduce the required non-Federal share for institutions
17 that—

18 “(1) are eligible to receive assistance under part
19 A or B of title III or under title V; and

20 “(2) have submitted a grant application under
21 this section that demonstrates a need for a waiver
22 or reduction.”.

23 (c) AUTHORIZATION OF APPROPRIATIONS.—Section
24 614 (20 U.S.C. 1130b) is amended—



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

3 (2) by striking “4 succeeding” each place it ap-
4 pears and inserting “5 succeeding”.

5 **SEC. 603. INSTITUTE FOR INTERNATIONAL PUBLIC POLICY.**

6 (a) FOREIGN SERVICE PROFESSIONAL DEVELOP-
7 MENT.—Section 621 (20 U.S.C. 1131) is amended—

8 (1) by striking the heading of such section and
9 inserting the following:

10 **“SEC. 621. PROGRAM FOR FOREIGN SERVICE PROFES-
11 SIONALS.”;**

12 (2) by striking the second sentence of sub-
13 section (a) and inserting the following: “The Insti-
14 tute shall conduct a program to enhance the inter-
15 national competitiveness of the United States by in-
16 creasing the participation of underrepresented popu-
17 lations in the international service, including private
18 international voluntary organizations and the foreign
19 service of the United States.”;

20 (3) in subsection (b)(1), by striking subpara-
21 graphs (A) and (B) and inserting the following:

22 “(A) An Indian Tribal College or Univer-
23 sity or Alaska Native and Native Hawaiian-
24 serving institution eligible for assistance under
25 title III, an institution eligible for assistance



1 under part B of title III, or an Hispanic-serving
2 institution eligible for assistance under title V.

3 “(B) An institution of higher education
4 which serves substantial numbers of underrep-
5 resented students.”; and

6 (4) by striking subsection (e) and inserting the
7 following:

8 “(e) MATCH REQUIRED.—The eligible recipient of a
9 grant under this section shall contribute to the conduct
10 of the program supported by the grant an amount from
11 non-Federal sources equal to at least one-half of the
12 amount of the grant. Such contribution may be in cash
13 or in kind. The Secretary may waive or reduce the re-
14 quired non-Federal share for institutions that—

15 “(1) are eligible to receive assistance under part
16 A or B of title III or under title V; and

17 “(2) have submitted a grant application under
18 this section that demonstrates a need for a waiver
19 or reduction.”.

20 (b) INSTITUTIONAL DEVELOPMENT.—Section 622
21 (20 U.S.C. 1131a) is amended by inserting before the pe-
22 riod at the end of subsection (a) the following: “and pro-
23 mote collaboration with colleges and universities that re-
24 ceive funds under this title”.



1 (c) STUDY ABROAD PROGRAM.—Section 623(a) (20
2 U.S.C. 1131b(a)) is amended by inserting after “1978,”
3 the following: “Alaska Native-serving, Native Hawaiian-
4 serving, and Hispanic-serving institutions,”.

5 (d) ADVANCED DEGREE IN INTERNATIONAL RELA-
6 TIONS.—Section 624 (20 U.S.C. 1131b) is amended—

7 (1) by striking “**MASTERS**” in the heading of
8 such section and inserting “**ADVANCED**”;

9 (2) by striking “a masters degree in inter-
10 national relations” and inserting “an advanced de-
11 gree in international relations, international affairs,
12 international economics, or other academic areas re-
13 lated to the Institute fellow’s career objectives”; and

14 (3) by striking “The masters degree program”
15 and inserting “The advanced degree study program
16 shall be designed by the consortia, consistent with
17 the fellow’s career objectives, and”.

18 (e) INTERNSHIPS.—Section 625 (20 U.S.C. 1131c)
19 is amended—

20 (1) in subsection (a), by inserting after “1978,”
21 the following: “Alaska Native-serving, Native Hawai-
22 ian-serving, and Hispanic-serving institutions,”;

23 (2) in subsection (b)—

24 (A) by inserting “and” after the semicolon
25 at the end of paragraph (2);



1 (B) by striking “; and” at the end of para-
2 graph (3) and inserting a period; and

3 (C) by striking paragraph (4); and

4 (3) by amending subsection (c) to read as fol-
5 lows:

6 “(c) RALPH J. BUNCHE FELLOWS.—In order to as-
7 sure the recognition and commitment of individuals from
8 underrepresented student populations who demonstrate
9 special interest in international affairs and language
10 study, eligible students who participate in the internship
11 programs authorized under (a) and (b) shall be known as
12 the ‘Ralph J. Bunche Fellows’.”

13 (f) REPORT.—Section 626 (20 U.S.C. 1131d) is
14 amended by striking “annually prepare a report” and in-
15 serting “prepare a report biennially”.

16 (g) AUTHORIZATION OF APPROPRIATIONS.—Section
17 628 (20 U.S.C. 1131f) is amended—

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

19 and

20 (2) by striking “4 succeeding” and inserting “5
21 succeeding”.

22 **SEC. 604. EVALUATION, OUTREACH, AND DISSEMINATION.**

23 Part D of title VI is amended by inserting after sec-
24 tion 631 (20 U.S.C. 1132) the following new section:



1 **“SEC. 632. EVALUATION, OUTREACH, AND DISSEMINATION.**

2 “The Secretary may use not more than 1 percent of
3 the funds made available for this title for program evalua-
4 tion, national outreach, and information dissemination ac-
5 tivities.”.

6 **SEC. 605. ADVISORY BOARD.**

7 Part D of title VI is amended by inserting after sec-
8 tion 632 (as added by section 604) the following new sec-
9 tion:

10 **“SEC. 633. INTERNATIONAL HIGHER EDUCATION ADVISORY**
11 **BOARD.**

12 “(a) ESTABLISHMENT AND PURPOSE.—

13 “(1) ESTABLISHMENT.—There is established in
14 the Department an independent International High-
15 er Education Advisory Board (hereafter in this sec-
16 tion referred to as the ‘International Advisory
17 Board’). The International Advisory Board shall
18 provide advice, counsel and recommendations to the
19 Secretary and the Congress on international edu-
20 cation issues for higher education.

21 “(2) PURPOSE.—The purpose of the Inter-
22 national Advisory Board is—

23 “(A) to provide expertise in the area of na-
24 tional needs for proficiency in world regions,
25 foreign languages, and international affairs;



1 “(B) to make recommendations that will
2 promote the excellence of international edu-
3 cation programs and result in the growth and
4 development of such programs at the postsec-
5 ondary education level that will reflect diverse
6 perspectives and the full range of views on
7 world regions, foreign language, and inter-
8 national affairs; and

9 “(C) to advise the Secretary and the Con-
10 gress with respect to needs for expertise in gov-
11 ernment, the private sector, and education in
12 order to enhance America’s understanding of,
13 and engagement in, the world.

14 “(b) INDEPENDENCE OF INTERNATIONAL ADVISORY
15 BOARD.—In the exercise of its functions, powers, and du-
16 ties, the International Advisory Board shall be inde-
17 pendent of the Secretary and the other offices and officers
18 of the Department. Except as provided in this subsection
19 and subsection (f), the recommendations of the Inter-
20 national Advisory Board shall not be subject to review or
21 approval by any officer of the Federal Government. Noth-
22 ing in this title shall be construed to authorize the Inter-
23 national Advisory Board to mandate, direct, or control an
24 institution of higher education’s specific instructional con-
25 tent, curriculum, or program of instruction. The Board



1 is authorized to study, monitor, apprise, and evaluate a
2 sample of activities supported under this title in order to
3 provide recommendations to the Secretary and the Con-
4 gress for the improvement of programs under the title and
5 to ensure programs meet the purposes of the title. The
6 recommendations of the Board may address any area in
7 need of improvement, except that any recommendation of
8 specific legislation to Congress shall be made only if the
9 President deems 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 national security responsibilities, after consulta-
2 tion with the heads of such agencies. The members
3 of the International Advisory Board shall also in-
4 clude (but not be limited to) representatives of
5 States, institutions of higher education, cultural or-
6 ganizations, educational organizations, local edu-
7 cation agencies, students, and private citizens with
8 expertise in international concerns.

9 “(3) QUALIFICATION.—Members of the Inter-
10 national Advisory Board shall be individuals who
11 have technical qualifications, professional standing,
12 experience working in international affairs or foreign
13 service occupations, or demonstrated knowledge in
14 the fields of higher education and international edu-
15 cation, including foreign languages, world regions, or
16 international affairs.

17 “(d) FUNCTIONS OF THE COMMITTEE.—

18 “(1) IN GENERAL.—The International Advisory
19 Board shall provide recommendations in accordance
20 with subsection (b) regarding improvement of pro-
21 grams under this title to the Secretary and the Con-
22 gress for their review. The Board may—

23 “(A) review and comment upon the regula-
24 tions for grants under this title;



1 “(B) monitor, apprise, and evaluate a sam-
2 ple of activities supported under this title based
3 on the purposes and objectives of this title in
4 order to provide recommendations for improve-
5 ment of the programs under this title;

6 “(C) make recommendations that will as-
7 sist the Secretary and the Congress to improve
8 the programs under this title to better reflect
9 the national needs related to the homeland se-
10 curity, international education, and inter-
11 national affairs, including an assessment of the
12 national needs and the training provided by the
13 institutions of higher education that receive a
14 grant under this title for expert and non-expert
15 level foreign language training;

16 “(D) make recommendations to the Sec-
17 retary and the Congress regarding such studies,
18 surveys, and analyses of international education
19 that will provide feedback about the programs
20 under this title and assure that their relative
21 authorized activities reflect diverse perspectives
22 and the full range of views on world regions,
23 foreign languages, and international affairs;

24 “(E) make recommendations that will
25 strengthen the partnerships between local edu-



1 cational agencies, public and private elementary
2 and secondary education schools, and grant re-
3 cipients under this title to ensure that the re-
4 search and knowledge about world regions, for-
5 eign languages, and international affairs is
6 widely disseminated to local educational agen-
7 cies;

8 “(F) make recommendations on how insti-
9 tutions of higher education that receive a grant
10 under this title can encourage students to serve
11 the nation and meet national needs in an inter-
12 national affairs, international business, foreign
13 language, or national security capacity;

14 “(G) make recommendations on how link-
15 ages between institutions of higher education
16 and public and private organizations that are
17 involved in international education, language
18 training, and international research capacities
19 to fulfill manpower and information needs of
20 United States businesses; and

21 “(H) make recommendations to the Sec-
22 retary and the Congress about opportunities for
23 underrepresented populations in the areas of
24 international relations, international affairs,
25 and international economics, in order to effec-



1 tively carry out the activities of the Institute
2 under part C.

3 “(2) HEARINGS.—The International Advisory
4 Board shall provide for public hearing and comment
5 regarding the matter contained in the recommenda-
6 tions described in paragraph (1), prior to the sub-
7 mission of those recommendations to Secretary and
8 the Congress.

9 “(e) OPERATIONS OF THE COMMITTEE.—

10 “(1) TERMS.—Each member of the Inter-
11 national Advisory Board shall be appointed for a
12 term of 3 years, except that, of the members first
13 appointed (A) 4 shall be appointed for a term of 3
14 years, and (B) 3 shall be appointed for a term of 4
15 years, as designated at the time of appointment by
16 the Secretary. A member of the International Advi-
17 sory Board may be reappointed to successive terms
18 on the International Advisory Board.

19 “(2) VACANCIES.—Any member appointed to
20 fill a vacancy occurring prior to the expiration of the
21 term of a predecessor shall be appointed only for the
22 remainder of such term. A member of the Inter-
23 national Advisory Board shall, upon the Secretary’s
24 request, continue to serve after the expiration of a
25 term until a successor has been appointed.



1 “(3) NO GOVERNMENTAL MEMBERS.—Except
2 for the members appointed by the Secretary under
3 subsection (c)(1)(A), no officers or full-time employ-
4 ees of the Federal Government shall serve as mem-
5 bers of the International Advisory Board.

6 “(4) MEETINGS.—The International Advisory
7 Board shall meet not less than once each year. The
8 International Advisory Board shall hold additional
9 meetings at the call of the Chair or upon the written
10 request of not less than 3 voting members of the
11 International Advisory Board.

12 “(5) QUORUM.—A majority of the voting mem-
13 bers of the Board serving at the time of a meeting
14 shall constitute a quorum.

15 “(6) CHAIR.—The International Advisory
16 Board shall elect a Chairman or Chairwoman from
17 among the members of the International Advisory
18 Board.

19 “(f) SUBMISSION TO DEPARTMENT FOR COM-
20 MENT.—The International Advisory Board shall submit
21 its proposed recommendations to the Secretary of Edu-
22 cation for comment for a period not to exceed 30 days
23 in each instance.

24 “(g) PERSONNEL AND RESOURCES.—



1 “(1) COMPENSATION AND EXPENSE.—Members
2 of the International Advisory Committee shall serve
3 without pay for such service. Members of the Inter-
4 national Advisory Board who are officers or employ-
5 ees of the United States may not receive additional
6 pay, allowances, or benefits by reason of their serv-
7 ice on the International Advisory Board. Members of
8 the International Advisory Board may each receive
9 reimbursement for travel expenses incident to at-
10 tending International Advisory Board meetings, in-
11 cluding per diem in lieu of subsistence, as authorized
12 by section 5703 of title 5, United States Code, for
13 persons in the Government service employed inter-
14 mittently.

15 “(2) PERSONNEL.—The International Advisory
16 Board may appoint such personnel as may be deter-
17 mined necessary by the Chairman without regard to
18 the provisions of title 5, United States Code, gov-
19 erning appointments in the competitive service, and
20 may be paid without regard to the provisions of
21 chapter 51 and subchapter III of chapter 53 of such
22 title relating to classification and General Schedule
23 pay rates, but no individual so appointed shall be
24 paid in excess of the rate authorized for GS-18 of
25 the General Schedule. The International Advisory



1 Board may appoint not more than 1 full-time equiv-
2 alent, nonpermanent, consultant without regard to
3 the provisions of title 5, United States Code. The
4 International Advisory Board shall not be required
5 by the Secretary to reduce personnel to meet agency
6 personnel reduction goals.

7 “(3) CONSULTATION.—In carrying out its du-
8 ties under the Act, the International Advisory Board
9 shall consult with other Federal agencies, represent-
10 atives of State and local governments, and private
11 organizations to the extent feasible.

12 “(4) ASSISTANCE FROM OTHER AGENCIES.—

13 “(A) INFORMATION.—The International
14 Advisory Board is authorized to secure directly
15 from any executive department, bureau, agency,
16 board, commission, office, independent estab-
17 lishment, or instrumentality information, sug-
18 gestions, estimates, and statistics for the pur-
19 pose of this section and each such department,
20 bureau, agency, board, commission, office, inde-
21 pendent establishment, or instrumentality is au-
22 thorized and directed, to the extent permitted
23 by law, to furnish such information, sugges-
24 tions, estimates, and statistics directly to the



1 International Advisory Board, upon request
2 made by the Chairman.

3 “(B) SERVICES AND PERSONNEL.—The
4 head of each Federal agency shall, to the extent
5 not prohibited by law, consult with the Inter-
6 national Advisory Board in carrying out this
7 section. The International Advisory Board is
8 authorized to utilize, with their consent, the
9 services, personnel, information, and facilities of
10 other Federal, State, local, and private agencies
11 with or without reimbursement.

12 “(5) CONTRACTS; EXPERTS AND CONSULT-
13 ANTS.—The International Advisory Board may enter
14 into contracts for the acquisition of information,
15 suggestions, estimates, and statistics for the purpose
16 of this section. The International Advisory Board is
17 authorized to obtain the services of experts and con-
18 sultants without regard to section 3109 of title 5,
19 United States Code and to set pay in accordance
20 with such section.

21 “(h) TERMINATION.—Notwithstanding the sunset
22 and charter provisions of the Federal Advisory Committee
23 Act (5 U.S.C. App. I) or any other statute or regulation,
24 the International Advisory Committee shall be authorized
25 through September 30, 2012.



1 “(i) FUNDS.—The Secretary shall use not more than
2 one-half of the funds available to the Secretary under sec-
3 tion 632 to carry out this section.”.

4 **SEC. 606. RECRUITER ACCESS TO STUDENTS AND STUDENT**
5 **RECRUITING INFORMATION; SAFETY.**

6 Part D of title VI is amended by inserting after sec-
7 tion 633 (as added by section 605) the following new sec-
8 tions:

9 **“SEC. 634. RECRUITER ACCESS TO STUDENTS AND STU-**
10 **DENT RECRUITING INFORMATION.**

11 “Each institution of higher education that receives a
12 grant under this title shall assure that—

13 “(1) recruiters of the United States Govern-
14 ment and agencies thereof are given the same access
15 to students as is provided generally to other institu-
16 tions of higher education and prospective employers
17 of those students for the purpose of recruiting for
18 graduate opportunities or prospective employment;
19 and

20 “(2) no undue restrictions are placed upon stu-
21 dents that seek employment with the United States
22 Government or any agency thereof.

23 **“SEC. 635. STUDENT SAFETY.**

24 “Applicants seeking funds under this title to support
25 student travel and study abroad shall submit as part of



1 their grant application a description of safety policies and
2 procedures for students participating in the program while
3 abroad.”.

4 **SEC. 607. NATIONAL STUDY OF FOREIGN LANGUAGE HERIT-**
5 **AGE COMMUNITIES.**

6 Part D of title VI is further amended by inserting
7 after section 635 (as added by section 606) the following
8 new section:

9 **“SEC. 636. NATIONAL STUDY OF FOREIGN LANGUAGE HER-**
10 **ITAGE COMMUNITIES.**

11 “(a) STUDY.—The Secretary of Education, in con-
12 sultation with the International Advisory Board, shall con-
13 duct a study to identify foreign language heritage commu-
14 nities, particularly such communities that include speakers
15 of languages that are critical to the national security of
16 the United States.

17 “(b) FOREIGN LANGUAGE HERITAGE COMMUNITY.—
18 For purposes of this section, the term ‘foreign language
19 heritage community’ means a community of residents or
20 citizens of the United States who are native speakers of,
21 or who have partial fluency in, a foreign language.

22 “(c) REPORT.—Not later than 1 year after the date
23 of the enactment of this Act, the Secretary of Education
24 shall submit a report to the Congress on the results of
25 the study conducted under this section.”.



1 **TITLE VII—TITLE VII**
2 **AMENDMENTS**

3 **SEC. 701. JAVITS FELLOWSHIP PROGRAM.**

4 (a) **INTERRUPTIONS OF STUDY.**—Section 701(c) (20
5 U.S.C. 1134(c)) is amended by adding at the end the fol-
6 lowing new sentence: “In the case of other exceptional cir-
7 cumstances, such as active duty military service or per-
8 sonal or family member illness, the institution of higher
9 education may also permit the fellowship recipient to in-
10 terrupt periods of study for the duration of the tour of
11 duty (in the case of military service) or not more than
12 12 months (in any other case), but without payment of
13 the stipend.”.

14 (b) **ALLOCATION OF FELLOWSHIPS.**—Section
15 702(a)(1) (20 U.S.C. 1134a(a)(1)) is amended—

16 (1) in the first sentence, by inserting “from di-
17 verse geographic regions” after “higher education”;
18 and

19 (2) by adding at the end the following new sen-
20 tence: “The Secretary shall also assure that at least
21 one representative appointed to the Board represents
22 an institution that is eligible for a grant under title
23 III or V of this Act.”.

24 (c) **STIPENDS.**—Section 703 (20 U.S.C. 1134b(a)) is
25 amended—



1 (1) in subsection (a)—

2 (A) by striking “1999–2000” and inserting
3 “2006–2007”;

4 (B) by striking “shall be set” and inserting
5 “may be set”; and

6 (C) by striking “Foundation graduate fel-
7 lowships” and inserting “Foundation Graduate
8 Research Fellowship Program”; and

9 (2) in subsection (b), by amending paragraph
10 (1)(A) to read as follows:

11 “(1) IN GENERAL.—(A) The Secretary shall (in
12 addition to stipends paid to individuals under this
13 subpart) pay to the institution of higher education,
14 for each individual awarded a fellowship under this
15 subpart at such institution, an institutional allow-
16 ance. Except as provided in subparagraph (B), such
17 allowance shall be, for 2006–2007 and succeeding
18 academic years, the same amount as the institu-
19 tional payment made for 2005–2006 adjusted for
20 2006–2007 and annually thereafter in accordance
21 with inflation as determined by the Department of
22 Labor’s Consumer Price Index for the previous cal-
23 endar year.”.

24 (d) AUTHORIZATION OF APPROPRIATIONS.—Section
25 705 (20 U.S.C. 1134d) is amended by striking “fiscal year



1 1999 and such sums as may be necessary for each of the
2 4 succeeding fiscal years” and inserting “fiscal year 2006
3 and such sums as may be necessary for each of the 5 suc-
4 ceeding fiscal years”.

5 **SEC. 702. GRADUATE ASSISTANCE IN AREAS OF NATIONAL**
6 **NEED.**

7 (a) DESIGNATION OF AREAS OF NATIONAL NEED;
8 PRIORITY.—Section 712 (20 U.S.C. 1135a) is amended—

9 (1) in the last sentence of subsection (b)—

10 (A) by striking “and an assessment” and
11 inserting “an assessment”; and

12 (B) by inserting before the period at the
13 end the following: “, and the priority described
14 in subsection (c) of this section”; and

15 (2) by adding at the end the following new sub-
16 section:

17 “(c) PRIORITY.—The Secretary shall establish a pri-
18 ority for grants in order to prepare individuals for the pro-
19 fessoriate who will train highly-qualified elementary and
20 secondary school teachers of math, science, and special
21 education, and teachers who provide instruction for lim-
22 ited English proficient individuals. Such grants shall offer
23 program assistance and graduate fellowships for—

24 “(1) post-baccalaureate study related to teacher
25 preparation and pedagogy in math and science for



1 students who have completed a master's degree or
2 are pursuing a doctorate of philosophy in math and
3 science;

4 “(2) post-baccalaureate study related to teacher
5 preparation and pedagogy in special education and
6 English language acquisition and academic pro-
7 ficiency for limited English proficient individuals;
8 and

9 “(3) support of dissertation research in the
10 fields of math, science, special education, or second
11 language pedagogy and second language acqui-
12 sition.”.

13 (b) COLLABORATION REQUIRED FOR CERTAIN AP-
14 PPLICATIONS.—Section 713(b) (20 U.S.C. 1135b) is
15 amended—

16 (1) by striking “and” at the end of paragraph
17 (9);

18 (2) by redesignating paragraph (10) as para-
19 graph (11); and

20 (3) by inserting after paragraph (9) the fol-
21 lowing new paragraph:

22 “(10) in the case of an application for a grant
23 by a department, program, or unit in education or
24 teacher preparation, contain assurances that such
25 department, program, or unit collaborates with de-



1 partments, programs, or units in all content areas to
2 assure a successful combination of training in both
3 teaching and such content; and”.

4 (c) STIPENDS.—Section 714(b) (20 U.S.C. 1135c(b))
5 is amended—

6 (1) by striking “1999–2000” and inserting
7 “2006–2007”;

8 (2) by striking “shall be set” and inserting
9 “may be set”; and

10 (3) by striking “Foundation graduate fellow-
11 ships” and inserting “Foundation Graduate Re-
12 search Fellowship Program”.

13 (d) ADDITIONAL ASSISTANCE.—Section 715(a)(1)
14 (20 U.S.C. 1135d(a)(1)) is amended—

15 (1) by striking “1999–2000” and inserting
16 “2006–2007”; and

17 (2) by striking “1998–1999” and inserting
18 “2006–2007”.

19 (e) AUTHORIZATION OF APPROPRIATIONS.—Section
20 716 (20 U.S.C. 1135e) is amended by striking “fiscal year
21 1999 and such sums as may be necessary for each of the
22 4 succeeding fiscal years” and inserting “fiscal year 2006
23 and such sums as may be necessary for each of the 5 suc-
24 ceeding fiscal years”.



1 (f) TECHNICAL AMENDMENTS.—Section 714(c) (20
2 U.S.C. 1135c(c)) is amended—

3 (1) by striking “section 716(a)” and inserting
4 “section 715(a)”; and

5 (2) by striking “section 714(b)(2)” and insert-
6 ing “section 713(b)(2)”.

7 **SEC. 703. THURGOOD MARSHALL LEGAL EDUCATIONAL OP-
8 PORTUNITY PROGRAM.**

9 (a) CONTRACT AND GRANT PURPOSES.—Section
10 721(c) (20 U.S.C. 1136(c)) is amended—

11 (1) by amending paragraph (2) to read as fol-
12 lows:

13 “(2) to prepare such students for study at ac-
14 credited law schools and assist them with the devel-
15 opment of analytical skills and study methods to en-
16 hance their success and promote completion of law
17 school;”;

18 (2) by striking “and” at the end of paragraph
19 (4);

20 (3) by striking the period at the end of para-
21 graph (5) and inserting “; and”; and

22 (4) by adding at the end the following new
23 paragraph:

24 “(6) to award Thurgood Marshall Fellowships
25 to eligible law school students—



1 “(A) who participated in summer institutes
2 authorized by subsection (d) and who are en-
3 rolled in an accredited law school; or

4 “(B) who are eligible law school students
5 who have successfully completed a comparable
6 summer institute program certified by the
7 Council on Legal Educational Opportunity.”.

8 (b) SERVICES PROVIDED.—Section 721(d)(1)(D) (20
9 U.S.C. 1136(d)(1)(D)) is amended by inserting “in ana-
10 lytical skills and study methods” after “courses”.

11 (c) AUTHORIZATION OF APPROPRIATIONS.—Section
12 721(h) (20 U.S.C. 1136(h)) is amended by striking “1999
13 and each of the 4 succeeding fiscal years” and inserting
14 “2006 and each of the 5 succeeding fiscal years”.

15 (d) GENERAL PROVISIONS.—Subsection (e) of section
16 731 (20 U.S.C. 1137(e)) is repealed.

17 **SEC. 704. FUND FOR THE IMPROVEMENT OF POSTSEC-**
18 **ONDARY EDUCATION.**

19 (a) CONTRACT AND GRANT PURPOSES.—Section
20 741(a) (20 U.S.C. 1138(a)) is amended—

21 (1) by amending paragraph (1) to read as fol-
22 lows:

23 “(1) the encouragement of the reform and im-
24 provement of, and innovation in, postsecondary edu-
25 cation and the provision of educational opportunity



1 for all, especially for the non-traditional student pop-
2 ulations;”;

3 (2) in paragraph (2), by inserting before the
4 semicolon at the end the following: “for postsec-
5 ondary students, especially those that provide aca-
6 demic credit for programs”;

7 (3) by amending paragraph (3) to read as fol-
8 lows:

9 “(3) the establishment of institutions and pro-
10 grams based on the technology of communications,
11 including delivery by distance education;”;

12 (4) by amending paragraph (6) to read as fol-
13 lows:

14 “(6) the introduction of institutional reforms
15 designed to expand individual opportunities for en-
16 tering and reentering postsecondary institutions and
17 pursuing programs of postsecondary study tailored
18 to individual needs;”.

19 (b) AREAS OF NATIONAL NEED.—Section 744(c) (20
20 U.S.C. 1138c(c)) is amended by striking paragraph (4)
21 and inserting the following:

22 “(4) International cooperation, partnerships, or
23 student exchange among postsecondary educational
24 institutions in the United States and abroad.



1 “(5) Establishment of academic programs in-
2 cluding graduate and undergraduate courses, semi-
3 nars and lectures, support of research, and develop-
4 ment of teaching materials for the purpose of sup-
5 porting faculty and academic programs that teach
6 traditional American history (including significant
7 constitutional, political, intellectual, economic, diplo-
8 matic, and foreign policy trends, issues, and docu-
9 ments; the history, nature, and development of
10 democratic institutions of which American democ-
11 racy is a part; and significant events and individuals
12 in the history of the United States).

13 “(6) Support for planning, applied research,
14 training, resource exchanges or technology transfers,
15 the delivery of services, or other activities the pur-
16 pose of which is to design and implement programs
17 to enable institutions of higher education to work
18 with private and civic organizations to assist commu-
19 nities to meet and address their pressing and severe
20 problems, including economic development, commu-
21 nity infrastructure and housing, crime prevention,
22 education, healthcare, self sufficiency, and workforce
23 preparation.”.

24 (c) AUTHORIZATION OF APPROPRIATIONS.—Section
25 745 (20 U.S.C. 1138d) is amended by striking



1 “\$30,000,000 for fiscal year 1999 and such sums as may
2 be necessary for each of the 4 succeeding fiscal years” and
3 inserting “\$40,000,000 for fiscal year 2006 and such
4 sums as may be necessary for each of the 5 succeeding
5 fiscal years”.

6 **SEC. 705. URBAN COMMUNITY SERVICE.**

7 Part C of title VII (20 U.S.C. 1139 et seq.) is re-
8 pealed.

9 **SEC. 706. DEMONSTRATION PROJECTS TO ENSURE STU-**
10 **DENTS WITH DISABILITIES RECEIVE A QUAL-**
11 **ITY HIGHER EDUCATION.**

12 (a) **SERVING ALL STUDENTS WITH DISABILITIES.—**
13 Section 762(a) (20 U.S.C. 1140a(a)) is amended by strik-
14 ing “students with learning disabilities” and inserting
15 “students with disabilities”.

16 (b) **AUTHORIZED ACTIVITIES.—**

17 (1) **AMENDMENT.—**Section 762(b)(2) is
18 amended—

19 (A) in subparagraph (A), by inserting “in
20 order to improve retention and completion”
21 after “disabilities”;

22 (B) by redesignating subparagraphs (B)
23 and (C) as subparagraphs (C) and (E), respec-
24 tively;



1 (C) by inserting after subparagraph (A)
2 the following new subparagraph:

3 “(B) EFFECTIVE TRANSITION PRAC-
4 TICES.—The development of innovative, effec-
5 tive, and efficient teaching methods and strate-
6 gies to ensure the smooth transition of students
7 with disabilities from high school to postsec-
8 ondary education.”; and

9 (D) by inserting after subparagraph (C)
10 (as redesignated by subparagraph (B) of this
11 paragraph) the following new subparagraph:

12 “(D) DISTANCE LEARNING.—The develop-
13 ment of innovative, effective, and efficient
14 teaching methods and strategies to provide fac-
15 ulty and administrators with the ability to pro-
16 vide accessible distance education programs or
17 classes that would enhance access of students
18 with disabilities to higher education, including
19 the use of electronic communication for instruc-
20 tion and advisement.”.

21 (2) CONFORMING AMENDMENT.—Section
22 762(b)(3) is amended by striking “subparagraphs
23 (A) through (C)” and inserting “subparagraphs (A)
24 through (E)”.



1 (c) APPLICATIONS.—Section 763 (20 U.S.C. 1140b)
2 is amended—

3 (1) by amending paragraph (1) to read as fol-
4 lows:

5 “(1) a description of how such institution plans
6 to address the activities allowed under this part;”;

7 (2) by striking “and” at the end of paragraph
8 (2);

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

11 (4) by adding at the end the following new
12 paragraph:

13 “(4) a description of the extent to which an in-
14 stitution will work to replicate the best practices of
15 institutions of higher education with demonstrated
16 success in serving students with disabilities.”.

17 (d) AUTHORIZATION OF APPROPRIATIONS.—Section
18 765 (20 U.S.C. 1140d) is amended by striking “fiscal year
19 1999 and such sums as may be necessary for each of the
20 4 succeeding fiscal years” and inserting “fiscal year 2006
21 and such sums as may be necessary for each of the 5 suc-
22 ceeding fiscal years”.



1 **TITLE VIII—CLERICAL**
2 **AMENDMENTS**

3 **SEC. 801. CLERICAL AMENDMENTS.**

4 (a) DEFINITION.—Section 103 (20 U.S.C. 1003) is
5 amended—

6 (1) by redesignating paragraphs (1) through
7 (16) as paragraphs (2) through (17), respectively;
8 and

9 (2) by inserting before paragraph (2) (as so re-
10 designated) the following new paragraph:

11 “(1) AUTHORIZING COMMITTEES.—The term
12 ‘authorizing committees’ means the Committee on
13 Health, Education, Labor, and Pensions of the Sen-
14 ate and the Committee on Education and the Work-
15 force of the House of Representatives.”.

16 (b) COMMITTEES.—

17 (1) The following provisions are each amended
18 by striking “Committee on Labor and Human Re-
19 sources of the Senate and the Committee on Edu-
20 cation and the Workforce of the House of Rep-
21 resentatives” and inserting “authorizing commit-
22 tees”:

23 (A) Section 131(a)(3)(B) (20 U.S.C.
24 1015(a)(3)(B)).



1 (B) Section 131(c)(4) (20 U.S.C.
2 1015(c)(4)).

3 (C) Section 206(d) (20 U.S.C. 1026(d)).

4 (D) Section 207(c)(1) (20 U.S.C.
5 1027(c)(1)).

6 (E) Section 428(g) (20 U.S.C. 1078(g)).

7 (F) Section 428A(a)(4) (20 U.S.C. 1078–
8 1(a)(4)).

9 (G) Section 428A(c)(2) (20 U.S.C. 1078–
10 1(c)(2)).

11 (H) Section 428A(c)(3) (20 U.S.C. 1078–
12 1(c)(3)).

13 (I) Section 428A(c)(5) (20 U.S.C. 1078–
14 1(c)(5)).

15 (J) Section 455(b)(8)(B) (20 U.S.C.
16 1087e(b)(8)(B)).

17 (K) Section 483(e) (20 U.S.C. 1090(c)).

18 (L) Section 486(e) (20 U.S.C. 1093(e)).

19 (M) Section 486(f)(3)(A) (20 U.S.C.
20 1093(f)(3)(A)).

21 (N) Section 486(f)(3)(B) (20 U.S.C.
22 1093(f)(3)(B)).

23 (O) Section 487A(a)(5) (20 U.S.C.
24 1094a(a)(5)).



1 (P) Section 487A(b)(2) (20 U.S.C.
2 1094a(b)(2)).

3 (Q) Section 487A(b)(3)(B) (20 U.S.C.
4 1094a(b)(3)(B)).

5 (R) Section 498B(d)(1) (20 U.S.C. 1099c-
6 2(d)(1)).

7 (S) Section 498B(d)(2) (20 U.S.C. 1099c-
8 2(d)(2)).

9 (2) The following provisions are each amended
10 by striking “Committee on Education and the Work-
11 force of the House of Representatives and the Com-
12 mittee on Labor and Human Resources of the Sen-
13 ate” and inserting “authorizing committees”:

14 (A) Section 141(d)(4)(B) (20 U.S.C.
15 1018(d)(4)(B)).

16 (B) Section 428(n)(4) (20 U.S.C.
17 1078(n)(4)).

18 (C) Section 437(c)(1) (20 U.S.C.
19 1087(c)(1)).

20 (D) Section 485(f)(5)(A) (20 U.S.C.
21 1092(f)(5)(A)).

22 (E) Section 485(g)(4)(B) (20 U.S.C.
23 1092(g)(4)(B)).

24 (3) Section 206(a) (20 U.S.C. 1026(a)) is
25 amended by striking “, the Committee on Labor and



1 Human Resources of the Senate, and the Committee
2 on Education and the Workforce of the House of
3 Representatives” and inserting “and the authorizing
4 committees”.

5 (4) Section 401(f)(3) (20 U.S.C. 1070a(f)(3))
6 is amended by striking “Committee on Appropria-
7 tions and the Committee on Labor and Human Re-
8 sources of the Senate and the Committee on Appro-
9 priations and the Committee on Education and the
10 Workforce of the House of Representatives” and in-
11 sserting “Committees on Appropriations of the Sen-
12 ate and House of Representatives and the author-
13 izing committees”.

14 (5) Section 428(c)(9)(K) (20 U.S.C.
15 1078(c)(9)(K)) is amended by striking “House Com-
16 mittee on Education and the Workforce and the
17 Senate Committee on Labor and Human Resources”
18 and inserting “authorizing committees”.

19 (6) Section 428I(h) (20 U.S.C. 1078–9(h)) is
20 amended by striking “Chairman of the Senate Labor
21 and Human Resources Committee and the House
22 Committee on Education and Labor” and inserting
23 “chairpersons of the authorizing committees”.

24 (7) Section 432(f)(1)(C) (20 U.S.C.
25 1082(f)(1)(C)) is amended by striking “Committee



1 on Education and the Workforce of the House of
2 Representatives or the Committee on Labor and
3 Human Resources of the Senate” and inserting “ei-
4 ther of the authorizing committees”.

5 (8) Section 439(d)(1)(E)(iii) (20 U.S.C. 1087-
6 2(d)(1)(E)(iii)) is amended by striking “Chairman
7 and the Ranking Member on the Committee on
8 Labor and Human Resources of the Senate and the
9 Chairman and the Ranking Member of the Com-
10 mittee on Education and Labor of the House of
11 Representatives” and inserting “chairpersons and
12 ranking minority members of the authorizing com-
13 mittees”.

14 (9) Paragraphs (3) and (8)(C) of section 439(r)
15 (20 U.S.C. 1087-2(r)) are each amended by striking
16 “Chairman and ranking minority member of the
17 Committee on Labor and Human Resources of the
18 Senate, the Chairman and ranking minority member
19 of the Committee on Education and Labor of the
20 House of Representatives,” and inserting “chair-
21 persons and ranking minority members of the au-
22 thorizing committees”.

23 (10) Paragraphs (5)(B) and (10) of section
24 439(r) (20 U.S.C. 1087-2(r)) are each amended by
25 striking “Chairman and ranking minority member of



1 the Senate Committee on Labor and Human Re-
2 sources and to the Chairman and ranking minority
3 member of the House Committee on Education and
4 Labor” and inserting “chairpersons and ranking mi-
5 nority members of the authorizing committees”.

6 (11) Section 439(r)(6)(B) (20 U.S.C. 1087-
7 2(r)(6)(B)) is amended by striking “Chairman and
8 ranking minority member of the Committee on
9 Labor and Human Resources of the Senate and to
10 the Chairman and ranking minority member of the
11 Committee on Education and Labor of the House of
12 Representatives” and inserting “chairpersons and
13 ranking minority members of the authorizing com-
14 mittees”.

15 (12) Section 439(s)(2)(A) (20 U.S.C. 1087-
16 2(s)(2)(A)) is amended by striking “Chairman and
17 Ranking Member of the Committee on Labor and
18 Human Resources of the Senate and the Chairman
19 and Ranking Member of the Committee on Eco-
20 nomic and Educational Opportunities of the House
21 of Representatives” and inserting “chairpersons and
22 ranking minority members of the authorizing com-
23 mittees”.

24 (13) Section 439(s)(2)(B) (20 U.S.C. 1087-
25 2(s)(2)(B)) is amended by striking “Chairman and



1 Ranking Minority Member of the Committee on
2 Labor and Human Resources of the Senate and
3 Chairman and Ranking Minority Member of the
4 Committee on Economic and Educational Opportu-
5 nities of the House of Representatives” and insert-
6 ing “chairpersons and ranking minority members of
7 the authorizing committees”.

8 (14) Section 482(d) (20 U.S.C. 1089(d)) is
9 amended by striking “Committee on Labor and
10 Human Resources of the Senate and the Committee
11 on Education and Labor of the House of Represent-
12 atives” and inserting “authorizing committees”.

13 (c) ADDITIONAL CLERICAL AMENDMENTS.—

14 (1) Clauses (i) and (ii) of section 425(a)(2)(A)
15 (20 U.S.C. 1075(a)(2)(A)) are each amended by
16 striking “428A or 428B” and inserting “428B or
17 428H”.

18 (2) Section 428(a)(2)(E) (20 U.S.C.
19 1078(a)(2)(E)) is amended by striking “428A or”.

20 (3) Clauses (i) and (ii) of section 428(b)(1)(B)
21 (20 U.S.C. 1078(b)(1)(B)) are each amended by
22 striking “428A or 428B” and inserting “428B or
23 428H”.

24 (4) Section 428(b)(1)(Q) (20 U.S.C.
25 1078(b)(1)(Q)) is amended by striking “sections



1 428A and 428B” and inserting “section 428B or
2 428H”.

3 (5) Section 428(b)(7)(C) (20 U.S.C.
4 1078(b)(7)(C)) is amended by striking “428A,
5 428B,” and inserting “428B”.

6 (6) Section 428G(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 1—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 **PART 2—ADDITIONAL EDUCATION LAWS**

16 **SEC. 921. AMENDMENT TO HIGHER EDUCATION AMEND-**
17 **MENTS OF 1998.**

18 (a) REPEALS OF EXPIRED AND EXECUTED PROVI-
19 SIONS.—The following provisions of the Higher Education
20 Amendments of 1998 are repealed:

21 (1) STUDY OF MARKET MECHANISMS IN FED-
22 ERAL STUDENT LOAN PROGRAMS.—Section 801 (20
23 U.S.C. 1018 note).



1 (2) STUDY OF FEASIBILITY OF ALTERNATE FI-
2 NANCIAL INSTRUMENTS FOR DETERMINING LENDER
3 YIELDS.—Section 802.

4 (3) STUDENT RELATED DEBT STUDY.—Section
5 803 (20 U.S.C. 1015 note).

6 (4) STUDY OF OPPORTUNITIES FOR PARTICIPA-
7 TION IN ATHLETIC PROGRAMS.—Section 805 (20
8 U.S.C. 1001 note).

9 (5) COMMUNITY SCHOLARSHIP MOBILIZA-
10 TION.—Part C (20 U.S.C. 1070 note).

11 (6) INCARCERATED YOUTH.—Part D (20
12 U.S.C. 1151).

13 (7) IMPROVING UNITED STATES UNDER-
14 STANDING OF SCIENCE, ENGINEERING, AND TECH-
15 NOLOGY IN EAST ASIA.—Part F (20 U.S.C. 1862
16 note).

17 (8) WEB-BASED EDUCATION COMMISSION.—
18 Part J.

19 (b) EXTENSIONS OF AUTHORIZATIONS AND STUD-
20 IES.—

21 (1) TRANSFER OF CREDIT.—Section 804(b) (20
22 U.S.C. 1099b note) is amended—

23 (A) by striking “one year after the date of
24 enactment of this Act” and inserting “Sep-
25 tember 30, 2007”; and



1 (B) by inserting “and policies of institu-
2 tions of higher education” after “agencies or
3 associations”.

4 (2) COHORT DEFAULT RATE STUDY.—Section
5 806 is amended—

6 (A) in subsection (a), by striking “higher
7 education at which less” and inserting “higher
8 education. The study shall also review the effect
9 of cohort default rates specifically on institu-
10 tions of higher education at which less”; and

11 (B) in subsection (c), by striking “Sep-
12 tember 30, 1999,” and inserting “September
13 30, 2007,”.

14 (3) VIOLENCE AGAINST WOMEN.—Section 826
15 (20 U.S.C. 1152) is amended—

16 (A) in subsection (g)—

17 (i) by striking “1999” and inserting
18 “2006”; and

19 (ii) by striking “4 succeeding” and in-
20 serting “5 succeeding”; and

21 (B) by redesignating subsections (f) and
22 (g) as subsections (e) and (f), respectively.

23 (4) UNDERGROUND RAILROAD.—Subsection (c)
24 of section 841 (20 U.S.C. 1153(c)) is amended to
25 read as follows:



1 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to carry out this section
3 \$3,000,000 for fiscal year 2006 and such sums as may
4 be necessary for each of the 5 succeeding fiscal years.”.

5 (c) DISBURSEMENT OF STUDENT LOANS.—Section
6 422(d) of the Higher Education Amendments of 1998
7 (Public Law 105–244; 112 Stat. 1696) is amended by
8 adding at the end the following new sentence: “Such
9 amendments shall also be effective on and after July 1,
10 2006.”.

11 **SEC. 922. TRIBALLY CONTROLLED COLLEGE OR UNIVER-**
12 **SITY ASSISTANCE ACT OF 1978.**

13 (a) TITLE I AUTHORIZATION.—Section 110(a) of the
14 Tribally Controlled Community College or University As-
15 sistance Act of 1978 (25 U.S.C. 1810(a)) is amended—

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

18 (2) by striking “4 succeeding” each place it ap-
19 pears and inserting “5 succeeding”.

20 (b) TITLE III REAUTHORIZATION.—Section 306(a)
21 of the Tribally Controlled Community College or Univer-
22 sity Assistance Act of 1978 (25 U.S.C. 1836(a)) is
23 amended—

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



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

3 (c) TITLE IV REAUTHORIZATION.—Section 403 of
4 the Tribal Economic Development and Technology Re-
5 lated Education Assistance Act of 1990 (25 U.S.C. 1852)
6 is amended—

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

9 (2) by striking “4 succeeding” and inserting “5
10 succeeding”.

11 (d) ADDITIONAL AMENDMENTS.—The Tribally Con-
12 trolled Community College or University Assistance Act
13 of 1978 is further amended—

14 (1) in section 2(a)(6) (25 U.S.C. 1801(a)(6)),
15 by striking “in the field of Indian education” and in-
16 serting “in the field of Tribal Colleges and Univer-
17 sities and Indian higher education”;

18 (2) in section 2(b), by striking paragraph (5)
19 and inserting the following:

20 “(5) Eligible credits earned in a continuing
21 education program shall be determined as one credit
22 for every 10 contact hours for institutions on a
23 quarter system, and 15 contact hours for institu-
24 tions on a semester system, of participation in an or-
25 ganized continuing education experience under re-



1 spondible sponsorship, capable direction, and quali-
2 fied instruction, as described in the criteria estab-
3 lished by the International Association for Con-
4 tinuing Education and Training, and may not exceed
5 20 percent of an institution's total Indian student
6 count.”; and

7 (3) in section 103 (25 U.S.C. 1804), by striking
8 “and” at the end of paragraph (2), by striking the
9 period at the end of paragraph (3) and inserting “;
10 and”, and by inserting after paragraph (3) the fol-
11 lowing new paragraph:

12 “(4) has been accredited by a nationally recog-
13 nized accrediting agency or association determined
14 by the Secretary of Education to be a reliable au-
15 thority as to the quality of training offered, or is, ac-
16 cording to such an agency or association, making
17 reasonable progress toward accreditation.”.

18 **SEC. 923. NAVAJO COMMUNITY COLLEGE ACT.**

19 Section 5(a)(1) of the Navajo Community College Act
20 (25 U.S.C. 640c-1(a)(1)) is amended—

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

22 and

23 (2) by striking “4 succeeding” and inserting “5
24 succeeding”.



1 **SEC. 924. EDUCATION AMENDMENTS OF 1992.**

2 Section 1543(d) of the Education Amendments of
3 1992 (20 U.S.C. 1070 note) 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. STUDY OF STUDENT LEARNING OUTCOMES AND**
9 **PUBLIC ACCOUNTABILITY.**

10 (a) STUDY REQUIRED.—The Secretary shall provide
11 for the conduct a study of the best practices of States in
12 assessing undergraduate postsecondary student learning,
13 particularly as such practices relate to public account-
14 ability systems.

15 (b) CHARACTERISTICS OF THE ASSOCIATION.—Such
16 study shall be conducted by an association or organization
17 with specific expertise and knowledge in state practices
18 and access to necessary state officials (in this section re-
19 ferred to as the “association”). The association respon-
20 sible for the study under this section shall be a national,
21 non-partisan or bi-partisan entity representing States or
22 State officials with expertise in evaluative and qualitative
23 policy research for best practice models, the capacity to
24 convene experts, and to formulate policy recommenda-
25 tions.



1 (c) REQUIRED SUBJECTS OF STUDY.—In performing
2 the study, the association shall, at a minimum, examine
3 the following:

4 (1) The current status of institutional and state
5 efforts to embed student learning assessments into
6 the state-level public accountability frameworks.

7 (2) The extent to which there is commonality
8 among educators and accrediting agencies on learn-
9 ing standards for the associates and bachelors de-
10 grees.

11 (3) The reliability, rigor, and generalizability of
12 available instruments to assess general education at
13 the undergraduate level.

14 (4) Roles and responsibilities for public ac-
15 countability for student learning.

16 (d) CONSULTATION.—

17 (1) NATIONAL COMMITTEE.—The association
18 shall establish and consult with a national com-
19 mittee. The committee shall meet not less than twice
20 a year to review the research, identify best practice
21 models, and review recommendations.

22 (2) MEMBERSHIP.—The national advisory com-
23 mittee shall consist of a representative of the Sec-
24 retary of Education and individuals with expertise
25 in—



- 1 (A) State accountability systems;
2 (B) student learning assessments;
3 (C) student flow data;
4 (D) transitions between K–12 and higher
5 education; and
6 (E) Federal higher education policy.

7 (3) ADDITIONAL EXPERTISE.—The association
8 may augment this committee with other expertise, as
9 appropriate.

10 (e) CONGRESSIONAL CONSULTATION.—The associa-
11 tion shall consult on a regular basis with the Committee
12 on Education and the Workforce of the House of Rep-
13 resentatives and the Committee on Health Education
14 Labor and Pensions of the Senate in carrying out the
15 study required by this section.

16 (f) REPORT.—The association shall, not later than
17 two years after the date of enactment of this Act, prepare
18 and submit a report on the study required by this section
19 to the Committee on Education and the Workforce of the
20 House of Representatives and the Committee on Health,
21 Education, Labor, and Pensions of the Senate.

