

111TH CONGRESS
1ST SESSION

S. _____

To provide for reconciliation pursuant to section 201(b) of the concurrent resolution on the budget for fiscal year 2010.

IN THE SENATE OF THE UNITED STATES

_____ introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To provide for reconciliation pursuant to section 201(b) of the concurrent resolution on the budget for fiscal year 2010.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “_____ Act of
5 _____”.

6 **SEC. 2. TABLE OF CONTENTS.**

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

- Sec. 1. Short title.
- Sec. 2. Table of contents.

TITLE I—EDUCATION

- Sec. 2001. Short title; references; effective date.

Subtitle A—Investing in Students and Families

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CHAPTER 1—INCREASING COLLEGE ACCESS AND COMPLETION

SUBCHAPTER A—STRENGTHENING THE FEDERAL PELL GRANT PROGRAM

- Sec. 2111. Federal Pell Grants.
- Sec. 2112. Student financial assistance.

SUBCHAPTER B—POSTSECONDARY ACCESS, PERSISTENCE, AND COMPLETION PROGRAMS

- Sec. 2131. Access, persistence, and completion fund.
- Sec. 2132. Benchmarks; indicators; reporting; evaluation.
- Sec. 2133. Expanding statewide longitudinal data systems.

SUBCHAPTER C—STUDENT ACCESS, PERSISTENCE, AND COMPLETION GRANTS FOR HISTORICALLY BLACK COLLEGES AND UNIVERSITIES AND OTHER MINORITY-SERVING INSTITUTIONS

- Sec. 2151. Student access, persistence, and completion grants.

CHAPTER 2—STUDENT FINANCIAL AID FORM SIMPLIFICATION

- Sec. 2171. General effective date.
- Sec. 2172. Treatment of assets in need analysis.
- Sec. 2173. Social security tax and employment allowances.
- Sec. 2174. Financial administrator discretion.
- Sec. 2175. Changes to total income; aid eligibility.

Subtitle B—Student Loan Reform

CHAPTER 1—STAFFORD LOAN REFORM

- Sec. 2211. Federal Family Education Loan appropriations.
- Sec. 2212. Revised Special Allowance Calculation.
- Sec. 2213. Scope and duration of Federal loan insurance program.
- Sec. 2214. Applicable interest rates.
- Sec. 2215. Federal payments to reduce student interest costs.
- Sec. 2216. Federal PLUS Loans.
- Sec. 2217. Federal Consolidation Loan.
- Sec. 2218. Unsubsidized Stafford loans for middle-income borrowers.
- Sec. 2219. Loan repayment for civil legal assistance attorneys.
- Sec. 2220. Special allowances.
- Sec. 2221. Origination of Direct Loans at institutions located outside the United States.
- Sec. 2222. Agreements with institutions.
- Sec. 2223. Terms and conditions of loans.
- Sec. 2224. Contracts.

CHAPTER 2—PERKINS LOAN REFORM

- Sec. 2231. Federal Direct Perkins Loans terms and conditions.
- Sec. 2232. Authorization of appropriations.
- Sec. 2233. Allocation of funds.
- Sec. 2234. Federal Direct Perkins Loan allocation.
- Sec. 2235. Agreements with institutions of higher education.
- Sec. 2236. Student loan information by eligible institutions.
- Sec. 2237. Terms of loans.
- Sec. 2238. Distribution of assets from student loan funds.

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Sec. 2239. Administrative expenses.

Subtitle C—Repair, Renovation, and Construction

CHAPTER 1—SCHOOL REPAIR, RENOVATION, AND CONSTRUCTION

Sec. 2311. Grants for school repair, renovation, and construction.

CHAPTER 2—FEDERAL ASSISTANCE FOR COMMUNITY COLLEGE
MODERNIZATION AND CONSTRUCTION

Sec. 2331. Federal assistance for community college modernization and construction.

Subtitle D—Pipeline to College Initiative

Sec. 2401. Definitions.

Sec. 2402. Graduation Promise grants.

Sec. 2403. State plans to develop differentiated secondary school improvement systems.

Sec. 2404. Award basis; peer review and approval.

Sec. 2405. Use of grant funds.

Sec. 2406. Subgrants to local educational agencies.

Sec. 2407. Reporting.

Sec. 2408. Authorization and appropriations.

Subtitle E—**[American Graduation Initiative]**

CHAPTER 1—GENERAL PROVISIONS

Sec. 2511. Definitions.

Sec. 2512. Responsibility.

Sec. 2513. Distribution.

CHAPTER 2—COMMUNITY COLLEGE STUDENT SUCCESS PLANNING GRANTS

Sec. 2531. Planning grants.

Sec. 2532. Required activities.

CHAPTER 3—COMMUNITY COLLEGE STUDENT SUCCESS GRANTS

Sec. 2551. Grants.

Sec. 2552. Applications.

Sec. 2553. Provision of transfer of credit information in community college course schedules.

Sec. 2554. Uses of funds.

Sec. 2555. Technical assistance.

Sec. 2556. Benchmarks; evaluation.

Sec. 2557. Federal and non-Federal share; supplement, not supplant.

CHAPTER 4—AUTHORIZATION AND APPROPRIATIONS

Sec. 2571. Authorization and appropriations.

Subtitle F—Supporting Open Online Learning

Sec. 2601. Supporting open online learning.

Subtitle G—Early Learning Grants

Sec. 2701. Short title.
 Sec. 2702. Purposes.
 Sec. 2703. Programs authorized.
 Sec. 2704. Quality pathways grants.
 Sec. 2705. Development grants.
 Sec. 2706. Research and evaluation.
 Sec. 2707. Benchmarks; indicators; reporting.
 Sec. 2708. Technical assistance.
 Sec. 2709. Construction.
 Sec. 2710. Definitions.
 Sec. 2711. Appropriations.

Subtitle H—Research and Evaluation

Sec. 2801. Research and evaluation; benchmarks and consultation.

1 **TITLE I—EDUCATION**

2 **SEC. 2001. SHORT TITLE; REFERENCES; EFFECTIVE DATE.**

3 (a) **SHORT TITLE.**—This title may be cited as the
 4 “Investing in Students for a Stronger America Act”.

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

11 (c) **EFFECTIVE DATE.**—Except as otherwise ex-
 12 pressly provided, the amendments made by this title shall
 13 be effective on **[what date?]**.

1 **Subtitle A—Investing in Students**
2 **and Families**

3 **CHAPTER 1—INCREASING COLLEGE**
4 **ACCESS AND COMPLETION**

5 **Subchapter A—Strengthening the Federal**
6 **Pell Grant Program**

7 **SEC. 2111. FEDERAL PELL GRANTS.**

8 (a) AMOUNT OF GRANTS.—Section 401(b) (20
9 U.S.C. 1070a(b)) is amended—

10 (1) by amending paragraph (2)(A) to read as
11 follows:

12 “(A) The amount of the Federal Pell
13 Grant for a student eligible under this part
14 shall be—

15 “(i) the maximum Federal Pell Grant,
16 as specified in the last enacted appropria-
17 tion Act applicable to that award year,
18 plus

19 “(ii) the amount of the increase cal-
20 culated under paragraph (8)(B) for that
21 year, less

22 “(iii) an amount equal to the amount
23 determined to be the expected family con-
24 tribution with respect to that student for
25 that year.”; and

1 (2) by amending paragraph (8), as amended by
2 the Higher Education Opportunity Act (Public Law
3 110–315), to read as follows:

4 “(8) ADDITIONAL FUNDS.—

5 “(A) IN GENERAL.—There are authorized
6 to be appropriated, and there are appropriated,
7 to carry out subparagraph (B) of this para-
8 graph (in addition to any other amounts appro-
9 priated to carry out this section and out of any
10 money in the Treasury not otherwise appro-
11 priated) the following amounts—

12 “(i) \$2,030,000,000 for fiscal year
13 2008;

14 “(ii) \$2,733,000,000 for fiscal year
15 2009; and

16 “(iii) such sums as may be necessary
17 for fiscal year 2010 and each subsequent
18 fiscal year to provide the amount of in-
19 crease of the maximum Federal Pell Grant
20 required by clauses (ii) and (iii) of sub-
21 paragraph (B).

22 “(B) INCREASE IN FEDERAL PELL
23 GRANTS.—The amounts made available pursu-
24 ant to subparagraph (A) shall be used to in-
25 crease the amount of the maximum Federal

1 Pell Grant for which a student shall be eligible
2 during an award year, as specified in the last
3 enacted appropriation Act applicable to that
4 award year, by—

5 “(i) \$490 for each of the award years
6 2008–2009 and 2009–2010;

7 “(ii) \$690 for the award year 2010–
8 2011; and

9 “(iii) the amount determined under
10 subparagraph (C) for each succeeding
11 award year.

12 “(C) ADJUSTMENT AMOUNTS.—

13 “(i) AWARD YEAR 2011–2012.—For
14 award year 2011–2012, the amount deter-
15 mined under this subparagraph for pur-
16 poses of subparagraph (B)(iii) shall be
17 equal to—

18 “(I) \$5,550 or the total max-
19 imum Federal Pell Grant for the pre-
20 ceding award year (as determined
21 under clause (v)(II)), whichever is
22 greater, increased by a percentage
23 equal to the annual adjustment per-
24 centage for award year 2011–2012;
25 reduced by

1 acted appropriation Act applicable to
2 that year, whichever is greater; and

3 “(III) rounded to the nearest \$5.

4 “(iii) SUBSEQUENT AWARD YEARS.—

5 For award year 2019–2020 and each sub-
6 sequent award year, the amount deter-
7 mined under this subparagraph for pur-
8 poses of subparagraph (B)(iii) shall be
9 equal to the amount determined under
10 clause (ii) for award year 2018–2019.

11 “(iv) LIMITATION ON DECREASES.—

12 Notwithstanding clauses (i), (ii), and (iii),
13 if the amount determined under clause (i),
14 (ii), or (iii) for a particular award year is
15 less than the amount determined under
16 this paragraph for the award year pre-
17 ceding that particular award year, then the
18 amount determined under such clause for
19 that particular award year shall be the
20 amount determined under this paragraph
21 for the preceding award year.

22 “(v) DEFINITIONS.—For purposes of
23 this subparagraph—

1 “(I) the term ‘annual adjustment
2 percentage’ as applied to an award
3 year, is equal to the sum of—

4 “(aa) the estimated percent-
5 age change in the Consumer
6 Price Index (as determined by
7 the Secretary, using the defini-
8 tion in section 478(f)) for the
9 most recent calendar year ending
10 prior to the beginning of that
11 award year; and

12 “(bb) one percentage point;
13 and

14 “(II) the term ‘total maximum
15 Federal Pell Grant’ as applied to a
16 preceding award year, is equal to the
17 sum of—

18 “(aa) the maximum Federal
19 Pell Grant for which a student is
20 eligible during an award year, as
21 specified in the last enacted ap-
22 propriation Act applicable to that
23 preceding award year; and

24 “(bb) the amount of the in-
25 crease in the maximum Federal

1 Pell Grant required by this para-
2 graph for that preceding award
3 year.

4 “(D) PROGRAM REQUIREMENTS AND OP-
5 ERATIONS OTHERWISE UNAFFECTED.—Except
6 as provided in subparagraphs (B) and (C),
7 nothing in this paragraph shall be construed to
8 alter the requirements and operations of the
9 Federal Pell Grant Program as authorized
10 under this section, or to authorize the imposi-
11 tion of additional requirements or operations
12 for the determination and allocation of Federal
13 Pell Grants under this section.

14 “(E) AVAILABILITY OF FUNDS.—The
15 amounts made available by subparagraph (A)
16 for any fiscal year shall be available beginning
17 on October 1 of that fiscal year, and shall re-
18 main available through September 30 of the
19 succeeding fiscal year.”.

20 (b) CONFORMING AMENDMENTS.—Title IV (20
21 U.S.C. 1070 et seq.) is further amended—

22 (1) in section 401(b)(6) (20 U.S.C.
23 1070a(b)(6)), as amended by the Higher Education
24 Opportunity Act (Public Law 110–315), by striking
25 “the grant level specified in the appropriate Appro-

1 priasation Act for this subpart for such year” and in-
2 serting “the Federal Pell Grant amount, determined
3 under paragraph (2)(A), for which a student is eligi-
4 ble during such award year”;

5 (2) in section 402D(d)(1) (20 U.S.C. 1070a-
6 14(d)(1)), by striking “exceed the maximum appro-
7 priated Pell Grant” and inserting “exceed the Fed-
8 eral Pell Grant amount, determined under section
9 401(b)(2)(A), for which a student is eligible”;

10 (3) in section 435(a)(5)(A)(i)(I) (20 U.S.C.
11 1085(a)(5)(A)(i)(I)), by striking “one-half the max-
12 imum Federal Pell Grant award for which a student
13 would be eligible” and inserting “one-half the Fed-
14 eral Pell Grant amount, determined under section
15 401(b)(2)(A), for which a student would be eligible”;

16 (4) in section 483(e)(3)(A)(ii) (20 U.S.C.
17 1090(e)(3)(A)(ii)), by striking “based on the max-
18 imum Federal Pell Grant award at the time of appli-
19 cation” and inserting “based on the Federal Pell
20 Grant amount, determined under section
21 401(b)(2)(A), for which a student is eligible at the
22 time of application”;

23 (5) in section 485E(b)(1)(A) (20 U.S.C.
24 1092f(b)(1)(A)), by striking “of such students’ po-
25 tential eligibility for a maximum Federal Pell Grant

1 under subpart 1 of part A” and inserting “of such
2 students’ potential eligibility for the Federal Pell
3 Grant amount, determined under section
4 401(b)(2)(A), for which the student would be eligi-
5 ble”; and

6 (6) in section 894(f)(2)(C)(ii)(I) (20 U.S.C.
7 1161y(f)(2)(C)(ii)(I)), by striking “the maximum
8 Federal Pell Grant for each award year” and insert-
9 ing “the Federal Pell Grant amount, determined
10 under section 401(b)(2)(A), for which a student may
11 be eligible for each award year”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 subsections (a) and (b) of this section shall take effect on
14 July 1, 2010.

15 **SEC. 2112. STUDENT FINANCIAL ASSISTANCE.**

16 There are authorized to be appropriated, and there
17 are appropriated, to carry out subpart 1 of part A of title
18 IV of the Higher Education Act of 1965 (20 U.S.C. 1070
19 et seq.) (in addition to any other amounts appropriated
20 to carry out such subpart and out of any money in the
21 Treasury not otherwise appropriated) \$12,000,000,000,
22 which amount shall be available as of the date of enact-
23 ment of this Act and shall remain available until Sep-
24 tember 30, 2012.

1 **Subchapter B—Postsecondary Access,**
2 **Persistence, and Completion Programs**

3 **SEC. 2131. ACCESS, PERSISTENCE, AND COMPLETION FUND.**

4 (a) IN GENERAL.—Part E of title VII (20 U.S.C.
5 1141 et seq.) is amended—

6 (1) by redesignating section 781 as section 786;

7 and

8 (2) by inserting before section 786, as redesignig-
9 nated by paragraph (1), the following:

10 **“SEC. 781. DEFINITION.**

11 “In this part:

12 “(1) COMPLETE.—The term ‘complete’ means
13 to finish requirements for a postsecondary degree or
14 certificate.

15 “(2) PERSIST.—The term ‘persist’ means to
16 persist in postsecondary education.

17 “(3) TRADITIONALLY UNDERREPRESENTED
18 POPULATION.—The term ‘traditionally underrep-
19 resented population’ means a population, each mem-
20 ber of which is—

21 “(A) a low-income individual, as defined in
22 section 402A(h), who—

23 “(i) is a nontraditional student, as de-
24 fined in section 803(j);

1 “(ii) is a first generation college stu-
2 dent, as defined in section 402A(h);

3 “(iii) has delayed college entry by 3 or
4 more years;

5 “(iv) has a dependent;

6 “(v) is an independent student, as de-
7 fined in section 480;

8 “(vi) is employed for at least 25 hours
9 per week;

10 “(vii) has left secondary school with-
11 out a secondary school diploma;

12 “(viii) is or has been a homeless child
13 or youth, as described in section 725(2) of
14 the McKinney-Vento Homeless Assistance
15 Act (42 U.S.C. 11434a(2)); or

16 “(ix) is or has been in the custody of
17 a child welfare agency; or

18 “(B) an individual with a disability, as de-
19 fined in section 3 of the Americans with Dis-
20 abilities Act of 1990 (42 U.S.C. 12102).

21 **“SEC. 782. APPROPRIATIONS.**

22 “(a) IN GENERAL.—There is authorized to be appro-
23 priated and there is appropriated to carry out this part—

24 “(1) \$200,000,000 for each of fiscal years 2010
25 through 2014, to carry out section 783;

1 “(2) \$200,000,000 for fiscal year 2010,
2 \$300,000,000 for fiscal year 2011, and
3 \$500,000,000 for each of fiscal years 2012 through
4 2014, to carry out section 784;

5 “(3) \$100,000,000 for each of fiscal years 2010
6 through 2014, to carry out section 785; and

7 “(4) \$150,000,000 for each of fiscal years 2010
8 through 2014, to carry out section 786.

9 “(b) RESERVATION OF FUNDS FOR RESEARCH AND
10 EVALUATION.—Of the amounts available under each of
11 paragraphs (1) through (4) of subsection (a), 10 percent
12 shall be reserved for research and evaluation in accordance
13 with section 2801 of the Investing in Students for a
14 Stronger America Act.

15 **“SEC. 783. NATIONAL GRANTS FOR COLLEGE SUCCESS.**

16 “(a) PROGRAM AUTHORIZED.—

17 “(1) IN GENERAL.—From amounts that are
18 available to carry out this section, the Secretary
19 shall award grants, on a competitive basis, to eligible
20 entities that develop, implement, and advance knowl-
21 edge about innovative programs to increase persist-
22 ence in postsecondary education and completion of
23 postsecondary degrees or certificates among tradi-
24 tionally underrepresented populations.

1 “(2) DURATION.—The Secretary shall award a
2 grant under this section for a period of not more
3 than 5 years.

4 “(3) RENEWAL.—The Secretary may renew a
5 grant awarded under this section to a grant recipi-
6 ent that has demonstrated success in meeting the
7 benchmarks approved under section 787.

8 “(b) ELIGIBLE ENTITIES.—

9 “(1) IN GENERAL.—In this section, the term
10 ‘eligible entity’ means—

11 “(A) an institution of higher education;

12 “(B) a State;

13 “(C) a nonprofit organization with dem-
14 onstrated experience with the support, improve-
15 ment, or operation of programs that increase
16 student persistence and completion; or

17 “(D) a consortium of entities described in
18 subparagraphs (A) through (C).

19 “(2) HIGH-NEED LOCAL EDUCATIONAL AGEN-
20 CIES.—A consortium described in paragraph (1)(D)
21 may include—

22 “(A) a high-need local educational agency
23 as defined in section 200; or

24 “(B) or a local educational agency that
25 serves a high proportion of high-poverty sec-

1 ondary schools, as defined by the Secretary in
2 regulations.

3 “(c) ACTIVITIES.—An eligible entity that receives a
4 grant under this section shall carry out innovative pro-
5 grams that increase the number of students persisting and
6 completing, such as—

7 “(1) programs to enhance, support, or reform
8 remedial or developmental education, or gatekeeper
9 courses;

10 “(2) program redesign activities, which may in-
11 clude measures for—

12 “(A) focused pathways to completion of the
13 degrees or certification;

14 “(B) course formats that meet the needs of
15 working students, such as evening, weekend,
16 modular, compressed time, and distance learn-
17 ing course formats;

18 “(C) accelerated time to the degrees or
19 certification;

20 “(D) modularized learning with inter-
21 mediate credentials; and

22 “(E) contextualized learning;

23 “(3) dual enrollment, early college, and bridge
24 programs;

1 “(4) student support activities, such as provi-
2 sion of supplemental instruction, cohort teams, peer
3 tutoring, first year orientation, and support pro-
4 grams including nonacademic support programs
5 such as programs providing child care services and
6 transportation subsidies;

7 “(5)(A) faculty incentives to increase student
8 persistence and completion among traditionally
9 underrepresented populations; and

10 “(B) incentives for postsecondary institutions to
11 increase use of full-time faculty, and decrease use of
12 teaching assistants and nontenured faculty, for in-
13 structional duties;

14 “(6) activities authorized under part A of title
15 VIII;

16 “(7) activities authorized under part K of title
17 VIII;

18 “(8) activities authorized under part T of title
19 VIII;

20 “(9) provision of early warning systems that
21 identify struggling students; and

22 “(10) programs to assist postsecondary institu-
23 tions in establishing new full-time faculty positions
24 and providing more stability and equitable com-
25 pensation for part-time faculty, to enable the institu-

1 tions to serve more students, expand course offer-
2 ings, and give students the academic support the
3 students need to persist and complete.

4 “(d) PRIORITIES.—In making grants under this sec-
5 tion, the Secretary shall give priority—

6 “(1) to eligible entities with demonstrated expe-
7 rience and success in the support, improvement, or
8 operation of programs that help students from tradi-
9 tionally underrepresented populations persist and
10 complete; and

11 “(2) to entities with programs that have the po-
12 tential to be replicated on a larger scale.

13 “(e) APPLICATION.—Each eligible entity desiring a
14 grant under this section shall submit an application to the
15 Secretary at such time, in such manner, and accompanied
16 by such information as the Secretary may require. Each
17 such application shall include—

18 “(1) a description of the activities and services
19 for which assistance is sought; and

20 “(2) an analysis of the data, performed by such
21 entity, to develop proposed activities and services, in-
22 cluding to identify the barriers and challenges faced
23 by students.

24 “(f) TECHNICAL ASSISTANCE.—The Secretary may
25 reserve not more than \$5,000,000 to directly, or by grant

1 or contract, provide technical assistance to eligible entities,
2 or partners of eligible entities, to prepare the entities or
3 partners to qualify, apply for, and maintain a grant under
4 this section.

5 **“SEC. 784. STATE GRANTS FOR POSTSECONDARY SUCCESS.**

6 “(a) PLANNING AND IMPLEMENTATION GRANTS.—

7 “(1) DEFINITION OF STATE.—In this section,
8 the term ‘State’ means each of the several States of
9 the United States, the District of Columbia, and the
10 Commonwealth of Puerto Rico.

11 “(2) GRANTS.—From amounts that are avail-
12 able to carry out this section, the Secretary shall
13 award grants to States to increase the number of
14 students attaining a postsecondary certificate or de-
15 gree within the State by—

16 “(A) awarding planning grants for not
17 more than 18 months to States to enable the
18 States to—

19 “(i) develop the States’ vision for in-
20 creasing that attainment by 2020; and

21 “(ii) detail the States’ comprehensive
22 statewide plans described in subsection (b)
23 to increase student access to postsecondary
24 education, and student persistence and
25 completion, particularly for traditionally

1 underrepresented populations, and to in-
2 crease employment following the comple-
3 tion of the postsecondary education;

4 “(iii) assess the historical impact of
5 each postsecondary institution in the State
6 on goals for that access, persistence, and
7 completion and set institution-level goals
8 for that access, persistence, and completion
9 for the future; and

10 “(iv) analyze trends in statewide data
11 on that access, persistence, and comple-
12 tion, for use in development of the plan;
13 and

14 “(B) awarding implementation grants, on
15 a competitive basis, to States to enable the
16 States to implement all or part of the com-
17 prehensive statewide plan described in sub-
18 section (b).

19 “(3) STATE HIGHER EDUCATION PLANNING
20 COUNCIL.—

21 “(A) IN GENERAL.—The Governor of a
22 State that desires a grant under paragraph (2)
23 shall appoint or designate a State Higher Edu-
24 cation Planning Council to guide the develop-

1 “(ix) Nonprofit organizations serving
2 traditionally underrepresented populations
3 in the State.

4 “(C) PERMISSIBLE MEMBERS.—Other
5 members of the Council may be appointed at
6 the Governor’s discretion, including—

7 “(i) a representative of a private non-
8 profit institution of higher education in the
9 State;

10 “(ii) at least 1 faculty member whose
11 primary responsibility is teaching and
12 scholarship, with priority given to a faculty
13 member who holds a position representing
14 faculty either in a labor organization or on
15 an institutional governance body; and

16 “(iii) a representative of a business or
17 trade organization.

18 “(D) DESIGNATED COUNCIL.—In a State
19 in which a council including the representatives
20 described in subparagraph (B) already exists,
21 the Governor may designate that Council to act
22 as the State Higher Education Planning Coun-
23 cil.

24 “(4) FISCAL AGENT.—The Governor of a State
25 that desires a grant under paragraph (2) shall ap-

1 point an agency to act as the fiscal agent with re-
2 spect to the grant.

3 “(5) APPLICATIONS.—

4 “(A) PLANNING GRANTS.—Each State de-
5 siring a planning grant under subsection
6 (a)(2)(A) shall submit an application to the
7 Secretary at such time, in such manner, and ac-
8 companied by such information as the Secretary
9 may require. Each such application shall de-
10 scribe how the planning grant funds will be
11 used to develop a comprehensive statewide plan
12 described in subsection (b).

13 “(B) IMPLEMENTATION GRANTS.—Each
14 State desiring an implementation grant under
15 subsection (a)(2)(B) shall submit an application
16 to the Secretary at such time, in such manner,
17 and accompanied by such information as the
18 Secretary may require. Each such application—

19 “(i) shall include a description of the
20 activities and services for which assistance
21 is sought;

22 “(ii) shall describe how the implemen-
23 tation grant funds will be used to imple-
24 ment all or part of a comprehensive state-
25 wide plan described in subsection (b),

1 which may be an existing (as of the date
2 of the application) State plan that meets
3 the requirements of subsection (b);

4 “‘(iii) may include a description of how
5 the State will provide subgrants to postsec-
6 ondary institutions or other nonprofit or-
7 ganizations in the State; and

8 “‘(iv) shall describe how the eligible
9 entity will sustain coordination among the
10 members of the planning council described
11 in paragraph (3).

12 “(b) COMPREHENSIVE STATEWIDE PLAN.—

13 “(1) IN GENERAL.—A State that receives a
14 grant under subsection (a) shall develop and pub-
15 licize a comprehensive statewide plan to increase
16 student access to postsecondary education, and stu-
17 dent persistence and completion, and to increase em-
18 ployment following that completion.

19 “(2) COMPREHENSIVE STATEWIDE PLAN.—A
20 comprehensive statewide plan described in paragraph
21 (1) shall contain each of the following:

22 “(A) FUNDING.—

23 “‘(i) FUNDING POLICIES.—A descrip-
24 tion of the State’s funding policies and the
25 role the policies play in maximizing the en-

1 rollment, persistence, and completion of
2 postsecondary students and their transition
3 to the labor market.

4 “(ii) FUNDING ESTIMATE.—An esti-
5 mate of funding needed to implement the
6 comprehensive statewide plan.

7 “(B) GOALS.—The State’s—

8 “(i) baseline data described in section
9 787 and benchmarks approved under sec-
10 tion 787; and

11 “(ii) annual and long-term quantifi-
12 able goals, which shall include the rates of
13 student enrollment in postsecondary edu-
14 cation, persistence, and completion,
15 disaggregated by income, race, ethnicity,
16 gender, disability, and age.

17 “(C) IMPROVEMENT.—The State’s plans,
18 aligned with its goals under subparagraph (B),
19 for—

20 “(i) improving the postsecondary edu-
21 cation infrastructure;

22 “(ii) aligning postsecondary education
23 with the State’s kindergarten through
24 grade 12 education system;

1 “(iii) aligning postsecondary education
2 with programs under the Workforce Invest-
3 ment Act of 1998;

4 “(iv) disseminating information to
5 students about postsecondary education;

6 “(v) providing student support serv-
7 ices, including nonacademic services such
8 as provision of child care services and
9 transportation subsidies;

10 “(vi) making attendance at an institu-
11 tion of higher education more affordable,
12 including by increasing need-based aid or
13 reducing the cost of that attendance;

14 “(vii) protecting student interests
15 through regulatory oversight of for-profit
16 postsecondary institutions operating within
17 the State;

18 “(viii) coordinating between or among
19 2-year and 4-year institutions of higher
20 education, including coordinating develop-
21 ment and implementation of transfer and
22 articulation agreements; and

23 “(ix) aligning activities under this
24 plan with any goals and plans that the

1 State council for preschool through post-
2 secondary policy has set, as appropriate.

3 “(D) DATA.—The State’s plans for col-
4 lecting and sharing postsecondary education
5 and workforce data on the States’ goals and ac-
6 tivities described in subparagraphs (B) and (C),
7 respectively. Such plans shall be coordinated
8 with the State’s plans under section 2133 of the
9 Investing in Students for a Stronger America
10 Act.

11 “(E) LEVERAGE.—The State’s plans to le-
12 verage and coordinate the use of existing (as of
13 the date of submission of the statewide plan)
14 relevant Federal, State, and local resources
15 within the State.

16 “(c) SUPPLEMENT, NOT SUPPLANT.—Federal fund-
17 ing provided under this section shall be used to supple-
18 ment, not supplant, State and private resources that
19 would otherwise be expended to establish and support the
20 programs authorized under this section.

21 “(d) MAINTENANCE OF EFFORT.—A State receiving
22 grants authorized under subsection (a)(2)(B) shall main-
23 tain State support for public institutions of higher edu-
24 cation at least at the level of such State support in fiscal
25 year 2009.

1 “(e) PRIORITY.—In awarding grants under this sec-
2 tion, the Secretary shall give priority to States that—

3 “(1) include representatives of institutions of
4 higher education from all sectors of higher edu-
5 cation, in their planning processes;

6 “(2) have designed their postsecondary funding
7 policies to encourage the student enrollment, persist-
8 ence, and completion; and

9 “(3) include in their implementation grant ap-
10 plications information indicating a focus on increas-
11 ing student access to postsecondary education, per-
12 sistence, and completion for traditionally underrep-
13 resented populations.

14 “(f) TECHNICAL ASSISTANCE.—The Secretary shall
15 provide, directly or by grant or contract, technical assist-
16 ance to States in applying for grants and carrying out
17 grant activities authorized under this section. The Sec-
18 retary may reserve, from amounts appropriated to carry
19 out this section, not more than \$1,000,000 to carry out
20 this subsection.

21 **“SEC. 785. COMPETITIVE GRANTS FOR SUCCESSFUL PRO-**
22 **GRAMS.**

23 “(a) IN GENERAL.—From amounts that are available
24 to carry out this section, the Secretary shall award grants
25 under this section in the same manner as the Secretary

1 awards grants under the programs described in subsection
2 (b). Notwithstanding the previous sentence, grants under
3 this section shall be awarded on a competitive basis.

4 “(b) PROGRAMS DESCRIBED.—The programs de-
5 scribed in this subsection are the following:

6 “(1) The program under section 402D.

7 “(2) The program under section 415E.

8 “(3) The program under chapter 2 of subpart
9 2 of part A of title IV.

10 “(c) ALLOCATION.—The Secretary shall ensure that
11 funds made available under this section are divided equally
12 among the programs described in paragraphs (1), (2), and
13 (3) of subsection (b).”.

14 **SEC. 2132. BENCHMARKS; INDICATORS; REPORTING; EVAL-**
15 **UATION.**

16 (a) IN GENERAL.—Part E of title VII (20 U.S.C.
17 1141 et seq.), as amended by section 2131 of this Act,
18 is further amended by adding at the end the following:

19 **“SEC. 787. BENCHMARKS; INDICATOR REPORTING.**

20 “(a) INDICATORS.—The Secretary shall define indica-
21 tors (including persistence and completion indicators) to
22 be used to measure success on the activities carried out
23 under a grant under this part.

24 “(b) BENCHMARKS.—Each entity applying for a
25 grant under this part shall—

1 “(1) collect and report baseline data concerning
2 student outcomes and other measures of student
3 success, to be used in determining benchmarks for
4 the entity and the activities supported under the
5 grant;

6 “(2) develop quantifiable benchmarks for the
7 entity and the activities supported under the grant
8 based on the indicators described in subsection (a)
9 (including persistence and completion indicators)
10 that are applicable to the entity and activities; and

11 “(3) submit the benchmarks to the Secretary
12 for approval; and

13 “(4) submit to the Secretary, for approval, a
14 timeline for achieving the benchmarks.

15 “(c) REPORTING.—Each entity receiving a grant
16 under this part shall—

17 “(1) annually measure and report to the Sec-
18 retary the progress of the entity in achieving the
19 benchmarks developed under subsection (b); and

20 “(2) collect and report such data relating to the
21 benchmarks (including the indicators) as the Sec-
22 retary may require.”.

23 (b) COLLEGE ACCESS CHALLENGE GRANT PRO-
24 GRAM.—Section 786, as redesignated by section
25 2131(a)(1) of this Act, is amended—

1 (1) in the first sentence of subsection (a), by
2 striking “\$66,000,000” and all that follows through
3 the period and inserting “\$150,000,000 for each of
4 fiscal years 2010 through 2014.”;

5 (2) in subsection (f)(1)—

6 (A) by redesignating subparagraphs (A)
7 through (G) as subparagraphs (C) through (I),
8 respectively; and

9 (B) by inserting before subparagraph (C),
10 as redesignated by clause (i), the following:

11 “(A) Partnering with institutions of higher
12 education, nonprofit organizations, or secondary
13 schools to support activities that promote finan-
14 cial literacy and debt management, in order to
15 enhance student knowledge of consumer, eco-
16 nomic, and personal-finance concepts.

17 “(B) Supporting student preparation for
18 college entrance or readiness examinations.”;

19 and

20 (3) in subsection (g)(1)—

21 (A) in subparagraph (A), by striking “sub-
22 subparagraphs (A) through (F) of subsection
23 (f)(1)” and inserting “subparagraphs (C)
24 through (H) of subsection (f)(1)”;

1 (B) in subparagraph (D), by striking “sub-
2 section (f)(1)(G)” and inserting “subsection
3 (f)(1)(I)”.

4 (c) EVALUATION.—**【To be supplied.】**

5 (d) CONFORMING AMENDMENT.—Section 137(d) (20
6 U.S.C. 1015f(d)) is amended by striking “section 781”
7 and inserting “section 786”.

8 **SEC. 2133. EXPANDING STATEWIDE LONGITUDINAL DATA**
9 **SYSTEMS.**

10 (a) DEFINITIONS.—In this section:

11 (1) SECRETARY.—The term “Secretary” means
12 the Secretary of Education.

13 (2) **【Any other definitions?】**

14 (b) GRANTS AUTHORIZED.—

15 (1) IN GENERAL.—From amounts appropriated
16 under subsection (h) and not reserved under para-
17 graph (2), the Secretary of Education, in consulta-
18 tion with the Secretary of Labor and the Secretary
19 of Health and Human Services, is authorized to
20 award grants, on a competitive basis, to States for
21 the design, development, enhancement, and imple-
22 mentation of statewide longitudinal postsecondary
23 education and workforce data systems to efficiently
24 and accurately manage, analyze, disaggregate, and
25 use individual student data for program and policy

1 evaluation and improvement. The Secretary may
2 award additional funds to States that include private
3 institutions of higher education in their data sys-
4 tems.

5 (2) RESERVATION.—The Secretary shall reserve
6 not more than 1 percent of the funds appropriated
7 under subsection (h) to award a grant to a consor-
8 tium of Tribal Colleges and Universities (as defined
9 in section 316(b) of the Higher Education Act of
10 1965 (20 U.S.C. 1059c(b)), or to a nonprofit organi-
11 zation comprised of such Tribal Colleges and Univer-
12 sities, to establish a cooperative agreement among
13 Tribal Colleges and Universities to continue imple-
14 mentation of, and to expand, a longitudinal data sys-
15 tem that collects, maintains, and analyzes student
16 data from Tribal Colleges and Universities, including
17 data on programs of study, and education and em-
18 ployment outcomes, for students.

19 (c) APPLICATIONS.—Each State desiring a grant
20 under this section shall submit an application to the Sec-
21 retary that includes the following:

22 (1) A description of the current capabilities of
23 the State's data system as such capabilities relate to
24 the elements of the statewide longitudinal P-16 edu-

1 cation data system described in section 6401 of the
2 America COMPETES Act (20 U.S.C. 9871).

3 (2) A description of how the statewide longitu-
4 dinal postsecondary education and workforce data
5 system developed with funds under this section
6 will—

7 (A) be coordinated and aligned with exist-
8 ing or proposed statewide longitudinal data sys-
9 tems; and

10 (B) be capable of being linked and inter-
11 operable with the statewide longitudinal P–16
12 education data system and the State workforce
13 data system.

14 (3) A description of previous Federal and non-
15 Federal funds the State has received for building
16 and expanding statewide longitudinal data systems,
17 including funds received—

18 (A) under section 208 of the Education
19 Technical Assistance Act of 2002 (20 U.S.C.
20 9607);

21 (B) for data systems described in section
22 14005(d)(3) of the American Reinvestment and
23 Recovery Act of 2009 (Public Law 111–5);

24 (C) under the Higher Education Act of
25 1965 (20 U.S.C. 1001 et seq.); and

1 (D) under **【section 6401 of the】** America
2 COMPETES Act (Public Law 110–69) **【Note:**
3 Is this correct, or do you wish for it to be a cite
4 to the whole Act?】

5 **【(4) A description of how activities funded**
6 under this section will align with **【education data**
7 **system activities?】** activities supported by funds
8 from other Federal programs, including activities
9 supported under—】

10 (A) section 208 of the Education Technical
11 Assistance Act of 2002 (20 U.S.C. 9607);

12 (B) **【title XIV】** of the American Reinvest-
13 ment and Recovery Act of 2009 (Public Law
14 111–5); and

15 (C) the Higher Education Act of 1965 (20
16 U.S.C. 1001 et seq.); and

17 (D) **【section 6401 of the】** America COM-
18 PETES Act (Public Law 110–69).

19 (5) A description of the statewide partnership
20 that will collaborate on the design, development, and
21 implementation of the statewide longitudinal postsec-
22 ondary education and workforce data system to en-
23 sure that such system is developed with common
24 data standards and definitions.

1 (6) A description of how the State will imple-
2 ment a governance structure for the statewide longi-
3 tudinal postsecondary education and workforce data
4 system that defines data collection, access, and use.

5 (7) A description of whether or how data from
6 private institutions of higher education will be in-
7 cluded in the statewide longitudinal postsecondary
8 education and workforce data system.

9 (8) A description of whether information about
10 children, from birth to kindergarten entry, who at-
11 tend early learning programs will be included in the
12 statewide longitudinal postsecondary education and
13 workforce data system, and the data standards and
14 definitions the system will include with respect to
15 such information.

16 (9) Other information as required by the Sec-
17 retary.

18 (d) ESTABLISH A STATEWIDE LONGITUDINAL POST-
19 SECONDARY EDUCATION AND WORKFORCE DATA SYS-
20 TEM.—

21 (1) MANDATORY USES OF FUNDS.—Each State
22 that receives a grant under this section shall estab-
23 lish a statewide longitudinal postsecondary education
24 and workforce data system that includes data from
25 all public institutions of higher education in the

1 State, including community, junior, and technical
2 colleges, and that contains the following:

3 (A) STUDENT-LEVEL POSTSECONDARY
4 EDUCATION DATA ELEMENTS.—The system
5 shall include the following:

6 (i) A unique statewide student identi-
7 fier that—

8 (I) does not permit a student to
9 be individually identified by users of
10 the system; and

11 (II) for in-State students, is con-
12 sistent with the student identifier
13 used throughout the student's enroll-
14 ment in prekindergarten through
15 grade 12 education in the State.

16 (ii) Student-level demographic infor-
17 mation, including race or ethnicity, gender,
18 age, disability, income, and part-time or
19 full-time status.

20 (iii) Student-level secondary school
21 education information about—

22 (I) the student's date and loca-
23 tion of secondary school graduation;
24 and

1 (II) college entrance or readiness
2 examination information, such as the
3 ACT, SAT, or Advanced Placement
4 (AP) or International Baccalaureate
5 (IB) examinations.

6 (iv) Student-level financial informa-
7 tion, including income and dependency sta-
8 tus for those that apply for Federal stu-
9 dent financial aid.

10 (v) Student-level postsecondary edu-
11 cation participation information about the
12 points at which students enroll, exit, trans-
13 fer in, transfer out, drop out, or complete
14 postsecondary education programs.

15 (vi) Student-level postsecondary edu-
16 cation progress, persistence, and perform-
17 ance information, including—

18 (I) remedial course placement
19 and completion, by subject;

20 (II) credit-bearing course comple-
21 tion;

22 (III) time for program comple-
23 tion;

24 (IV) performance on nationally-
25 validated assessments of postsec-

1 ondary learning or value-added meas-
2 ures of postsecondary learning, if
3 available; and

4 (V) receipt of awards, certifi-
5 cates, and degrees.

6 (vii) Other measures of teaching and
7 learning, if available.

8 (B) WORKFORCE DATA ELEMENTS.—The
9 system shall include the following data ele-
10 ments:

11 (i) Job placement.

12 (ii) Postgraduation earnings.

13 (iii) Individual employment training
14 information, such as—

15 (I) participation in an employ-
16 ment training program; and

17 (II) attainment of industry recog-
18 nized credentials.

19 (C) SYSTEM DESIGN ELEMENTS.—The sys-
20 tem shall include the following system design
21 elements with the ability to be disaggregated by
22 secondary school, postsecondary educational in-
23 stitution, race, ethnicity, gender, disability sta-
24 tus, migrant status, English proficiency, and
25 status as economically disadvantaged:

1 (i) Ability to match student-level pre-
2 kindergarten through grade 12 data and
3 postsecondary education data.

4 (ii) Ability to match student-level
5 postsecondary education data to data from
6 other State systems, including workforce
7 development, unemployment insurance,
8 child welfare, juvenile justice, military serv-
9 ices information, and migrant student
10 records systems.

11 (iii) A State data audit system assess-
12 ing data quality, validity, and reliability.

13 (iv) Standard data architecture that
14 defines how data are coded, stored, man-
15 aged, and used.

16 (v) A data warehouse that—

17 (I) stores, organizes, and links
18 student, school, and district informa-
19 tion over time with the ability to cus-
20 tomize queries; or

21 (II) demonstrates the capacity to
22 link longitudinal data systems in the
23 State from early childhood education
24 through kindergarten through grade

1 12 education, postsecondary edu-
2 cation, and workforce training.

3 (vi) Use of common data standards
4 and definitions to help facilitate linking of
5 information across statewide data systems.

6 (vii) Interoperability, utilizing estab-
7 lished open technical standards—

8 (I) among software interfaces
9 utilized to collect, analyze, report out,
10 and share the data of such system;
11 and

12 (II) with the other State data
13 systems developed and implemented
14 pursuant to this section.

15 (viii) Electronic portability of data
16 and records between prekindergarten
17 through grade 12 and postsecondary insti-
18 tutions within a State and across States.

19 (ix) Ability to communicate informa-
20 tion to local educators, policymakers, re-
21 searchers, and parents in a way that is
22 transparent and user-friendly.

23 (x) Compliant with section 444 of the
24 General Education Provisions Act (com-
25 monly referred to as the “Family Edu-

1 cational Rights and Privacy Act of 1974’’)
 2 (20 U.S.C. 1232g).

3 (2) ELIGIBLE USES OF FUNDS.—Each State
 4 that receives a grant under this section may—

5 (A) employ, coordinate, or revise any exist-
 6 ing statewide data systems to meet the require-
 7 ments of paragraph (1);

8 (B) provide subgrants to private institu-
 9 tions of higher education to facilitate the pri-
 10 vate institutions’ participation in such systems;
 11 and

12 (C) include early learning information on
 13 children from birth to kindergarten entry in the
 14 State’s statewide longitudinal postsecondary
 15 education and workforce data system.

16 (e) AWARDING OF GRANTS.—

17 (1) PEER REVIEW.—In awarding grants under
 18 this section, the Secretary shall use a peer review
 19 process that—

20 (A) ensures technical quality, validity, and
 21 reliability;

22 (B) promotes linkages across States; and

23 (C) protects student privacy consistent
 24 with section 444 of the General Education Pro-
 25 visions Act (commonly referred to as the “Fam-

1 ily Educational Rights and Privacy Act of
2 1974”) (20 U.S.C. 1232g).

3 (2) COMPETITIVE PRIORITY.—In awarding
4 grants under this section, the Secretary, and the
5 peer review process, shall give a competitive priority
6 to—

7 (A) States that submit an application pro-
8 posing to include longitudinal data on early
9 learning programs serving children from birth
10 to kindergarten entry;

11 (B) States that submit an application pro-
12 posing to coordinate or work together, such as
13 by—

14 (i) creating a multi-State or regional
15 data system; or

16 (ii) adapting one State’s data system
17 so that it may be used, in whole or in part,
18 by another State; or

19 (C) States that submit an application pro-
20 posing to include data in the data system from
21 private institutions of higher education in the
22 State.

23 (3) GRANT PERIOD.—The Secretary shall
24 award a grant under this section for a period of not
25 more than 3 years.

1 (f) SUPPLEMENT NOT SUPPLANT.—Funds made
2 available under this section shall be used to supplement,
3 and not supplant, other State or local funds used for de-
4 veloping State data systems.

5 (g) PRIVACY AND ACCESS TO DATA.—

6 (1) IN GENERAL.—Each State that receives a
7 grant under this section shall implement measures
8 to carry out the following:

9 (A) Ensure that the statewide longitudinal
10 postsecondary education and workforce data
11 system under this section and any other data
12 system the State is operating for the purposes
13 of this Act meet the requirements of section
14 444 of the General Education Provisions Act
15 (commonly referred to as the “Family Edu-
16 cational Rights and Privacy Act of 1974”) (20
17 U.S.C. 1232g).

18 (B) Notwithstanding section 444 of such
19 Act, authorize the use of information in any
20 such data system, including personally identifi-
21 able information derived from education
22 records, by State educational authorities, local
23 educational authorities, community colleges, in-
24 stitutions of higher education, and State or
25 local public agencies responsible for workforce

1 development, unemployment insurance, health
2 and welfare services, or child protective services,
3 to address the education, employment, and
4 health and social welfare needs of individuals
5 that the State serves and to evaluate or audit
6 such education and other programs if State law
7 provides for the protection of such personally
8 identifiable information in a manner that will
9 not permit the personal identification of stu-
10 dents and the students' parents by other than
11 representatives of such agencies with a legiti-
12 mate interest to carry out these purposes
13 **【Note: This is a little unclear. Can we clarify/
14 simplify?】.**

15 (C) Prohibit the disclosure of personally
16 identifiable information, except as permitted
17 under section 444 of the General Education
18 Provisions Act (commonly referred to as the
19 “Family Educational Rights and Privacy Act of
20 1974”) (20 U.S.C. 1232g) or under subpara-
21 graph (B).

22 (D) Keep an accurate accounting of the
23 date, nature, and purpose of each disclosure of
24 personally identifiable information in any such

1 data system, in accordance with section 444 of
2 such Act (20 U.S.C. 1232g).

3 (E) Notwithstanding section 444 of such
4 Act (20 U.S.C. 1232g), require any nongovern-
5 mental party obtaining personally identifiable
6 information [pursuant to the authority pro-
7 vided in subparagraph (B)?] to sign a data use
8 agreement prior to disclosure that—

9 (i) prohibits the party from further
10 disclosing the information;

11 (ii) prohibits the party from using the
12 information for any purpose other than the
13 purpose specified in the agreement; and

14 (iii) requires the party to destroy the
15 information when the purpose for which
16 the disclosure was made is accomplished.

17 (F) Maintain adequate security measures
18 to ensure the confidentiality and integrity of
19 any such data system, such as protecting a stu-
20 dent record from identification by a unique
21 identifier.

22 (G) Ensure adequate enforcement of the
23 requirements of this paragraph.

24 (2) USE OF UNIQUE IDENTIFIERS.—No Fed-
25 eral, State, or local governmental agency shall—

1 (A) use the unique identifiers employed in
2 the statewide longitudinal postsecondary edu-
3 cation and workforce data systems [supported
4 by a grant under this section?] for any purpose
5 other than as authorized by Federal or State
6 law; or

7 (B) deny any individual any right, benefit,
8 or privilege provided by law because of such in-
9 dividual's refusal to disclose the individual's
10 unique identifier.

11 (h) AUTHORIZATION AND APPROPRIATION.—There
12 are authorized to be appropriated, and there are appro-
13 priated, to carry out this section \$100,000,000 for each
14 of the fiscal years 2010 through 2014.

15 **Subchapter C—Student Access, Persistence,**
16 **and Completion Grants for Historically**
17 **Black Colleges and Universities and**
18 **Other Minority-Serving Institutions**

19 **SEC. 2151. STUDENT ACCESS, PERSISTENCE, AND COMPLE-**
20 **TION GRANTS.**

21 Part F of title III (20 U.S.C. 1067q) is amended by
22 adding at the end the following:

1 **“SEC. 372. STUDENT PERSISTENCE, ACCESS, AND COMPLE-**
2 **TION GRANTS.**

3 “(a) ELIGIBLE INSTITUTION.—An institution of
4 higher education is eligible to receive funds from the
5 amounts made available under this section if such institu-
6 tion is—

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

9 “(2) an institution receiving funding under an
10 annual authorization of appropriations under the
11 Act of March 2, 1867 (14 Stat. 438; 20 U.S.C.
12 123);

13 “(3) a Hispanic-serving institution (as defined
14 in section 502(a));

15 “(4) a Tribal College or University (as defined
16 in section 316(b));

17 “(5) an Alaska Native-serving institution or a
18 Native Hawaiian-serving institution (as defined in
19 section 317(b));

20 “(6) a Predominantly Black Institution (as de-
21 fined in section 371(c));

22 “(7) an Asian American and Native American
23 Pacific Islander-serving institution (as defined in
24 section 371(c)); or

25 “(8) a Native American-serving nontribal insti-
26 tution (as defined in section 371(c)).

1 “(b) AVAILABLE FUNDS.—

2 “(1) IN GENERAL.—

3 “(A) PROVISION OF FUNDS.—There shall
4 be available to the Secretary to carry out this
5 section, from funds in the Treasury not other-
6 wise appropriated, \$100,000,000 for each of the
7 fiscal years 2010 through 2014. The authority
8 to award grants under this section shall expire
9 at the end of fiscal year 2014.

10 “(B) AVAILABILITY.—Funds made avail-
11 able under subparagraph (A) for a fiscal year
12 shall remain available for the next succeeding
13 fiscal year.

14 “(2) ALLOCATION AND ALLOTMENT.—

15 “(A) IN GENERAL.—Of the amounts made
16 available under paragraph (1) for each fiscal
17 year—

18 “(i) \$30,625,000 shall be available to
19 institutions described in paragraph (1) and
20 (2) of subsection (a) as competitive grants
21 to increase persistence and completion
22 rates for their students;

23 “(ii) \$35,000,000 shall be available to
24 eligible institutions described in subsection
25 (a)(3) as competitive grants to increase

1 persistence and completion rates for their
2 students;

3 “(iii) \$10,000,000 shall be available
4 to eligible institutions described in sub-
5 section (a)(4) as competitive grants to in-
6 crease persistence and completion rates for
7 their students;

8 “(iv) \$10,000,000 shall be available to
9 eligible institutions described in subsection
10 (a)(5) as competitive grants to increase
11 persistence and completion rates for their
12 students;

13 “(v) \$4,375,000 shall be available to
14 eligible institutions described in subsection
15 (a)(6) as competitive grants to increase
16 persistence and completion rates for their
17 students;

18 “(vi) \$2,500,000 shall be available to
19 eligible institutions described in subsection
20 (a)(7) as competitive grants to increase
21 persistence and completion rates for their
22 students; and

23 “(vii) \$2,500,000 shall be available to
24 eligible institutions described in subsection
25 (a)(8) as competitive grants to increase

1 persistence and completion rates for their
2 students.

3 “(B) RESERVATION OF FUNDS FOR RE-
4 SEARCH AND EVALUATION.—Of the amounts
5 available under each of clauses (i) through (vii)
6 of subparagraph (A), 10 percent shall be re-
7 served for research and evaluation in accord-
8 ance with section 2801 of the Investing in Stu-
9 dents for a Stronger America Act.

10 “(c) GRANTS.—

11 “(1) IN GENERAL.—

12 “(A) AUTHORIZATION OF GRANT
13 AWARDS.—From amounts made available under
14 subsection (b) [and not reserved under sub-
15 section (b)(2),] the Secretary may award a
16 grant, on a competitive basis, to an eligible in-
17 stitution, or a partnership between or among el-
18 igible institutions, to increase persistence and
19 completion rates at the eligible institution re-
20 ceiving the grant funds.

21 “(B) PRIORITY.—In awarding grants
22 under this subsection, the Secretary shall give
23 a competitive priority to—

24 “(i) a partnership between an eligible
25 institution and an institution of higher

1 education with high degree-completion
2 rates for students who are otherwise simi-
3 lar to students served by the eligible insti-
4 tution who have low degree-completion
5 rates, in order to facilitate the sharing of
6 information relating to, and the implemen-
7 tation of, best practices for increasing per-
8 sistence and completion of postsecondary
9 education;

10 “(ii) an eligible institution or partner-
11 ship of eligible institutions proposing to en-
12 gage in a partnership with a national non-
13 profit or community-based organization
14 that has demonstrated success in improv-
15 ing postsecondary education persistence
16 and completion rates for traditionally
17 underrepresented populations; and

18 “(iii) an eligible institution or partner-
19 ship of eligible institutions proposing to
20 focus on serving the most vulnerable
21 among traditionally underrepresented pop-
22 ulations, including improving postsec-
23 ondary education access, persistence, and
24 completion for, and the employability of,
25 African American males and students pur-

1 suing degrees in science, technology, engi-
2 neering, and mathematics-related fields.

3 “(2) DURATION.—A grant under this sub-
4 section shall be awarded for a period of not more
5 than 5 years.

6 “(3) APPLICATIONS.—An eligible institution or
7 partnership that desires to receive a grant under
8 this subsection shall submit an application to the
9 Secretary at such time, in such manner, and accom-
10 panied by such information as the Secretary may re-
11 quire. Each such application shall include a descrip-
12 tion of the activities and services for which assist-
13 ance is sought, including—

14 “(A) a description of how the grant funds
15 will be used to increase the number of students
16 obtaining degrees, which may include activities
17 designed to accelerate the rate at which stu-
18 dents obtain such degrees;

19 “(B) a description of the review conducted,
20 including the data analyzed to support the ac-
21 tivities and services proposed to increase post-
22 secondary education access, persistence, and
23 completion;

24 “(C) a description of how the proposed
25 program or set of activities will be sustained

1 after grant funds under this section are no
2 longer available; and

3 “(D) a description of how the grantee will
4 demonstrate the success of the grant activities
5 (consistent with the benchmarks, including pro-
6 gression and completion indicators, agreed to
7 with the Secretary under subsection (g)).

8 “(d) PLANNING GRANTS.—The Secretary may award
9 a grant under this section to an eligible institution or a
10 partnership of eligible institutions for a period of 1 year
11 for the purpose of planning for and applying for a grant
12 under subsection (e).

13 “(e) TECHNICAL ASSISTANCE.—The Secretary shall
14 reserve not more than \$5,000,000 to directly, or by grant
15 or contract, provide technical assistance to eligible institu-
16 tions or partnerships to prepare the eligible institutions
17 or partnerships to qualify for, apply for, and maintain a
18 grant under this section, including technical assistance in
19 collecting indicator data and reporting progress on bench-
20 marks, in accordance with subsection (g).

21 “(f) USE OF FUNDS.—An eligible institution or part-
22 nership of eligible institutions receiving a grant under sub-
23 section (e) shall use funds to increase the number of stu-
24 dents obtaining degrees through—

1 “(1) innovative reforms based on evidence-based
2 practices designed to increase persistence in and
3 completion of postsecondary education among tradi-
4 tionally underrepresented populations;

5 “(2) innovative partnerships with other institu-
6 tions of higher education or national nonprofit or
7 community-based organizations that have dem-
8 onstrated success in improving postsecondary edu-
9 cation persistence and completion rates for tradition-
10 ally underrepresented populations, which may in-
11 clude community colleges, foundations, and higher
12 education membership organizations serving tradi-
13 tionally underrepresented populations attending eli-
14 gible institutions;

15 “(3) establishing innovative programs de-
16 signed—

17 “(A) to provide support services, including
18 academic support, to students; and

19 “(B) to increase degree attainment and
20 employability among students;

21 “(4) remedial education reform;

22 “(5) dual enrollment, early college, and bridge
23 programs; and

24 “(6) faculty incentives to increase persistence in
25 and completion of postsecondary education.

1 “(g) BENCHMARKS; INDICATORS; EVALUATION.—

2 “(1) INDICATORS.—The Secretary shall define
3 indicators to be used to measure success on the ac-
4 tivities carried out under a grant under subsection
5 (c). Such indicators shall include the following:

6 “(A) COMPLETION INDICATORS.—Comple-
7 tion indicators, such as the annual numbers
8 of—

9 “(i) degrees awarded;

10 “(ii) certificates awarded; and

11 “(iii) industry recognized credentials
12 earned.

13 “(B) PROGRESSION INDICATORS.—Pro-
14 gression indicators, such as annual data on the
15 number of students who—

16 “(i) complete first year coursework
17 and return for a second year;

18 “(ii) progress from remedial work to
19 credit-bearing college coursework; and

20 “(iii) re-enroll or persist in [a pro-
21 gram of education] from year to year.

22 “(C) OTHER INDICATORS.—Such other in-
23 dicators, as defined by the Secretary.

24 “(2) BENCHMARKS.—Each eligible institution
25 or partnership receiving a grant under subsection (c)

1 shall carry out the process described in section
 2 787(b) of the Higher Education Act of 1965, [except
 3 that such process shall be based on the indicators
 4 described in paragraph (1) [that are applicable to
 5 the entity?].]

6 “(3) EVALUATION.—[To be supplied.]”.

7 **CHAPTER 2—STUDENT FINANCIAL AID**

8 **FORM SIMPLIFICATION**

9 **SEC. 2171. GENERAL EFFECTIVE DATE.**

10 Except as otherwise provided in this chapter, amend-
 11 ments made by this chapter shall take effect with respect
 12 to determinations of need for assistance under title IV of
 13 the Higher Education Act of 1965 (20 U.S.C. 1070 et
 14 seq.) for award years beginning on or after July 1, 2011.

15 **SEC. 2172. TREATMENT OF ASSETS IN NEED ANALYSIS.**

16 (a) AMOUNT OF NEED.—Section 471 (20 U.S.C.
 17 1087kk) is amended—

18 (1) by striking “Except” and inserting the fol-
 19 lowing:

20 “(a) IN GENERAL.—Except”;

21 (2) by inserting “and subject to subsection (b)”
 22 after “therein”; and

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

24 “(b) ASSET CAP FOR NEED-BASED AID.—Notwith-
 25 standing any other provision of this title, a student shall

1 not be eligible to receive a Federal Pell Grant, a Federal
2 Direct Stafford Loan, or work assistance under this title
3 if—

4 “(1) in the case of a dependent student, the
5 combined net assets of the student and the student’s
6 parents are equal to an amount greater than
7 \$250,000 (or a successor amount prescribed by the
8 Secretary under section 478(c)); or

9 “(2) in the case of an independent student, the
10 net assets of the student (and the student’s spouse,
11 if applicable) are equal to an amount greater than
12 \$250,000 (or a successor amount prescribed by the
13 Secretary under section 478(c)).”.

14 (b) DATA ELEMENTS.—Section 474(b) (20 U.S.C.
15 1087m(b)) is amended—

16 (1) by striking paragraph (4); and

17 (2) by redesignating paragraphs (5), (6), and
18 (7) as paragraphs (4), (5), and (6), respectively.

19 (c) DEPENDENT STUDENTS.—Section 475 (20
20 U.S.C. 1087oo) is amended—

21 (1) in subsection (a)—

22 (A) in paragraph (1)—

23 (i) by striking “adjusted”; and

24 (ii) by inserting “and” after the semi-
25 colon;

1 (B) in paragraph (2), by striking “; and”
2 and inserting a period; and

3 (C) by striking paragraph (3);
4 (2) in subsection (b)—

5 (A) in the header, by striking “AD-
6 JUSTED”;

7 (B) in the matter preceding paragraph (1),
8 by striking “adjusted”;

9 (C) by striking paragraph (1);

10 (D) by redesignating paragraphs (2) and
11 (3) as paragraphs (1) and (2), respectively;

12 (E) in paragraph (1) (as redesignated by
13 subparagraph (D) of this paragraph), by strik-
14 ing “such adjusted available income” and in-
15 serting “the parents’ available income (deter-
16 mined in accordance with subsection (c))”; and

17 (F) in paragraph (2) (as redesignated by
18 subparagraph (D) of this paragraph), by strik-
19 ing “paragraph (2)” and inserting “paragraph
20 (1)”;

21 (3) by repealing subsection (d);

22 (4) in subsection (e)—

23 (A) by striking “The adjusted available”
24 and all that follows through “to as ‘AAI’” and
25 inserting “The available income (as determined

1 under subsection (c) and referred to in this sub-
2 section as ‘AI’);

3 (B) by striking “From Adjusted Available
4 Income (AAI)” and inserting “From Available
5 Income (AI)”; and

6 (C) in the table—

7 (i) by striking “If AAI” and inserting
8 “If AI”; and

9 (ii) by striking “of AAI” each place it
10 appears and inserting “of AI”;

11 (5) in subsection (f)(3), by striking “adjusted”;

12 (6) in subsection (g)(6), by striking “exceeds
13 the sum of” and all that follows through the period
14 at the end and inserting “exceeds the parents’ total
15 income (as defined in section 480)”;

16 (7) by repealing subsection (h); and

17 (8) in subsection (i)—

18 (A) by striking “adjusted” each place the
19 term appears except in paragraph (2)(B); and

20 (B) in paragraph (2)—

21 (i) in subparagraph (A), by striking
22 “in accordance with subsection (b)(1)” and
23 inserting “in accordance with subsection
24 (c)”; and

25 (ii) in subparagraph (B)—

1 (I) by striking “adjusted avail-
2 able” and inserting “available”; and

3 (II) by striking “subsection
4 (b)(3)” and inserting “subsection
5 (b)(2)”.

6 (d) FAMILY CONTRIBUTION FOR INDEPENDENT STU-
7 DENTS WITHOUT DEPENDENTS OTHER THAN A
8 SPOUSE.—Section 476 (20 U.S.C. 1087pp) is amended—

9 (1) in subsection (a)—

10 (A) by striking paragraph (1);

11 (B) by redesignating paragraphs (2) and
12 (3) as paragraphs (1) and (2), respectively;

13 (C) in paragraph (1) (as redesignated by
14 subparagraph (B)), by striking “the sum result-
15 ing under paragraph (1)” and inserting “the
16 family’s contribution from available income (de-
17 termined in accordance with subsection (b))”;
18 and

19 (D) in paragraph (2)(A) (as redesignated
20 by subparagraph (B)), by striking “paragraph
21 (2)” and inserting “paragraph (1)”; and

22 (2) by repealing subsection (c).

23 (e) FAMILY CONTRIBUTION FOR INDEPENDENT STU-
24 DENTS WITH DEPENDENTS OTHER THAN A SPOUSE.—
25 Section 477 (20 U.S.C. 1087qq) is amended—

1 (1) in subsection (a)—

2 (A) by striking paragraph (1);

3 (B) by redesignating paragraphs (2), (3),
4 and (4) as paragraphs (1), (2), and (3), respec-
5 tively;

6 (C) in paragraph (1) (as redesignated by
7 subparagraph (B)), by striking “such adjusted
8 available income” and inserting “the family’s
9 available income (determined in accordance with
10 subsection (b))”;

11 (D) in paragraph (2) (as redesignated by
12 subparagraph (B)), by striking “paragraph (2)”
13 and inserting “paragraph (1)”; and

14 (E) in paragraph (3)(A) (as redesignated
15 by subparagraph (B)), by striking “paragraph
16 (3)” and inserting “paragraph (2)”;

17 (2) by repealing subsection (c); and

18 (3) in subsection (d)—

19 (A) by striking “The adjusted available”
20 and all that follows through “to as ‘AAI’” and
21 inserting “The available income (as determined
22 under subsection (b) and referred to in this
23 subsection as ‘AI’)”;

1 (B) by striking “From Adjusted Available
2 Income (AAI)” and inserting “From Available
3 Income (AI)”; and

4 (C) in the table—

5 (i) by striking “If AAI” and inserting
6 “If AI”; and

7 (ii) by striking “of AAI” each place it
8 appears and inserting “of AI”.

9 (f) REGULATIONS; UPDATED TABLES.—Section 478
10 (20 U.S.C. 1087rr) is amended—

11 (1) in subsection (a), by inserting “or amounts,
12 as the case may be,” after “tables” each place the
13 term appears;

14 (2) by amending subsection (c) to read as fol-
15 lows:

16 “(c) ASSET CAP FOR NEED-BASED AID.—For each
17 award year after award year 2011–2012, the Secretary
18 shall publish in the Federal Register a revised net asset
19 cap for the purposes of section 471(b). Such revised cap
20 shall be determined by—

21 “(1) increasing the dollar amount in such sec-
22 tion by a percentage equal to the estimated percent-
23 age change in the Consumer Price Index (as deter-
24 mined by the Secretary) between December 2010

1 and the December preceding the beginning of such
2 award year; and

3 “(2) rounding the result under paragraph (1) to
4 the nearest \$5.”;

5 (3) by repealing subsection (d); and

6 (4) in subsection (e), by striking “adjusted”
7 both places it appears.

8 **SEC. 2173. SOCIAL SECURITY TAX AND EMPLOYMENT AL-**
9 **LOWANCES.**

10 (a) PARENTS OF DEPENDENT STUDENTS.—Section
11 475(c) (20 U.S. C. 108700(c)) is amended—

12 (1) in paragraph (1)—

13 (A) in subparagraph (D), by inserting
14 “and” after the semicolon;

15 (B) by striking subparagraph (E); and

16 (C) by redesignating subparagraph (F) as
17 subparagraph (E);

18 (2) by amending paragraph (3) to read as fol-
19 lows:

20 “(3) ALLOWANCE FOR SOCIAL SECURITY
21 TAXES.—(A) Except as provided in subparagraph
22 (B), the allowance for social security taxes is equal
23 to the adjusted gross income of the parents multi-
24 plied by the social security withholding rate appro-
25 priate to the tax year of the adjusted gross income,

1 up to the maximum statutory social security tax
2 withholding amount for that same tax year.

3 “(B) In the case of parents who did not file a
4 Federal tax return for a year, the parents’ combined
5 amount of income earned from work shall be sub-
6 stituted for adjusted gross income in the calculation
7 under subparagraph (A).”; and

8 (3) by striking paragraph (5).

9 (b) DEPENDENT STUDENTS.—Section 475(g)(4) (20
10 U.S.C. 1087oo(g)(4) is amended to read as follows:

11 “(4) ALLOWANCE FOR SOCIAL SECURITY
12 TAXES.—(A) Except as provided in subparagraph
13 (B), the allowance for social security taxes is equal
14 to the adjusted gross income of the student multi-
15 plied by the social security withholding rate appro-
16 priate to the tax year of the adjusted gross income,
17 up to the maximum statutory social security tax
18 withholding amount for that same tax year.

19 “(B) In the case of a student who did not file
20 a Federal tax return for a year, the student’s
21 amount of income earned from work shall be sub-
22 stituted for adjusted gross income in the calculation
23 under subparagraph (A).”.

1 (c) INDEPENDENT STUDENTS WITHOUT DEPEND-
2 ENTS.—Section 476(b) (20 U.S.C. 1087pp(b)) is amend-
3 ed—

4 (1) in paragraph (1)—

5 (A) in subparagraph (A)—

6 (i) in clause (iv)(II)(dd), by inserting
7 “and” after the semicolon;

8 (ii) by striking clause (v); and

9 (iii) by redesignating clause (vi) as
10 clause (v); and

11 (B) in subparagraph (B), by striking
12 “paragraph (5).” and inserting “paragraph
13 (4).”;

14 (2) by amending paragraph (3) to read as fol-
15 lows:

16 “(3) ALLOWANCE FOR SOCIAL SECURITY
17 TAXES.—(A) Except as provided in subparagraph
18 (B), the allowance for social security taxes is equal
19 to the adjusted gross income of the student (and
20 spouse, if appropriate) multiplied by the social secu-
21 rity withholding rate appropriate to the tax year of
22 the adjusted gross income, up to the maximum stat-
23 utory social security tax withholding amount for that
24 same tax year.

1 “(B) In the case of a student (and spouse, if
2 appropriate) who did not file a Federal tax return
3 for a year, the student’s (and spouse’s, if appro-
4 priate) amount of income earned from work shall be
5 substituted for adjusted gross income in the calcula-
6 tion under subparagraph (A).”;

7 (3) by striking paragraph (4); and

8 (4) by redesignating paragraph (5) as para-
9 graph (4).

10 (d) INDEPENDENT STUDENTS WITH DEPEND-
11 ENTS.—Section 477(b) (20 U.S.C. 1087qq(b)) is amend-
12 ed—

13 (1) in paragraph (1)—

14 (A) in subparagraph (D), by inserting
15 “and” after the semicolon;

16 (B) by striking subparagraph (E); and

17 (C) by redesignating subparagraph (F) as
18 subparagraph (E);

19 (2) by amending paragraph (3) to read as fol-
20 lows:

21 “(3) ALLOWANCE FOR SOCIAL SECURITY
22 TAXES.—(A) Except as provided in subparagraph
23 (B), the allowance for social security taxes is equal
24 to the adjusted gross income of the student (and
25 spouse, if appropriate) multiplied by the social secu-

1 rity withholding rate appropriate to the tax year of
2 the adjusted gross income, up to the maximum stat-
3 utory social security tax withholding amount for that
4 same tax year.

5 “(B) In the case of a student (and spouse, if
6 appropriate) who did not file a Federal tax return
7 for a year, the student’s (and spouse’s, if appro-
8 priate) estimated amount of income earned from
9 work shall be substituted for adjusted gross income
10 in the calculation under subparagraph (A).”; and

11 (3) by striking paragraph (5).

12 (e) CONFORMING AMENDMENT.—Section 478 (20
13 U.S.C. 1087rr) is amended by striking subsection (h).

14 **SEC. 2174. FINANCIAL ADMINISTRATOR DISCRETION.**

15 Section 479A (20 U.S.C. 1087tt) is amended—

16 (1) in the fourth sentence of subsection (a), by
17 striking “students.” and inserting “students, except
18 for the conditions described in subsection (b)(1).”;

19 and

20 (2) in subsection (b)—

21 (A) in the subsection heading, by striking
22 “TO ASSETS”;

23 (B) by amending paragraph (1) to read as
24 follows:

1 “(1) the administrator makes adjustments ex-
2 cluding from available income—

3 “(A) any proceeds of a sale of a farm or
4 business assets of a family if such sale results
5 from a voluntary or involuntary foreclosure, for-
6 feiture, or bankruptcy or an involuntary liquida-
7 tion;

8 “(B) any child support payments made by
9 the parent or student;

10 “(C)(i) any taxable student financial as-
11 sistance awarded to the parent, student, or the
12 student’s spouse (if applicable) based on need,
13 as determined in accordance with the provisions
14 of this part, including any income earned from
15 work under part C;

16 “(ii) any income earned by the parent, stu-
17 dent, or student’s spouse (if applicable) from
18 work under a cooperative education program of-
19 fered by an institution of higher education; and

20 “(iii) any other student grant, award, or
21 scholarship that is includible in gross income
22 under the Internal Revenue Code of 1986;

23 “(D) any living allowance received by a
24 participant in a program established under the

1 National and Community Service Act of 1990
2 (42 U.S.C. 12501 et seq.);

3 “(E) any special combat pay received by
4 the parent, student, or student’s spouse (if ap-
5 plicable);or

6 “(F) any payments made and services pro-
7 vided to the parent, student, or student’s
8 spouse (if applicable), under part E of title IV
9 of the Social Security Act (42 U.S.C. 601 et
10 seq.); or.”.

11 **SEC. 2175. CHANGES TO TOTAL INCOME; AID ELIGIBILITY.**

12 (a) DEFINITION OF TOTAL INCOME.—Section
13 480(a)(1) is amended by striking “minus excludable in-
14 come (as defined in subsection (e))”.

15 (b) DEFINITION OF UNTAXED INCOME AND BENE-
16 FITS.—Section 480(b)(1) (20 U.S.C. 1087vv(b)(1)), as
17 amended by section 473(b) of the Higher Education Op-
18 portunity Act (Public Law 110–315), is amended—

19 (1) by striking subparagraphs (A), (B), (C),
20 (E), (F), and (I);

21 (2) by redesignating subparagraphs (D), (G),
22 and (H) as subparagraphs (A), (B), and (C), respec-
23 tively;

1 (3) in subparagraph (B) (as redesignated by
2 paragraph (2)), by inserting “and” after the semi-
3 colon; and

4 (4) in subparagraph (C) (as redesignated by
5 paragraph (2)), by striking “; and” and inserting a
6 period.

7 (c) REPEAL OF DEFINITION OF EXCLUDABLE IN-
8 COME.—Subsection (e) of section 480 (20 U.S.C.
9 1087vv(e)), as amended by section 473(d) of the Higher
10 Education Opportunity Act (Public Law 110–315), is re-
11 pealed.

12 (d) DEFINITION OF ASSETS.—Section 480(f)(2) (20
13 U.S.C. 1087vv(f)(2)) is amended—

14 (1) in subparagraph (B), by striking “or” after
15 the semicolon;

16 (2) in subparagraph (C), by striking the period
17 at the end and inserting “; or”; and

18 (3) by adding at the end the following:

19 “(D) an employee pension benefit plan (as de-
20 fined in section 3(2) of the Employee Retirement In-
21 come Security Act of 1974 (29 U.S.C. 1002(2))).”.

22 (e) CONFORMING AMENDMENTS.—Section 480 (as
23 amended by this section) (20 U.S.C. 1087vv) is further
24 amended—

1 (1) in subsection (j), by striking “471(3)” each
2 place the term appears and inserting “471(a)(3)”;
3 and

4 (2) in subsection (l)(1)(C), by striking “ad-
5 justed”.

6 **Subtitle B—Student Loan Reform**

7 **CHAPTER 1—STAFFORD LOAN REFORM**

8 **SEC. 2211. FEDERAL FAMILY EDUCATION LOAN APPRO-** 9 **PRIATIONS.**

10 Section 421 (20 U.S.C. 1071) is amended—

11 (1) in subsection (b), in the first sentence of
12 the matter following paragraph (6), by inserting “,
13 except that no sums may be expended after June 30,
14 2010, with respect to loans under this part for which
15 the first disbursement would be made after such
16 date” after “expended”; and

17 (2) by adding at the end the following new sub-
18 section:

19 “(d) **TERMINATION OF AUTHORITY TO MAKE OR IN-**
20 **SURE NEW LOANS.**—Notwithstanding paragraphs (1)
21 through (6) of subsection (b) or any other provision of
22 law—

23 “(1) no new loans (including consolidation
24 loans) may be made or insured under this part after
25 June 30, 2010; and

1 the Secretary of the election de-
2 scribed in this subclause, and
3 each subsequent calendar quar-
4 ter; or

5 “(bb) the LIBOR-based cal-
6 culation pursuant to subclause
7 (III) for the first calendar quar-
8 ter beginning after the holder no-
9 tifies the Secretary of the election
10 described in this subclause, and
11 each subsequent calendar quar-
12 ter, for loans made on or after
13 January 1, 2000.

14 “(II) WAIVER.—Each holder
15 making the election described in sub-
16 clause (I)(bb) shall affirmatively and
17 permanently waive all contractual,
18 statutory, or other legal rights to a
19 special allowance payment that is cal-
20 culated using the formula in effect at
21 the time the loans were first disbursed
22 and shall accept the LIBOR-based
23 calculation.

24 “(III) LENDER IDENTIFICATION
25 NUMBER.—The LIBOR-based calcula-

1 tions shall be applicable to all pay-
2 ments made on loans that are held
3 under any lender identification num-
4 ber associated with the holder pursu-
5 ant to section 487B.

6 “(IV) CALCULATION BASED ON
7 LIBOR.—For payments on loans to
8 which the LIBOR-based calculation
9 referred to in subclause (I)(bb) is ap-
10 plied, the special allowance paid shall
11 be calculated by—

12 “(aa) determining the 1-
13 month London Inter Bank Of-
14 fered Rate (LIBOR) for United
15 States dollars in effect for each
16 of the days in such quarter as
17 compiled and released by the
18 British Bankers Association;

19 “(bb) subtracting the appli-
20 cable interest rates on such loans
21 from such 1-month London Inter
22 Bank Offered Rate (LIBOR);

23 “(cc) adding 1.94 percent to
24 the resultant percent for non-
25 profit lenders and 1.79 percent to

1 the resultant percent for-profit
2 lenders, except as provided in
3 subclause (V); and

4 “(dd) dividing the resultant
5 percent by 4.

6 “(V) CONSOLIDATION LOANS.—

7 “(aa) NONPROFIT LEND-
8 ERS.—In the case of a consolida-
9 tion loan held by a nonprofit
10 lender, subclause (IV)(dd) shall
11 be applied by substituting ‘2.24
12 percent’ for ‘1.94 percent’.

13 “(bb) FOR-PROFIT LEND-
14 ERS.—In the case of a consolida-
15 tion loan held by a for-profit
16 lender, subclause (IV)(dd) shall
17 be applied by substituting ‘2.09
18 percent’ for ‘1.79 percent’.

19 “(VI) PARTICIPANT’S YIELD.—

20 For the first calendar quarter begin-
21 ning after the date of enactment of
22 the Investing in Students for a
23 Stronger America Act, and each sub-
24 sequent calendar quarter, the Sec-
25 retary’s participant yield in any loan

1 for which the first disbursement is
2 made on or after January 1, 2000,
3 and before that first calendar quarter,
4 and that is held by a lender that has
5 sold any participation interest in such
6 loan to the Secretary, shall be deter-
7 mined by using the LIBOR-based cal-
8 culation described in subclause (IV)
9 as the substitute rate (for the com-
10 mercial paper rate) referred to in the
11 participation agreement between the
12 Secretary and such lender.”.

13 (b) CONFORMING AMENDMENTS.—The Act (20
14 U.S.C. 1001 et seq.) is amended—

15 (1) in section 438(b)(2)(I) (20 U.S.C. 1087–
16 1(b)(2)(I))—

17 (A) in clause (i)(II), by striking “such av-
18 erage bond equivalent rate” and inserting “the
19 rate determined under clause (vii)(I)”; and

20 (B) in clause (v)(III), by striking “(iv),
21 and (vi)” and inserting “(iv), (vi), and (vii)”;
22 and

23 (2) in section 499(b)(3)(E) (20 U.S.C.
24 1099d(b)(3)(E)), by striking “(iv), and (vi)” and in-
25 serting “(iv), (vi), and (vii)”.

1 **SEC. 2213. SCOPE AND DURATION OF FEDERAL LOAN IN-**
2 **SURANCE PROGRAM.**

3 Section 424(a) (20 U.S.C. 1074(a)) is amended by
4 striking “September 30, 1976,” and all that follows and
5 inserting “September 30, 1976, for each of the succeeding
6 fiscal years ending prior to October 1, 2009, and for the
7 period from October 1, 2009, to June 30, 2010, for loans
8 first disbursed on or before June 30, 2010.”.

9 **SEC. 2214. APPLICABLE INTEREST RATES.**

10 Section 427A(l) (20 U.S.C. 1077a(l)) is amended—

11 (1) in paragraph (1), by inserting “and before
12 July 1, 2010,” after “July 1, 2006,”;

13 (2) in paragraph (2), by inserting “and before
14 July 1, 2010,” after “July 1, 2006,”;

15 (3) in paragraph (3), by inserting “and that
16 was disbursed before July 1, 2010,” after “July 1,
17 2006,”; and

18 (4) in paragraph (4)—

19 (A) in the matter preceding subparagraph
20 (A), by striking “July 1, 2012” and inserting
21 “July 1, 2010”; and

22 (B) by repealing subparagraphs (D) and
23 (E).

1 **SEC. 2215. FEDERAL PAYMENTS TO REDUCE STUDENT IN-**
2 **TEREST COSTS.**

3 (a) HIGHER EDUCATION ACT OF 1965.—Section 428
4 (20 U.S.C. 1078) is amended—

5 (1) in subsection (a)—

6 (A) in paragraph (1), in the matter pre-
7 ceding subparagraph (A), by inserting “for
8 which the first disbursement is made before
9 July 1, 2010, and” after “eligible institution”;
10 and

11 (B) in paragraph (5), by striking “Sep-
12 tember 30, 2014,” and all that follows through
13 the period and inserting “June 30, 2010.”;

14 (2) in subsection (b)(1)—

15 (A) in subparagraph (G)(ii), by inserting
16 “and before July 1, 2010,” after “July 1,
17 2006,”; and

18 (B) in subparagraph (H)(ii), by inserting
19 “and that are first disbursed before July 1,
20 2010,” after “July 1, 2006,”;

21 (3) in subsection (f)(1)(A)(ii)—

22 (A) by striking “during fiscal years begin-
23 ning”; and

24 (B) by inserting “and first disbursed be-
25 fore July 1, 2010,” after “October 1, 2003,”;
26 and

1 (4) in subsection (j)(1), by inserting “, before
2 July 1, 2010,” after “section 435(d)(1)(D) of this
3 Act shall”.

4 (b) COLLEGE COST REDUCTION AND ACCESS ACT.—
5 Section 303 of the College Cost Reduction and Access Act
6 (Public Law 110–84) is repealed.

7 **SEC. 2216. FEDERAL PLUS LOANS.**

8 Section 428B(a)(1) (20 U.S.C. 1078–2(a)(1)) is
9 amended by striking “A graduate” and inserting “Prior
10 to July 1, 2010, a graduate”.

11 **SEC. 2217. FEDERAL CONSOLIDATION LOAN.**

12 (a) AMENDMENTS.—Section 428C (20 U.S.C. 1078–
13 3) is amended—

14 (1) in subsection (a)—

15 (A) by amending paragraph (3)(B)(i)(V) to
16 read as follows:

17 “(V) an individual who has a consoli-
18 dation loan under this section and does not
19 have a consolidation loan under section
20 455(g) may obtain a subsequent consolida-
21 tion loan under section 455(g).”; and

22 (B) in paragraph (4)(A), by inserting “,
23 and first disbursed before July 1, 2010” after
24 “under this part”;

25 (2) in subsection (b)—

1 (A) in paragraph (1)(E), by inserting be-
2 fore the semicolon “, and before July 1, 2010”;
3 and

4 (B) in paragraph (5), by striking “In the
5 event that” and inserting “If, before July 1,
6 2010,”;

7 (3) in subsection (c)(1)—

8 (A) in subparagraph (A)(ii), by inserting
9 “and that is disbursed before July 1, 2010,”
10 after “2006,”; and

11 (B) in subparagraph (C), by inserting
12 “and first disbursed before July 1, 2010,” after
13 “1994,”; and

14 (4) in subsection (e), by striking “September
15 30, 2014.” and inserting “June 30, 2010. No loan
16 may be made under this section for which the first
17 disbursement would be on or after July 1, 2010.”.

18 (b) EFFECTIVE DATE.—The amendments made by
19 subsection (a)(1)(A) shall be effective at the close of June
20 30, 2010.

21 **SEC. 2218. UNSUBSIDIZED STAFFORD LOANS FOR MIDDLE-**
22 **INCOME BORROWERS.**

23 Section 428H (20 U.S.C. 1078–8) is amended—

1 (1) in subsection (a), by inserting “that are
2 first disbursed before July 1, 2010,” after “under
3 this part”;

4 (2) in subsection (b)—

5 (A) by striking “Any student” and insert-
6 ing “Prior to July 1, 2010, any student”; and

7 (B) by inserting “for which the first dis-
8 bursement is made before such date” after “un-
9 subsidized Federal Stafford Loan”; and

10 (3) in subsection (h), by inserting “and that are
11 first disbursed before July 1, 2010,” after “July 1,
12 2006,”.

13 **SEC. 2219. LOAN REPAYMENT FOR CIVIL LEGAL ASSIST-**
14 **ANCE ATTORNEYS.**

15 Section 428L(b)(2)(A) (20 U.S.C. 1078–
16 12(b)(2)(A)) is amended—

17 (1) by amending clause (i) to read as follows:

18 “(i) subject to clause (ii)—

19 “(I) a loan made, insured, or
20 guaranteed under this part, and that
21 is first disbursed before July 1, 2010;

22 or

23 “(II) a loan made under part D
24 or part E; and”; and

25 (2) in clause (ii)—

1 (A) by striking “428C or 455(g)” and in-
2 serting “428C, that is disbursed before July 1,
3 2010, or section 455(g)”; and

4 (B) in subclause (II), by inserting “for
5 which the first disbursement is made before
6 July 1, 2010,” after “or 428H”.

7 **SEC. 2220. SPECIAL ALLOWANCES.**

8 Section 438 (20 U.S.C. 1087–1) is amended—

9 (1) in subsection (b)(2)(I)—

10 (A) in the header, by inserting “, AND BE-
11 FORE JULY 1, 2010” after “2000”;

12 (B) in clause (i), by inserting “and before
13 July 1, 2010,” after “2000,”;

14 (C) in clause (ii)(II), by inserting “and be-
15 fore July 1, 2010,” after “2006,”;

16 (D) in clause (iii), by inserting “and before
17 July 1, 2010,” after “2000,”;

18 (E) in clause (iv), by inserting “and that
19 is disbursed before July 1, 2010,” after
20 “2000,”;

21 (F) in clause (v)(I), by inserting “and be-
22 fore July 1, 2010,” after “2006,”; and

23 (G) in clause (vi)—

24 (i) in the header, by inserting “, AND
25 BEFORE JULY 1, 2010” after “2007”; and

1 (ii) in the matter preceding subclause
 2 (I), by inserting “and before July 1,
 3 2010,” after “2007,”;
 4 (2) in subsection (c)—
 5 (A) in paragraph (2)(B)—
 6 (i) in clause (iii), by inserting “and”
 7 after the semicolon;
 8 (ii) in clause (iv), by striking “; and”
 9 and inserting a period; and
 10 (iii) by striking clause (v); and
 11 (B) in paragraph (6), by inserting “and
 12 first disbursed before July 1, 2010,” after
 13 “1992,”; and
 14 (3) in subsection (d)(2)(B), by inserting “, and
 15 before July 1, 2010” after “2007”.

16 **SEC. 2221. ORIGINATION OF DIRECT LOANS AT INSTITU-**
 17 **TIONS LOCATED OUTSIDE THE UNITED**
 18 **STATES.**

19 (a) LOANS FOR STUDENTS ATTENDING INSTITU-
 20 TIONS LOCATED OUTSIDE THE UNITED STATES.—Sec-
 21 tion 452 (20 U.S.C. 1087b) is amended by adding at the
 22 end the following:

23 “(d) INSTITUTIONS LOCATED OUTSIDE THE UNITED
 24 STATES.—Loan funds for students (and parents of stu-
 25 dents) attending institutions located outside the United

1 States shall be disbursed through a financial institution
2 located in the United States and designated by the Sec-
3 retary to serve as the agent of such institutions with re-
4 spect to the receipt of the disbursements of such loan
5 funds and the transfer of such funds to such institutions.
6 To be eligible to receive funds under this part, an other-
7 wise eligible institution located outside the United States
8 shall make arrangements, subject to regulations by the
9 Secretary, with the agent designated by the Secretary
10 under this subsection to receive funds under this part.”.

11 (b) CONFORMING AMENDMENTS.—

12 (1) AMENDMENTS.—Section 102 (20 U.S.C.
13 1002), as amended by section 102 of the Higher
14 Education Opportunity Act (Public Law 110–315)
15 and section 101 of Public Law 111–39, is amend-
16 ed—

17 (A) by striking “part B” each place the
18 term appears and inserting “part D”;

19 (B) in subsection (a)(1)(C), by inserting “,
20 consistent with the requirements of section
21 452(d)” before the period at the end; and

22 (C) in subsection (a)(2)(A)—

23 (i) in the second sentence of the mat-
24 ter preceding clause (i), by striking “made,

1 insured, or guaranteed” and inserting
2 “made”; and

3 (ii) in clause (iii)—

4 (I) in subclause (III), by striking
5 “only Federal Stafford” and all that
6 follows through “section 428B” and
7 inserting “only Federal Direct Staf-
8 ford Loans under section
9 455(a)(2)(A), Federal Direct Unsub-
10 sidized Stafford Loans under section
11 455(a)(2)(D), or Federal Direct
12 PLUS Loans under section
13 455(a)(2)(B)”; and

14 (II) in subclause (V), by striking
15 “a Federal Stafford” and all that fol-
16 lows through “section 428B” and in-
17 sserting “a Federal Direct Stafford
18 Loan under section 455(a)(2)(A), a
19 Federal Direct Unsubsidized Stafford
20 Loan under section 455(a)(2)(D), or a
21 Federal Direct PLUS Loan under
22 section 455(a)(2)(B)”.

23 (2) EFFECTIVE DATE.—The amendments made
24 by subparagraph (C) of paragraph (1) shall be effec-
25 tive on July 1, 2010, as if enacted as part of section

1 102(a)(1) of the Higher Education Opportunity Act
2 (Public Law 110–315).

3 **SEC. 2222. AGREEMENTS WITH INSTITUTIONS.**

4 Section 454 (20 U.S.C. 1087d) is amended—

5 (1) in subsection (a)—

6 (A) by striking paragraph (4); and

7 (B) by redesignating the paragraphs (5)
8 through (7) as paragraphs (4) through (6), re-
9 spectively; and

10 (2) in subsection (b)(2), by striking “(5), (6),
11 and (7)” and inserting “(5), and (6)”.

12 **SEC. 2223. TERMS AND CONDITIONS OF LOANS.**

13 (a) AMENDMENTS.—Section 455 (20 U.S.C. 1087e)
14 is amended—

15 (1) in subsection (a)(1), by inserting “, and
16 first disbursed on June 30, 2010,” before “under
17 sections 428”; and

18 (2) in subsection (g)—

19 (A) by inserting “, including any loan
20 made under part B and first disbursed before
21 July 1, 2010” after “section 428C(a)(4)”; and

22 (B) by striking the third sentence.

23 (b) EFFECTIVE DATE.—The amendment made by
24 subsection (a)(1) shall apply with respect to loans first dis-
25 bursed under part D of title IV of the Higher Education

1 Act of 1965 (20 U.S.C. 1087a et seq.) on or after July
2 1, 2010.

3 **SEC. 2224. CONTRACTS.**

4 Section 456 (20 U.S.C. 1087f) is amended—

5 (1) in subsection (a)—

6 (A) in paragraph (1)—

7 (i) in the header, by striking “IN
8 GENERAL” and inserting “AWARDING OF
9 CONTRACTS”;

10 (ii) by striking “The Secretary” and
11 inserting the following:

12 “(A) IN GENERAL.—The Secretary”; and

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

15 “(B) AWARDING CONTRACTS FOR SERV-
16 ICING LOANS.—The Secretary shall, if prac-
17 ticable, award multiple contracts, through a
18 competitive bidding process, to entities, includ-
19 ing eligible not-for-profit servicers, to service
20 loans originated under this part. The competi-
21 tive bidding process shall take into account
22 price, servicing capacity, and capacity and capa-
23 bility to provide default aversion activities, and
24 may take into account the capacity and capa-
25 bility to provide outreach services.

1 “(C) JOB RETENTION INCENTIVE PAY-
2 MENT.—

3 “(i) IN GENERAL.—In a contract with
4 an entity under subparagraph (B) for the
5 servicing of loans, the Secretary shall pro-
6 vide a job retention incentive payment, in
7 an amount and manner determined by the
8 Secretary, if such entity agrees to give pri-
9 ority for hiring for positions created as a
10 result of such a contract to those geo-
11 graphical locations at which the entity per-
12 formed student loan origination or serv-
13 icing activities under the Federal Family
14 Education Loan Program on the date of
15 enactment of the Investing in Students for
16 a Stronger America Act.

17 “(ii) ALLOCATION DETERMINATION.—
18 In determining the allocation of loans to be
19 serviced by an entity awarded such a con-
20 tract, the Secretary shall consider the re-
21 tention of highly qualified employees of
22 such entity a positive factor in determining
23 such allocation.”;

24 (B) in paragraph (2)—

1 (i) in the first sentence, by inserting
2 “, including eligible not-for-profit
3 servicers,” after “The entities”;

4 (ii) by amending the third sentence to
5 read as follows: “The entities with which
6 the Secretary may enter into such con-
7 tracts shall include, where practicable,
8 agencies with agreements with the Sec-
9 retary under subsections (b) and (c) of sec-
10 tion 428 on the date of the enactment of
11 the Investing in Students for a Stronger
12 America Act, and eligible not-for-profit
13 servicers, if such agencies or servicers meet
14 the qualifications as determined by the
15 Secretary under this subsection and if
16 those agencies or servicers have such expe-
17 rience and demonstrated effectiveness.”;
18 and

19 (iii) by striking the last sentence and
20 inserting the following: “In awarding con-
21 tracts to such agencies, and such eligible
22 not-for-profit servicers, the Secretary shall,
23 to the extent practicable and consistent
24 with the purposes of this part, give special
25 consideration to such agencies and

1 (1)(B), in each State where at least 1 eligi-
2 ble not-for-profit servicer has its principal
3 place of business, the Secretary shall con-
4 tract with each such servicer to service
5 loans originated under this part on behalf
6 of borrowers attending institutions located
7 within such State, if, through the competi-
8 tive bidding process described in this sub-
9 section, the servicer—

10 “(I) demonstrates that the
11 servicer meets the standards for serv-
12 icing Federal assets established by the
13 Secretary;

14 “(II) provides quality service
15 comparable to the performance of en-
16 tities awarded contracts pursuant to
17 paragraph (1)(B);

18 “(III) agrees to service the loans
19 at a competitive market rate, as deter-
20 mined by the Secretary; and

21 “(IV) has the capacity to service
22 the applicable loan volume allocation
23 described in subparagraph (C).

24 “(ii) COMPARATIVE MARKET RATE
25 DETERMINATION.—In determining such a

1 competitive market rate, the Secretary may
2 take into account the volume of loans serv-
3 iced, and the quality of service provided, by
4 the servicer.

5 “(iii) FIXED TERM; QUALITY, PER-
6 FORMANCE, AND ACCOUNTABILITY.—Con-
7 tracts awarded under this paragraph shall
8 be for a fixed term, consisting of a base
9 year and options to renew annually at the
10 discretion of the Secretary for a total pe-
11 riod of not more than 5 years, and shall be
12 subject to the same requirements for qual-
13 ity, performance, and accountability as
14 contracts awarded under paragraph (2) for
15 similar activities.

16 “(iv) REAPPLICATION.—If the Sec-
17 retary does not award or renew a contract
18 under this paragraph because the Sec-
19 retary determines that the servicer does
20 not meet the requirements of this para-
21 graph, the servicer may reapply for a con-
22 tract for servicing loans for the next suc-
23 ceeding academic year.

24 “(v) INELIGIBILITY.—Notwithstand-
25 ing any other provision of law, a servicer

1 shall no longer be eligible to compete for a
2 contract under this paragraph after July 1,
3 2013, if—

4 “(I) the servicer has not been
5 awarded such a contract before that
6 date; or

7 “(II) such a contract was award-
8 ed but not renewed.

9 “(B) APPLICATION REQUIREMENTS.—An
10 eligible not-for-profit servicer seeking a contract
11 to service loans under this paragraph shall sub-
12 mit an application, at such time, in such man-
13 ner, and accompanied by such information as
14 the Secretary may require.

15 “(C) ALLOCATIONS.—

16 “(i) ONE SERVICER.—In the case of a
17 State with only one eligible not-for-profit
18 servicer awarded a contract described in
19 subparagraph (A), the Secretary shall, at a
20 minimum, allocate to such servicer, subject
21 to such contract, the servicing rights for
22 the lesser of—

23 “(I) the loan accounts of 100,000
24 borrowers (including borrowers who
25 borrowed loans in a prior year that

1 number of all borrowers of loans made
2 under part B for award year 2008–
3 2009 who attended institutions lo-
4 cated within the State during such
5 year, except the Secretary shall adjust
6 such shares as necessary to ensure
7 that the loans of any single borrower
8 remain with a single servicer.

9 “(iii) ALLOCATIONS BASED ON STATE
10 RESIDENCY.—To the extent practicable,
11 the Secretary shall allocate loan accounts
12 to not-for-profit servicers under clause (i)
13 or (ii), as the case may be, on the basis of
14 the legal residence of the borrower at the
15 time the loan was made.

16 “(iv) ADDITIONAL ALLOCATION.—The
17 Secretary may reallocate the servicing
18 rights under subparagraph (A) of an eligi-
19 ble not-for-profit servicer, based on the
20 performance of such servicer, on the same
21 terms as loan allocations provided by con-
22 tracts awarded pursuant to paragraph
23 (1)(B), as determined by the Secretary, in-
24 cluding performance in the areas of cus-
25 tomer service and default aversion.

1 “(D) MULTIPLE LOANS.—Notwithstanding
2 the allocations required by subparagraph (C),
3 the Secretary may transfer loans among
4 servicers who are awarded contracts to service
5 loans pursuant to this section, and among other
6 servicers of loans with which the Secretary has
7 contracts, to ensure that the loans of any single
8 borrower remain with a single servicer.

9 “(4) REDUCTIONS OR TERMINATIONS.—

10 “(A) INSUFFICIENT CAPACITY.—The Sec-
11 retary may reduce the allocation of servicing
12 rights or terminate a contract under this sub-
13 section, at the discretion of the Secretary, if the
14 Secretary determines that the entity (including
15 a not-for-profit servicer) awarded the contract
16 lacks sufficient capacity to effectively service
17 the loans or loan accounts the entity would oth-
18 erwise be allocated under paragraph (1) or
19 clause (i) or (ii) of paragraph (3)(C), as the
20 case may be.

21 “(B) FISCAL INTEREST.—The Secretary
22 may terminate any contract under this sub-
23 section if the Secretary determines the contract
24 is not in the fiscal interest of the Federal Gov-
25 ernment.”; and

1 (2) by adding at the end the following:

2 “(c) REPORT TO CONGRESS.—Not later than 3 years
3 after the date of the enactment of the Investing in Stu-
4 dents for a Stronger America Act, the Secretary shall pre-
5 pare and submit to the authorizing committees, a report
6 evaluating the performance of all servicers awarded a con-
7 tract under this section to service loans originated under
8 this part. Such report shall give consideration to—

9 “(1) customer satisfaction of borrowers and in-
10 stitutions with respect to the loan servicing provided
11 by the servicers;

12 “(2) compliance with applicable regulations by
13 the servicers; and

14 “(3) the effectiveness of default aversion activi-
15 ties, and outreach services (if any), provided by the
16 servicers;

17 “(4) the outcomes of the loans serviced, by
18 servicer, including delinquency and default rates;
19 and

20 “(5) the cost effectiveness of each servicer, tak-
21 ing into account the quality of service provided and
22 the delinquency and default rates of the servicer.

23 “(d) DEFINITIONS.—In this section:

24 “(1) DEFAULT AVERSION ACTIVITIES.—The
25 term ‘default aversion activities’ means activities

1 that are directly related to providing collection as-
2 sistance to the Secretary on a delinquent loan, prior
3 to the loan being legally in a default status.

4 “(2) ELIGIBLE NOT-FOR-PROFIT SERVICER.—

5 “(A) IN GENERAL.—The term ‘eligible not-
6 for-profit servicer’ means an entity that, on the
7 date of enactment of the Investing in Students
8 for a Stronger America Act—

9 “(i) meets the definition of an eligible
10 not-for-profit holder under section 435(p),
11 except that such term does not include eli-
12 gible lenders described in paragraph
13 (1)(D) of such section;

14 “(ii) notwithstanding clause (i), is the
15 sole beneficial owner of a loan for which
16 the special allowance rate is calculated
17 under section 438(b)(2)(I)(vi)(II) because
18 the loan is held by an eligible lender trust-
19 ee that is an eligible not-for-profit holder
20 as defined under section 435(p)(1)(D); or

21 “(iii) is an affiliated entity of an eligi-
22 ble not-for-profit servicer described in
23 clause (i) or (ii) that—

24 “(I) on July 1, 2009, directly
25 employed within the State in which

1 the [affiliated entity? not-for-profit
2 servicer?] has its primary place of
3 business, the majority of individuals
4 who perform student loan servicing
5 functions for loans made under part
6 B; and

7 “(II) on such date of enactment,
8 was performing, or had entered into a
9 contract with a third party servicer
10 (as such term is defined in section
11 481(c)) that was performing, through
12 employees located in such State, stu-
13 dent loan servicing functions for loans
14 made under part B.

15 “(B) AFFILIATED ENTITY.—For the pur-
16 poses of subparagraph (A), the term ‘affiliated
17 entity’ means an entity contracted to perform
18 services for an eligible not-for-profit servicer
19 that—

20 “(i) is a nonprofit entity or is wholly
21 owned by a nonprofit entity; and

22 “(ii) is not owned or controlled, in
23 whole or in part, by—

24 “(I) a for-profit entity; or

1 “(II) an entity having its prin-
 2 cipal place of business in another
 3 State.

4 “(3) OUTREACH SERVICES.—The term ‘out-
 5 reach services’ means programs offered to students
 6 and families, including programs delivered in coordi-
 7 nation with institutions of higher education that—

8 “(A) encourage—

9 “(i) students to attend and complete a
 10 degree or certification program at an insti-
 11 tution of higher education; and

12 “(ii) students and families to obtain
 13 financial aid, but minimize the borrowing
 14 of education loans; and

15 “(B) deliver financial literacy and coun-
 16 seling tools.”.

17 **CHAPTER 2—PERKINS LOAN REFORM**

18 **SEC. 2231. FEDERAL DIRECT PERKINS LOANS TERMS AND**
 19 **CONDITIONS.**

20 Part D of title IV (20 U.S.C. 1087a et seq.) is
 21 amended by inserting after section 455 the following:

22 **“SEC. 455A. FEDERAL DIRECT PERKINS LOANS.**

23 “(a) DESIGNATION OF LOANS.—Loans made to bor-
 24 rowers under this section shall be known as ‘Federal Di-
 25 rect Perkins Loans’.

1 “(b) AUTHORIZATION.—It is the purpose of this sec-
2 tion to authorize loans to be awarded by institutions of
3 higher education through agreements established under
4 section 463(f). Unless otherwise specified in this section,
5 all terms and conditions and other requirements applicable
6 to Federal Direct Unsubsidized Stafford loans established
7 under section 455(a)(2)(D) shall apply to loans made pur-
8 suant to this section.

9 “(c) ELIGIBLE BORROWERS.—Any student meeting
10 the requirements for student eligibility under section
11 464(b) (including graduate and professional students as
12 defined in regulations promulgated by the Secretary) shall
13 be eligible to borrow a Federal Direct Perkins Loan, pro-
14 vided the student attends **[an eligible]** **[a participating?]**
15 institution with an agreement with the Secretary under
16 section 463(f), and the institution uses its authority under
17 that agreement to award the student a loan.

18 “(d) LOAN LIMITS.—The annual and aggregate lim-
19 its for loans under this section shall be the same as those
20 established under section 464, and aggregate limits shall
21 include loans made by institutions under agreements
22 under section 463(a).

23 “(e) APPLICABLE RATES OF INTEREST.—Loans
24 made pursuant to this section shall bear interest, on the

1 unpaid balance of the loan, at the rate of 5 percent per
2 year.”.

3 **SEC. 2232. AUTHORIZATION OF APPROPRIATIONS.**

4 Section 461 (20 U.S.C. 1087aa) is amended—

5 (1) in subsection (a), by inserting “, before July
6 1, 2010,” after “The Secretary shall”;

7 (2) in subsection (b)—

8 (A) in paragraph (1)—

9 (i) by striking “(1) For the purpose”
10 and inserting “For the purpose”; and

11 (ii) by striking “and for each of the
12 five succeeding fiscal years”; and

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

14 (3) by striking subsection (c).

15 **SEC. 2233. ALLOCATION OF FUNDS.**

16 Section 462 (20 U.S.C. 1087bb) is amended—

17 (1) in subsection (a)(1), by striking “From”
18 and inserting “For any fiscal year prior to fiscal
19 year 2010, from”; and

20 (2) in subsection (i)(1), by striking “for any fis-
21 cal year,” and inserting “for any fiscal year prior to
22 fiscal year 2010,”.

23 **SEC. 2234. FEDERAL DIRECT PERKINS LOAN ALLOCATION.**

24 Part E of title IV (20 U.S.C. 1087aa et seq.) is
25 amended by inserting after section 462 the following:

1 **“SEC. 462A. FEDERAL DIRECT PERKINS LOAN ALLOCATION.**

2 “(a) PURPOSES.—The purposes of this section are—

3 “(1) to allocate, among participating institu-
4 tions, the authority to make Federal Direct Perkins
5 Loans under section 455A with a portion of the an-
6 nual loan authority described in subsection (b); and

7 “(2) to make funds available, in accordance
8 with section 452, to each participating institution
9 from a portion of the annual loan authority de-
10 scribed in subsection (b), in an amount not to exceed
11 the participating institution’s allocation of funds as
12 calculated under subsection (b)(2) to enable the in-
13 stitution to make Federal Direct Perkins Loans to
14 eligible students at the institution.

15 “(b) AVAILABLE DIRECT PERKINS ANNUAL LOAN
16 AUTHORITY.—

17 “(1) ANNUAL LOAN AUTHORITY AVAILABLE.—

18 There are made available, from funds made available
19 for loans made under part D—

20 “(A) for award year 2010–2011, not to ex-
21 ceed \$6,000,000,000 of annual loan authority;
22 and

23 “(B) for each succeeding award year, an
24 amount equal to \$6,000,000,000 increased by a
25 percentage equal to the estimated percentage
26 increase in the Consumer Price Index (as deter-

1 mined by the Secretary and defined in section
2 478(f) between December **【2009? 2010?】** and
3 the December **【next】** **【Note: Next? Should next**
4 **be struck?】** preceding the beginning of that
5 award year, and rounding the result to the
6 nearest **【\$_____】**, of annual loan authority.

7 “(2) ALLOCATION OF LOAN AUTHORITY.—

8 “(A) IN GENERAL.—

9 “(i) HOLD HARMLESS.—A partici-
10 pating institution’s allocation of loan au-
11 thority shall be calculated as described in
12 subparagraph (B), except that in no case
13 shall a participating institution’s allocation
14 of loan authority be less than the institu-
15 tion’s average total principal amount of
16 loans made under this part for academic
17 years 2004–2005 through 2008–2009.

18 “(ii) NO FUNDS TO NON-PARTICI-
19 PATING; INSTITUTIONS.—The Secretary
20 may not make funds available under this
21 subsection to any eligible institution that is
22 not a participating institution. **【The ad-**
23 **justed self-help need amount (determined**
24 **in accordance with subsection (c)) of an el-**
25 **igible institution that is not a participating**

1 institution may not be made available to
2 any other institution. **【Note: The self-help**
3 need amount will be determined for non-
4 participating institutions but they won't
5 receive the amount? **】】**

6 “(B) CALCULATION OF ALLOCATION.—A
7 participating institution's allocation of loan au-
8 thority shall be calculated by determining the
9 institution's self-help need amount (as described
10 in subsection (c)) and adjusting that amount by
11 any reduction required by subsection (d).

12 “(c) SELF-HELP NEED AMOUNT.—

13 “(1) IN GENERAL.—For the purpose of sub-
14 section (b)(2)(B), the amount of an institution's
15 self-help need is equal to the sum of the self-help
16 need of the institution's eligible undergraduate stu-
17 dents, as determined under paragraph (2), and the
18 self-help need of the institution's eligible graduate
19 and professional students, as determined under
20 paragraph (3).

21 “(2) DETERMINATION OF SELF-HELP NEED OF
22 UNDERGRADUATE STUDENTS.—To determine the
23 self-help need of a **【participating?】** institution's eli-
24 gible undergraduate students, the Secretary shall—

1 “(A) establish various income categories
2 for dependent and independent undergraduate
3 students;

4 “(B) establish an expected family contribu-
5 tion for each income category of dependent and
6 independent undergraduate students, deter-
7 mined on the basis of the average expected fam-
8 ily contribution (computed in accordance with
9 part F) of a representative sample within each
10 income category for the second preceding fiscal
11 year **【**from the fiscal year for which the deter-
12 mination is made?**】**;

13 “(C) compute 25 percent of the average
14 cost of attendance for all undergraduate stu-
15 dents enrolled at the institution;

16 “(D) multiply the number of eligible de-
17 pendent students in each income category by
18 the lesser of—

19 “(i) 25 percent of the average cost of
20 attendance for all undergraduate students
21 determined under subparagraph (C); or

22 “(ii) the average cost of attendance
23 for all undergraduate students minus the
24 expected family contribution determined
25 under subparagraph (B) for that income

1 category, except that the amount computed
2 by such subtraction may not be less than
3 zero;

4 “(E) add the amounts determined under
5 subparagraph (D) for each income category of
6 dependent students;

7 “(F) multiply the number of eligible inde-
8 pendent students in each income category by
9 the lesser of—

10 “(i) 25 percent of the average cost of
11 attendance for all undergraduate students
12 determined under subparagraph (C); or

13 “(ii) the average cost of attendance
14 for all undergraduate students minus the
15 expected family contribution determined
16 under subparagraph (B) for that income
17 category, except that the amount computed
18 by such subtraction may not be less than
19 zero;

20 “(G) add the amounts determined under
21 subparagraph (F) for each income category of
22 independent students; and

23 “(H) add the amounts determined under
24 subparagraphs (E) and (G).

1 “(3) DETERMINATION OF SELF-HELP NEED OF
2 GRADUATE AND PROFESSIONAL STUDENTS.—To de-
3 termine the self-help need of an institution’s eligible
4 graduate and professional students, the Secretary
5 shall—

6 “(A) establish various income categories
7 for graduate and professional students;

8 “(B) establish an expected family contribu-
9 tion for each income category of graduate and
10 professional students, determined on the basis
11 of the average expected family contribution
12 (computed in accordance with part F) of a rep-
13 resentative sample within each income category
14 for the second preceding fiscal year [from the
15 fiscal year for which the determination is
16 made?];

17 “(C) determine the average cost of attend-
18 ance for all graduate and professional students;

19 “(D) subtract from the average cost of at-
20 tendance for all graduate and professional stu-
21 dents (determined under subparagraph (C)),
22 the expected family contribution (determined
23 under subparagraph (B)) for each income cat-
24 egory, except that the amount computed by

1 such subtraction for any income category may
2 not be less than zero;

3 “(E) multiply the amounts determined
4 under subparagraph (D) by the number of eligi-
5 ble students in each category; and

6 “(F) add the amounts determined under
7 subparagraph (E) for each income category.

8 “(4) AVERAGE COST OF ATTENDANCE.—

9 “(A) IN GENERAL.—For purposes of para-
10 graphs (2) and (3), the term ‘average cost of
11 attendance’ means the average of the attend-
12 ance costs for undergraduate students and for
13 graduate and professional students, respec-
14 tively, which shall include—

15 “(i) tuition and fees determined in ac-
16 cordance with subparagraph (B);

17 “(ii) standard living expenses deter-
18 mined in accordance with subparagraph
19 (C); and

20 “(iii) books and supplies determined
21 in accordance with subparagraph (D).

22 “(B) TUITION AND FEES.—The average
23 undergraduate and graduate and professional
24 tuition and fees described in subparagraph
25 (A)(i) shall be computed on the basis of infor-

1 mation reported by the institution to the Sec-
2 retary, which shall include—

3 “(i) total revenue received by the in-
4 stitution from undergraduate and graduate
5 tuition and required fees for the second
6 award year preceding the award year for
7 which the institution is seeking an alloca-
8 tion of loan authority under this section;
9 and

10 “(ii) the institution’s enrollment for
11 such second preceding award year.

12 “(C) STANDARD LIVING EXPENSES.—The
13 standard living expense described in subpara-
14 graph (A)(ii) is equal to 150 percent of the dif-
15 ference between the income protection allowance
16 for a family of 5 with 1 in college and the in-
17 come protection allowance for a family of 6 with
18 1 in college for a single independent student.

19 “(D) ALLOWANCE FOR BOOKS AND SUP-
20 PLIES.—The allowance for books and supplies
21 described in subparagraph (A)(iii) is equal to
22 \$600.

23 “(d) ADJUSTMENTS FOR FEDERAL PELL GRANT
24 AND DEGREE.—

1 “(1) RECIPIENT LEVELS.—For purposes of
2 subsection (b)(2)(B), the Secretary shall adjust the
3 amount of an institution’s self-help need (as deter-
4 mined under subsection (c)) based on the enrollment
5 percentage, for the most recent award year for which
6 data are available, of Federal Pell Grant recipients
7 and those students who would be eligible for Federal
8 Pell Grants if they had not already completed their
9 first undergraduate baccalaureate course of study
10 and the persistence rate percentage of those recipi-
11 ents and students.

12 “(2) CALCULATION OF ADJUSTMENT.—The ad-
13 justment described in paragraph (1) shall be cal-
14 culated as follows:

15 “(A) The Secretary shall determine what
16 percentage of the institution’s enrollment, for
17 the most recent award year for which data are
18 available, is comprised of the Federal Pell
19 Grant recipients and students described in
20 paragraph (1).

21 “(B) The Secretary shall determine the
22 persistence rate percentage (as described in
23 paragraph (3)).

24 “(C) If the enrollment percentage deter-
25 mined under subparagraph (A) is not less than

1 10 percent, and the persistence rate percentage
2 determined under subparagraph (B) is not less
3 than 80 percent, then there shall be no adjust-
4 ment to the institution's self-help need amount
5 under this subsection.

6 “(D) If the enrollment percentage deter-
7 mined under subparagraph (A) is less than 10
8 percent, or the persistence rate percentage de-
9 termined under subparagraph (B) is less than
10 80 percent, then the institution's self-help need
11 amount under this subsection shall be adjusted
12 by reducing that amount by an amount equal
13 to—

14 “(i) one-half of the enrollment per-
15 centage of Pell Grant recipients and stu-
16 dents described in paragraph (1); plus

17 “(ii) one-half the persistence rate per-
18 centage.

19 “(3) DEFINITION OF PERSISTENCE RATE PER-
20 CENTAGE.—

21 “(A) IN GENERAL.—Except as provided in
22 subparagraph (B), for purposes of this sub-
23 section, the Secretary shall establish a persist-
24 ence rate percentage for each institution, and
25 update that percentage annually, by deter-

1 mining the number of the Pell Grant recipients
2 and students described in paragraph (1), who
3 are in a program of education of not less than
4 2 award years in duration, and who complete
5 the first year of such program and enroll in the
6 second year of such program.

7 “(B) ALTERNATIVE DETERMINATION.—If
8 the Secretary determines that the calculation
9 described in subparagraph (A) cannot be car-
10 ried out adequately because of a lack of satis-
11 factory data on Pell Grant recipients and stu-
12 dents described in paragraph (1), the calcula-
13 tion described in subparagraph (A) shall be
14 made substituting ‘individuals’ for ‘Pell Grant
15 recipients and students described in paragraph
16 (1)’.

17 “(e) RATABLE REDUCTIONS; ADDITIONAL ADJUST-
18 MENTS.—

19 “(1) RATABLE REDUCTION.—If the sum of the
20 self-help need amounts of all participating institu-
21 tions, after any adjustments required to those
22 amounts pursuant to subsection (d) are determined,
23 exceeds the amount of annual loan authority avail-
24 able under subsection (b)(1) for an award year, the
25 Secretary shall ratably reduce those adjusted self-

1 help need amounts for all participating institutions
2 until the sum of those adjusted amounts is equal to
3 the amount of annual loan authority available.

4 “(2) ADDITIONAL ADJUSTMENT.—If the Sec-
5 retary determines that a ratable reduction under
6 paragraph (1) would result in the adjusted self-help
7 need amount being reduced below the amount re-
8 quired under subsection (b)(2)(A)(i), then the Sec-
9 retary shall—

10 “(A) for each institution for which the
11 amount under subsection (b)(2)(A)(i) is not sat-
12 isfied, increase the adjusted self-help need
13 amount to the amount of the required minimum
14 under such subsection; and

15 “(B) ratably reduce the adjusted self-help
16 need amounts of all participating institutions
17 not described in subparagraph (A) until the
18 sum of the adjusted self-help need amounts of
19 all participating institutions is equal to the
20 amount of annual loan authority available for
21 that award year.

22 “(f) DEFINITIONS.—In this section:

23 “(1) ANNUAL LOAN AUTHORITY.—The term
24 ‘annual loan authority’ means the total original prin-
25 cipal amount of loans that may be allocated and

1 made available for an award year to make Federal
2 Direct Perkins Loans under section 455A.

3 “(2) ELIGIBLE INSTITUTION.—The term ‘eligi-
4 ble institution’ means an institution of higher edu-
5 cation that participates in the Federal Direct Staf-
6 ford Loan Program.

7 “(3) PARTICIPATING INSTITUTION.—The term
8 ‘participating institution’ means an institution of
9 higher education that has an agreement under sec-
10 tion 463(f).”.

11 **SEC. 2235. AGREEMENTS WITH INSTITUTIONS OF HIGHER**
12 **EDUCATION.**

13 (a) AMENDMENTS.—Section 463 (20 U.S.C. 1087cc)
14 is amended—

15 (1) in subsection (a)—

16 (A) in the heading, by inserting “FOR
17 LOANS MADE BEFORE JULY 1, 2010” after
18 “AGREEMENTS”;

19 (B) in paragraph (3)(A), by inserting “be-
20 fore July 1, 2010” after “students”;

21 (C) in paragraph (4), by striking “there-
22 on—” and all that follows and inserting “there-
23 on, if the institution has failed to maintain an
24 acceptable collection record with respect to such
25 loan, as determined by the Secretary in accord-

1 ance with criteria established by regulation, the
2 Secretary may require the institution to assign
3 such note or agreement to the Secretary, with-
4 out recompense;” and

5 (D) in paragraph (5), by striking “and the
6 Secretary shall apportion” and all that follows
7 through “in accordance with section 462” and
8 inserting “and the Secretary shall return a por-
9 tion of funds from loan repayments to the insti-
10 tution as specified in section 466(b)”;

11 (2) by amending subsection (b) to read as fol-
12 lows:

13 “(b) ADMINISTRATIVE EXPENSES.—An institution
14 that has entered into an agreement under subsection (a)
15 shall be entitled, for each fiscal year during which it serv-
16 ices student loans from a student loan fund established
17 under such agreement, to a payment in lieu of reimburse-
18 ment for its expenses in servicing student loans made be-
19 fore July 1, 2010. Such payment shall be equal to 0.50
20 percent of the outstanding principal and interest balance
21 of such loans being serviced by the institution as of Sep-
22 tember 30 of each fiscal year.”; and

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

24 “(f) CONTENTS OF AGREEMENTS FOR LOANS MADE
25 ON OR AFTER JULY 1, 2010.—An agreement with any

1 institution of higher education that elects to participate
2 in the Federal Direct Perkins Loan program under section
3 455A shall provide—

4 “(1) for the establishment and maintenance of
5 a Federal Direct Perkins Loan program at the insti-
6 tution under which the institution shall use loan au-
7 thority allocated under section 462A to make loans
8 to eligible students attending the institution;

9 “(2) that the institution, unless otherwise speci-
10 fied in this subsection, shall operate the program
11 consistent with the requirements of agreements es-
12 tablished under section 454;

13 “(3) that the institution will pay matching
14 funds, quarterly, in an amount calculated in accord-
15 ance with subsection (g);

16 “(4) that if the institution fails to meet the re-
17 quirements of paragraph (3), the Secretary shall
18 suspend or terminate the institution’s eligibility to
19 make Federal Direct Perkins Loans under section
20 455A until such time as the Secretary determines,
21 in accordance with section 498, that the institution
22 has met the requirements of such paragraph; and

23 “(5) that if the institution ceases to be an eligi-
24 ble institution within the meaning of section 435(a)
25 by reason of having a cohort default rate that ex-

1 ceeds the threshold percentage specified paragraph
2 (2) of such section, the Secretary shall suspend or
3 terminate the institution's eligibility to make Fed-
4 eral Direct Perkins Loans under section 455A un-
5 less and until the institution would qualify for a re-
6 sumption of eligible institution status under such
7 section.

8 “(g) CALCULATION OF INSTITUTIONAL MATCH.—

9 “(1) IN GENERAL.—The amount of institutional
10 matching funds that an institution is required to pay
11 under subsection (f)(3) for an award year shall be
12 equal to 5 percent of the amount of the institution's
13 allocation of annual loan authority under section
14 462A for that year, as reduced by the Secretary pur-
15 suant to paragraph (2).

16 “(2) REDUCTION OF INSTITUTIONAL MATCH BY
17 SECRETARY.—Pursuant to regulations, the Secretary
18 shall develop a formula under which institutions re-
19 ceive up to a 50 percent reduction in the institu-
20 tional match required under subsection (f)(3) if the
21 institution can satisfactorily demonstrate to the Sec-
22 retary that borrowers (including borrowers of private
23 educational loans) who were formerly enrolled at the
24 institution have earnings sufficient to fully repay

1 (i) in subparagraph (A), by inserting
2 “made before July 1, 2010,” after “any
3 loan”; and

4 (ii) in subparagraph (B), by inserting
5 “made before July 1, 2010,” after “any
6 loan”;

7 (C) in paragraph (3)(B), by inserting “for
8 a loan made before July 1, 2010,” after “dur-
9 ing the repayment period”;

10 (D) in paragraph (4), by inserting “before
11 July 1, 2010,” after “for a loan made”;

12 (E) in paragraph (5), by striking “The in-
13 stitution” and inserting “For loans made before
14 July 1, 2010, the institution”; and

15 (F) in paragraph (6), by inserting “made
16 before July 1, 2010,” after “of loans”;

17 (4) in subsection (d), by inserting “made before
18 July 1, 2010,” before “from the student loan fund”;

19 (5) in subsection (e)(1)—

20 (A) by inserting “with respect to loans
21 made before July 1, 2010, and” before “as doc-
22 umented in accordance with paragraph (2),”;
23 and

1 (B) in subparagraph (C), by striking “sub-
2 section (j)” both places it appears and inserting
3 “subsection (i)”;

4 (6) by striking subsection (f);

5 (7) by redesignating subsections (g), (h), (i),
6 (j), and (k), as subsections (f), (g), (h), (i), and (j),
7 respectively;

8 (8) in subsection (f)(1), as redesignated by
9 paragraph (7), by inserting “and before July 1,
10 2010,” after “January 1, 1986,”;

11 (9) in subsection (g), as redesignated by para-
12 graph (7)—

13 (A) in paragraph (1)(A) by inserting “be-
14 fore July 1, 2010,” after “made under this
15 part”; and

16 (B) in paragraph (2), by inserting “before
17 July 1, 2010,” after “under this part”; and

18 (10) in subsection (i)(1), by inserting “before
19 July 1, 2010,” after “under this part”.

20 **SEC. 2238. DISTRIBUTION OF ASSETS FROM STUDENT LOAN**
21 **FUNDS.**

22 (a) CANCELLATION OF LOANS FOR CERTAIN PUBLIC
23 SERVICE.—Section 465 (20 U.S.C. 1087ee) is amended—

24 (1) in subsection (a), by inserting “and before
25 July 1, 2010,” after “June 30, 1972,”; and

1 (2) by striking subsection (b) and inserting the
2 following:

3 “(b) REIMBURSEMENT FOR CANCELLATIONS.—

4 “(1) ASSIGNED LOANS.—In the case of loans
5 made under this part before July 1, 2010, and that
6 are assigned to the Secretary, the Secretary shall,
7 from amounts repaid each quarter on assigned Per-
8 kins Loans made before July 1, 2010, pay to each
9 institution for each quarter an amount equal to—

10 “(A) the aggregate of the amounts of loans
11 from the institution’s student loan fund that
12 are canceled pursuant to this section for such
13 quarter; minus

14 “(B) an amount equal to the aggregate of
15 the amounts of any such loans so canceled that
16 were made from Federal capital contributions
17 to the institution’s student loan fund.

18 “(2) RETAINED LOANS.—In the case of loans
19 made under this part before July 1, 2010, and that
20 are retained by the institution for servicing, the in-
21 stitution shall deduct from loan repayments owed to
22 the Secretary under section 466, an amount equal
23 to—

24 “(A) the aggregate of the amounts of loans
25 from the institution’s student loan fund that

1 are canceled pursuant to this section for such
2 quarter; minus

3 “(B) an amount equal to the aggregate of
4 the amounts of any such loans so canceled that
5 were made from Federal capital contributions
6 to the institution’s student loan fund.”.

7 (b) DISTRIBUTION OF ASSETS FROM STUDENT LOAN
8 FUNDS.—Section 466 (20 U.S.C. 1087ff) is amended to
9 read as follows:

10 **“SEC. 466. DISTRIBUTION OF ASSETS FROM STUDENT LOAN**
11 **FUNDS.**

12 “(a) CAPITAL DISTRIBUTION.—Beginning July 1,
13 2010, there shall be a capital distribution of the balance
14 of the student loan fund established under this part by
15 each institution of higher education as follows:

16 “(1) For the quarter beginning July 1, 2010,
17 the Secretary shall first be paid, through deposit
18 into an escrow account established under subsection
19 (b), not later than September 30, 2010, an amount
20 that bears the same ratio to the cash balance in
21 such fund at the close of June 30, 2010, as the total
22 amount of the Federal capital contributions to such
23 fund by the Secretary under this part bears to—

1 “(A) the sum of such Federal contribu-
2 tions and the institution’s capital contributions
3 to such fund; less

4 “(B) an amount equal to—

5 “(i) the institution’s outstanding ad-
6 ministrative costs as calculated under sec-
7 tion 463(b);

8 “(ii) outstanding charges assessed
9 under section 464(c)(1)(H); and

10 “(iii) outstanding loan cancellation
11 costs incurred under section 465.

12 “(2) At the end of each quarter subsequent to
13 the quarter ending September 30, 2010, the Sec-
14 retary shall first be paid, through deposit into an es-
15 crow account established under subsection (b), an
16 amount that bears the same ratio to the cash bal-
17 ance in such fund at the close of the preceding quar-
18 ter, as the total amount of the Federal capital con-
19 tributions to such fund by the Secretary under this
20 part bears to—

21 “(A) the sum of such Federal contribu-
22 tions and the institution’s capital contributions
23 to such fund; less

24 “(B) an amount equal to—

1 “(i) the institution’s administrative
2 costs incurred for that quarter as cal-
3 culated under section 463(b);

4 “(ii) charges assessed for that quarter
5 under section 464(c)(1)(H); and

6 “(iii) loan cancellation costs incurred
7 for that quarter under section 465.

8 “(3)(A) The Secretary shall calculate the
9 amounts due to the Secretary under paragraph (1)
10 (adjuncted in accordance with subparagraph (B), as
11 appropriate) and paragraph (2) and shall promptly
12 inform the institution of such calculated amounts.

13 “(B) In the event that, prior to the date of en-
14 actment of the Investing in Students for a Stronger
15 America Act, an institution made a short-term, in-
16 terest-free loan to the institution’s student loan fund
17 established under this part in anticipation of collec-
18 tions or receipt of Federal capital contributions, and
19 the institution demonstrates to the Secretary, on or
20 before June 30, 2010, that such loan will still be
21 outstanding after June 30, 2010, the Secretary shall
22 subtract the amount of such outstanding loan from
23 the cash balance of the institution’s student loan
24 fund that is used to calculate the amount due to the
25 Secretary under paragraph (1). An adjustment of an

1 amount due to the Secretary under this subpara-
2 graph shall be made by the Secretary on a case-by-
3 case basis.

4 “(4) Any remaining balance at the end of a
5 quarter after a payment under paragraph (1) or (2)
6 shall be retained by the institution for use at its dis-
7 cretion. Any balance so retained shall be withdrawn
8 from the student loan fund and shall not be counted
9 in calculating amounts owed to the Secretary for
10 subsequent quarters.

11 “(5) Each institution shall make the quarterly
12 payments to the Secretary described in paragraph
13 (2) until all outstanding Federal Perkins Loans at
14 that institution have been referred to the Secretary
15 and there are no funds remaining in the institution’s
16 student loan fund.

17 “(6) In the event that the institution’s adminis-
18 trative costs, charges, and cancellation costs de-
19 scribed in paragraph (2) for a quarter exceed the
20 amount owed to the Secretary under paragraphs (1)
21 and (2) for that quarter, no payment shall be due
22 to the Secretary from the institution for that quarter
23 and the Secretary shall pay the institution, from
24 funds realized from the collection of referred as-
25 signed Federal Perkins Loans made before July 1,

1 2010, an amount that, when combined with the
2 amount retained by the institution under paragraphs
3 (1) and (2), equals the full amount of such adminis-
4 trative costs, charges, and cancellation costs.

5 “(b) ESCROW ACCOUNT.—

6 “(1) ESTABLISHMENT; EACH INSTITUTION.—

7 The Secretary shall establish an interest-bearing,
8 third-party escrow account into which amounts to be
9 paid to the Secretary by each institution under para-
10 graphs (1) and (2) of subsection (a), and loans that
11 the Secretary collects on behalf of the institution
12 under subsection (c), shall be deposited by the insti-
13 tution.

14 “(2) PAYMENT OF ESCROW AGENT.—Institu-
15 tions may pay the costs of establishing and main-
16 taining the escrow accounts out of the proceeds of
17 the interest earned on sums deposited in the ac-
18 count.

19 “(3) PAYMENT OF FUNDS FROM ESCROW AC-
20 COUNTS.—Funds deposited in the escrow accounts
21 established under paragraph (1) shall be paid to the
22 Secretary in the following aggregate amounts on Oc-
23 tober 1 of the following fiscal years:

24 “(A) \$1,000,000,000 in fiscal year 2014.

25 “(B) \$1,077,000,000 in fiscal year 2017.

1 “(C) \$2,075,000,000 in fiscal year 2018.

2 “(D) The balance of the funds remaining
3 in the escrow account in fiscal year 2019.

4 “(c) REFERRAL OF OUTSTANDING LOANS.—Begin-
5 ning July 1, 2010, an institution of higher education may
6 refer all outstanding loans made under this part before
7 July 1, 2010, to the Secretary for collection, consistent
8 with the requirements of section 463(a)(4)(B). In col-
9 lecting loans so referred, the Secretary shall pay the net
10 collected amounts to the institution’s revolving fund, and
11 the institution shall then deposit funds in the escrow ac-
12 count as described in paragraphs (1) and (2) of subsection
13 (a). Notwithstanding any other provision of law, the Sec-
14 retary is authorized to use any means of collection on a
15 loan referred under this subsection that would be available
16 if the loan were a Federal asset.”.

17 **SEC. 2239. ADMINISTRATIVE EXPENSES.**

18 (a) AMENDMENT.—Section 489(a) (20 U.S.C.
19 1096(a)) is amended—

20 (1) in the second sentence, by striking “or
21 under part E of this title”; and

22 (2) in the third sentence—

23 (A) by inserting “and” after “subpart 3 of
24 part A,”; and

1 (B) by striking “compensation of stu-
2 dents,” and all that follows through the period
3 and inserting “compensation of students.”.

4 (b) EFFECTIVE DATE.—The amendments made by
5 subsection (a) shall be effective for fiscal year 2011 and
6 succeeding fiscal years.

7 **Subtitle C—Repair, Renovation,**
8 **and Construction**

9 **CHAPTER 1—SCHOOL REPAIR,**
10 **RENOVATION, AND CONSTRUCTION**

11 **SEC. 2311. GRANTS FOR SCHOOL REPAIR, RENOVATION,**
12 **AND CONSTRUCTION.**

13 (a) DEFINITIONS.—In this section:

14 (1) IN GENERAL.—Except as otherwise pro-
15 vided, the terms used in this section have the mean-
16 ings given the terms in section 9101 of the Elemen-
17 tary and Secondary Education Act of 1965 (20
18 U.S.C. 7801 et seq.).

19 (2) CHARTER SCHOOL.—The term “charter
20 school” has the meaning given the term in section
21 5210 of the Elementary and Secondary Education
22 Act of 1965 (20 U.S.C. 7221i).

23 (3) CHPS CRITERIA.—The term “CHPS Cri-
24 teria” means the green building rating criteria devel-

1 oped by the Collaborative for High Performance
2 Schools.

3 (4) EARLY LEARNING FACILITY.—The term
4 “early learning facility” means a public facility
5 that—

6 (A) serves children who are not yet in kin-
7 dergarten; and

8 (B) is under the jurisdiction of a local edu-
9 cational agency.

10 (5) ENERGY STAR.—The term “Energy Star”
11 means the Energy Star program of the Department
12 of Energy and the Environmental Protection Agen-
13 cy.

14 (6) GREEN GLOBES.—The term “Green
15 Globes” means the Green Building Initiative envi-
16 ronmental design and rating system.

17 (7) HIGH-NEED LOCAL EDUCATIONAL AGEN-
18 CY.—The term “high-need local educational agency”
19 has the meaning given the term in section
20 2102(3)(A) of the Elementary and Secondary Edu-
21 cation Act of 1965 (20 U.S.C. 6602(3)(A)).

22 (8) LEED GREEN BUILDING RATING SYS-
23 TEM.—The term “LEED Green Building Rating
24 System” means the United States Green Building

1 Council Leadership in Energy and Environmental
2 Design green building rating system.

3 (9) RURAL LOCAL EDUCATIONAL AGENCY.—

4 The term “rural local educational agency” means a
5 local educational agency that is eligible—

6 (A) within the meaning of section
7 6211(b)(1) of the Elementary and Secondary
8 Education Act of 1965 (20 U.S.C. 7345(b)(1));
9 or

10 (B) within the meaning of section
11 6221(b)(1) of the Elementary and Secondary
12 Education Act of 1965 (20 U.S.C. 7351(b)(1)).

13 (10) STATE.—The term “State” means each of
14 the several states of the United States, the District
15 of Columbia, and the Commonwealth of Puerto Rico.

16 (b) ALLOCATION OF FUNDS.—

17 (1) RESERVATIONS.—From the funds appro-
18 priated under subsection (f) for a fiscal year, the
19 Secretary shall reserve 1 percent to provide assist-
20 ance to the outlying areas and for payments to the
21 Secretary of the Interior to provide assistance to
22 schools funded by the Bureau of Indian Education.
23 Funds allocated under this paragraph shall be re-
24 served by the Secretary for distribution among the
25 outlying areas and the Secretary of the Interior on

1 the basis of their relative need for public elementary
2 school and secondary school repair, renovation, and
3 construction, as determined by the Secretary.

4 (2) ALLOCATION TO STATE EDUCATIONAL
5 AGENCIES.—From the funds appropriated under
6 subsection (f) for a fiscal year that are not reserved
7 under paragraph (1) for the fiscal year, the Sec-
8 retary shall allocate to each State educational agen-
9 cy serving a State an amount that bears the same
10 relation to the funds as the amount the State re-
11 ceived under part A of title I of the Elementary and
12 Secondary Education Act of 1965 (20 U.S.C. 6311
13 et seq.) for the fiscal year preceding the fiscal year
14 for which the determination is made bears to the
15 amount all States received under such part for such
16 preceding fiscal year, except that no such State edu-
17 cational agency shall receive less than 0.5 percent of
18 the amount allocated under this subsection.

19 (c) WITHIN-STATE DISTRIBUTIONS.—

20 (1) ADMINISTRATIVE AND OTHER COSTS.—

21 (A) STATE EDUCATIONAL AGENCY ADMIN-
22 STRATION AND OTHER COSTS.—Except as pro-
23 vided in subparagraph (D), each State edu-
24 cational agency may reserve not more than 2
25 percent of the State educational agency's alloca-

1 tion under subsection (b) for the purposes of
2 administering the distribution of grants under
3 this subsection and awarding grants under sub-
4 paragraph (C)(iv).

5 (B) REQUIRED USES.—The State edu-
6 cational agency shall use a portion of the funds
7 reserved under subparagraph (A)—

8 (i) to provide technical assistance to
9 local educational agencies;

10 (ii) to establish or support a State-
11 level database of public elementary school
12 and secondary school facility and early
13 learning facility inventory, condition, de-
14 sign, and utilization; and

15 (iii) to develop a statewide public ele-
16 mentary school and secondary school edu-
17 cational facility master plan, which in-
18 cludes planning for improvement of school
19 libraries within public elementary school
20 and secondary school buildings and early
21 learning facilities.

22 (C) PERMISSIBLE USES.—The State edu-
23 cational agency may use a portion of the funds
24 reserved under subparagraph (A) for any of the
25 following:

1 (i) Developing policies, procedures,
2 and standards for high-quality, energy effi-
3 cient public elementary school and sec-
4 ondary school facilities.

5 (ii) Supporting interagency collabora-
6 tion that will lead to broad community use
7 of public elementary school, secondary
8 school, and early learning facilities, and
9 school-based services for students served
10 by high-need local educational agencies or
11 rural local educational agencies.

12 (iii) Helping to defray the cost of
13 issuing State bonds to finance public ele-
14 mentary school and secondary school re-
15 pair, renovation, and construction (includ-
16 ing for early learning facilities).

17 (iv) Awarding grants to State-oper-
18 ated or State-supported schools, such as a
19 State school for the deaf or for the blind,
20 to enable such schools to carry out school
21 repair, renovation, and construction activi-
22 ties in accordance with subsection (d). A
23 State that awards a grant pursuant to the
24 preceding sentence for a fiscal year shall
25 maintain the expenditures of the State for

1 the purpose of such grant at a level not
2 less than the level of such expenditures of
3 the State for the preceding fiscal year.

4 (D) STATE ENTITY ADMINISTRATION AND
5 OTHER COSTS.—If the State educational agency
6 transfers funds to a State entity described in
7 paragraph (2)(A), the State educational agency
8 shall transfer to such State entity not less than
9 75 percent of the amount reserved under sub-
10 paragraph (A) for the purpose of carrying out
11 the activities described in subparagraphs (B)
12 and (C).

13 (2) DISTRIBUTION OF COMPETITIVE SCHOOL
14 REPAIR, RENOVATION, AND CONSTRUCTION
15 GRANTS.—

16 (A) IN GENERAL.—Of the funds allocated
17 to a State educational agency under subsection
18 (b) that are not reserved under paragraph (1),
19 the State educational agency shall distribute
20 100 percent of such funds to local educational
21 agencies and charter schools or, if the State
22 educational agency is not responsible for the fi-
23 nancing of education facilities, the State edu-
24 cational agency shall transfer such funds to the
25 State entity responsible for the financing of

1 education facilities (referred to in this section
2 as the “State entity”) for distribution by such
3 State entity to local educational agencies and
4 charter schools in accordance with this para-
5 graph, to be used, consistent with subsection
6 (d), for public elementary school or secondary
7 school repair, renovation, and construction.

8 (B) COMPETITIVE GRANTS TO LOCAL EDU-
9 CATIONAL AGENCIES AND CHARTER
10 SCHOOLS.—

11 (i) IN GENERAL.—The State edu-
12 cational agency or State entity shall carry
13 out a program to award grants, on a com-
14 petitive basis, to local educational agencies
15 and charter schools for public elementary
16 school or secondary school repair, renova-
17 tion, and construction.

18 (ii) AMOUNTS TO CHARTER
19 SCHOOLS.—Of the total amount available
20 for distribution to local educational agen-
21 cies and charter schools under this para-
22 graph, the State educational agency or
23 State entity, shall, in carrying out the
24 grant competition in accordance with State
25 laws for funding charter schools, award to

1 charter schools that are not considered
2 local educational agencies under State law
3 an amount which bears the same relation-
4 ship to such total amount as the aggregate
5 amount such charter schools received
6 under part A of title I of the Elementary
7 and Secondary Education Act of 1965 (20
8 U.S.C. 6311 et seq.) for the fiscal year
9 preceding the fiscal year for which the de-
10 termination is made bears to the aggregate
11 amount received for such preceding fiscal
12 year under such part by all local edu-
13 cational agencies in the State. A charter
14 school that receives funds under this clause
15 may not receive funds under clause (iii).

16 (iii) AMOUNTS TO LOCAL EDU-
17 CATIONAL AGENCIES.—Of the total
18 amount available for distribution to local
19 educational agencies and charter schools
20 under this paragraph that is remaining
21 after awarding amounts to charter schools
22 under clause (ii), the State educational
23 agency or State entity, shall, in carrying
24 out the grant competition—

1 (I) award to high-need local edu-
2 cational agencies, in the aggregate,
3 not less than an amount which bears
4 the same relationship to such total re-
5 maining amount as the aggregate
6 amount such high-need local edu-
7 cational agencies received under part
8 A of title I of the Elementary and
9 Secondary Education Act of 1965 (20
10 U.S.C. 6311 et seq.) for the fiscal
11 year preceding the fiscal year for
12 which the determination is made bears
13 to the aggregate amount received for
14 such preceding fiscal year under such
15 part by all local educational agencies
16 in the State;

17 (II) award to rural local edu-
18 cational agencies in the State, in the
19 aggregate, not less than an amount
20 which bears the same relationship to
21 such total remaining amount as the
22 aggregate amount such rural local
23 educational agencies received under
24 part A of title I of such Act for the
25 fiscal year preceding the fiscal year

1 for which the determination is made
2 bears to the aggregate amount re-
3 ceived for such preceding fiscal year
4 under such part by all local edu-
5 cational agencies in the State; and

6 (III) award any funds remaining
7 after awarding funds under subclauses
8 (I) and (II) to local educational agen-
9 cies in the State that did not receive
10 a grant award under subclause (I) or
11 (II), including to high-need local edu-
12 cational agencies and rural local edu-
13 cational agencies that did not receive
14 a grant award under subclause (I) or
15 (II).

16 (C) PRIORITIES FOR AWARDING GRANTS.—

17 (i) PERCENTAGE OF POOR CHIL-
18 DREN.—In awarding competitive grants
19 under this paragraph, a State educational
20 agency or State entity shall first take into
21 account the percentage of children served
22 by the charter school or the public school
23 on whose behalf the local educational agen-
24 cy applied for a grant under this para-

1 graph who are from families with incomes
2 below the poverty line.

3 (ii) OTHER PRIORITIES.—In awarding
4 competitive grants under this paragraph, a
5 State educational agency or State entity
6 shall take into account the following prior-
7 ities after considering the priority de-
8 scribed in clause (i):

9 (I) NEED FOR SCHOOL REPAIR,
10 RENOVATION, AND CONSTRUCTION.—
11 The need of a local educational agency
12 or charter school for school repair,
13 renovation, and construction, as dem-
14 onstrated by the condition of the char-
15 ter school facilities or public school fa-
16 cilities of the local educational agency
17 or the local educational agency's need
18 for such facilities.

19 (II) GREEN SCHOOLS.—The ex-
20 tent to which a local educational agen-
21 cy or charter school will make use, in
22 the repair, renovation, or construction
23 to be undertaken, of green practices
24 that are certified, verified, or con-

1 sistent with any applicable provisions
2 of—

3 (aa) the LEED Green
4 Building Rating System;

5 (bb) Energy Star;

6 (cc) the CHPS Criteria;

7 (dd) Green Globes; or

8 (ee) an equivalent program
9 adopted by the State or another
10 jurisdiction with authority over
11 the local educational agency or
12 charter school.

13 (III) LACK OF FISCAL CAPAC-
14 ITY.—The inability of a local edu-
15 cational agency or charter school to
16 meet the needs of the local edu-
17 cational agency or charter school for
18 repair, renovation, and construction of
19 public school or charter school facili-
20 ties without assistance under this sec-
21 tion, including the inability of the
22 local educational agency or charter
23 school to raise funds through the use
24 of local bonding capacity and other-
25 wise.

1 (D) MATCHING REQUIREMENT.—

2 (i) IN GENERAL.—A State educational
3 agency or State entity shall require local
4 educational agencies to match funds
5 awarded under this paragraph.

6 (ii) MATCH AMOUNT.—The amount of
7 a match described in clause (i) may be es-
8 tablished by using a sliding scale that
9 takes into account the relative poverty of
10 the population served by the local edu-
11 cational agency.

12 (iii) NONAPPLICABILITY TO CHARTER
13 SCHOOLS.—A charter school that receives
14 funds under subparagraph (B)(ii) shall not
15 be subject to the matching requirement
16 under this subparagraph.

17 (iv) WAIVER.—The Secretary shall
18 waive the requirements of this subpara-
19 graph if the Secretary determines that a
20 waiver would be equitable due to financial
21 hardship of the local educational agency.

22 (d) RULES APPLICABLE TO SCHOOL REPAIR, REN-
23 OVATION, AND CONSTRUCTION.—With respect to funds
24 made available under this section that are used for school

1 repair, renovation, and construction, the following rules
2 shall apply:

3 (1) PERMISSIBLE USES OF FUNDS.—School re-
4 pair, renovation, and construction shall be limited to
5 1 or more of the following:

6 (A) Upgrades, repair, construction, or re-
7 placement of public elementary school or sec-
8 ondary school or charter school building sys-
9 tems or components to improve the quality of
10 education and ensure the health and safety of
11 students and staff, including—

12 (i) repairing, replacing, or con-
13 structing early learning facilities (including
14 renovation of existing facilities to serve
15 children who are not yet in kindergarten);

16 (ii) repairing, replacing, or con-
17 structing school libraries at public elemen-
18 tary schools or secondary schools or char-
19 ter schools;

20 (iii) repairing, replacing, or installing
21 roofs, windows, doors, electrical wiring,
22 plumbing systems, or sewage systems;

23 (iv) repairing, replacing, or installing
24 heating, ventilation, or air conditioning
25 systems (including insulation); and

1 (v) bringing such schools into compli-
2 ance with fire and safety codes.

3 (B) School facilities modifications nec-
4 essary to render public school or charter school
5 facilities accessible in order to comply with the
6 Americans with Disabilities Act of 1990 (42
7 U.S.C. 12101 et seq.) and section 504 of the
8 Rehabilitation Act of 1973 (29 U.S.C. 794).

9 (C) Improvements to the environmental
10 conditions of public school or charter school fa-
11 cilities, including asbestos abatement or re-
12 moval, and the reduction or elimination of
13 human exposure to lead-based paint, mold, or
14 mildew. **【Note: Do you want to clarify the use
15 of the terms public elementary school and sec-
16 ondary school, public school, and early learning
17 facility throughout this chapter?】**

18 (D) Measures designed to reduce or elimi-
19 nate human exposure to classroom noise and
20 environmental noise pollution.

21 (E) Modifications necessary to reduce the
22 consumption of electricity, natural gas, oil,
23 water, coal, or land.

24 (F) Upgrades or installations of edu-
25 cational technology infrastructure to ensure

1 that students have access to up-to-date edu-
2 cational technology.

3 (G) Measures that will broaden or improve
4 the use of public elementary school or sec-
5 ondary school or charter school buildings and
6 grounds by the community in order to improve
7 educational outcomes.

8 (2) IMPERMISSIBLE USES OF FUNDS.—No
9 funds received under this section may be used for—

10 (A) payment of maintenance costs in con-
11 nection with any projects constructed in whole
12 or part with Federal funds provided under this
13 section;

14 (B) purchase or upgrade of vehicles;

15 (C) improvement or construction of stand-
16 alone facilities whose purpose is not the edu-
17 cation of children, including central office ad-
18 ministration or operations or logistical support
19 facilities;

20 (D) purchase of information technology
21 hardware, including computers, monitors, or
22 printers; or

23 (E) stadiums or other facilities primarily
24 used for athletic contests or exhibitions or other

1 events for which admission is charged to the
2 general public.

3 (3) SUPPLEMENT, NOT SUPPLANT.—A local
4 educational agency, charter school, or State-operated
5 or State-supported school shall use Federal funds
6 subject to this subsection only to supplement the
7 amount of funds that would, in the absence of such
8 Federal funds, be made available from non-Federal
9 sources for school repair, renovation, and construc-
10 tion.

11 (e) REALLOCATION.—If a State educational agency
12 does not apply for an allocation of funds under subsection
13 (b) for a fiscal year, or does not use the State educational
14 agency's entire allocation for such fiscal year, then the
15 Secretary may reallocate the amount of the State edu-
16 cational agency's allocation (or the remainder thereof, as
17 the case may be) for such fiscal year to the remaining
18 State educational agencies in accordance with subsection
19 (b).

20 (f) APPROPRIATIONS.—There is authorized to be ap-
21 propriated and there is appropriated to carry out this sec-
22 tion, \$500,000,000 for each of fiscal years 2010 through
23 2014.

1 **CHAPTER 2—FEDERAL ASSISTANCE FOR**
2 **COMMUNITY COLLEGE MODERNIZA-**
3 **TION AND CONSTRUCTION**

4 **SEC. 2331. FEDERAL ASSISTANCE FOR COMMUNITY COL-**
5 **LEGE MODERNIZATION AND CONSTRUCTION.**

6 (a) IN GENERAL.—

7 (1) GRANT PROGRAM.—From the amounts
8 made available under subsection (g), the Secretary
9 shall award grants to States, from allocations under
10 paragraph (2), for the purposes of constructing new
11 community college facilities and modernizing, ren-
12 ovating, and repairing existing community college fa-
13 cilities. Grants awarded under this section shall be
14 used by a State for 1 or more of the following:

15 (A) To reduce financing costs of loans for
16 new construction, modernization, renovation, or
17 repair projects at community colleges (such as
18 paying interest or points on such loans).

19 (B) To provide matching funds for a com-
20 munity college capital campaign to attract pri-
21 vate donations of funds for new construction,
22 modernization, renovation, or repair projects at
23 the community college.

24 (C) To capitalize a revolving loan fund to
25 finance new construction, modernization, ren-

1 ovation, and repair projects at community col-
2 leges.

3 (2) ALLOCATION.—

4 (A) RESERVATIONS FOR TRIBAL COLLEGES
5 AND UNIVERSITIES.—The Secretary shall re-
6 serve 1.5 percent of the funds appropriated
7 under subsection (g) for the awarding of grants
8 to Tribal Colleges or Universities, as defined in
9 section 316(b) of the Higher Education Act of
10 1965 (20 U.S.C. 1059c), to enable the Tribally
11 Controlled Colleges or Universities to carry out
12 the activities described in subsection (c).

13 (B) DETERMINATION OF AVAILABLE
14 AMOUNT.—Except as provided in subparagraph
15 (C), from the funds appropriated under sub-
16 section (g) for fiscal year 2011 that are not re-
17 served under subparagraph (A), the Secretary
18 shall allocate to each State an amount that
19 bears the same relation to the funds as the
20 number of students in the State who are en-
21 rolled in community colleges and pursuing an
22 associate's degree or a certificate, bears to the
23 total number of such students in all States.

24 (C) DEDUCTION.—The Secretary shall de-
25 duct from the amount allocated to a State

1 under subparagraph (B) any portion of such
2 amount that is subject to a limitation under
3 paragraph (3).

4 (D) REALLOCATION.—

5 (i) IN GENERAL.—If a State that is
6 described in clause (ii) does not use a por-
7 tion or all of the State’s allocation under
8 this paragraph for a fiscal year, then the
9 Secretary may reallocate the portion or all,
10 respectively, of the amount of the State’s
11 allocation for such fiscal year to the re-
12 maining States in accordance with this
13 paragraph.

14 (ii) STATES.—A State referred to in
15 clause (i) is a State that—

16 (I) did not submit an application
17 under subsection (b);

18 (II) submitted an application
19 under subsection (b) that the Sec-
20 retary determined did not meet the re-
21 quirements of subsection (b); or

22 (iii) is subject to a limitation under
23 paragraph (3) that prevents the State from
24 using a portion of the allocation.

1 (3) GRANT AMOUNT LIMITATIONS.—A grant
2 awarded to a State under this section—

3 (A) to reduce financing costs incurred by
4 the State or community colleges on loans for
5 new construction, modernization, renovation, or
6 repair projects at community colleges under
7 paragraph (1)(A) shall be for an amount that
8 is not more than 25 percent of the total prin-
9 cipal amount of the loans for which financing
10 costs are being reduced; and

11 (B) to provide matching funds for a com-
12 munity college capital campaign under para-
13 graph (1)(B) shall be for an amount that is not
14 more than 25 percent of the total amount of
15 the private donations of funds raised through
16 such campaign over the duration of such cam-
17 paign, as such duration is determined by the
18 State in the application submitted under sub-
19 section (b).

20 (4) SUPPLEMENT, NOT SUPPLANT.—Funds
21 made available under this section shall be used to
22 supplement, and not supplant, other Federal, State,
23 and local funds that would otherwise be expended to
24 construct new community college facilities or mod-

1 ernize, renovate, or repair existing community col-
2 lege facilities.

3 (b) APPLICATION.—

4 (1) IN GENERAL.—A State that desires to re-
5 ceive a grant under this section shall submit an ap-
6 plication to the Secretary at such time, in such man-
7 ner, and containing such information and assurances
8 as the Secretary may require.

9 (2) CONTENTS.—Each application submitted
10 under paragraph (1) shall include the following:

11 (A) A description of how the grant funds
12 will be distributed and administered, including
13 how the State will give priority to assisting
14 projects described in subsection (c)(2).

15 (B) A description of how the State will en-
16 sure that the funds provided under this section
17 for the construction of new community college
18 facilities and the modernization, renovation, and
19 repair of existing community college facilities,
20 will—

21 (i) improve instruction at such com-
22 munity colleges;

23 (ii) improve the ability of such com-
24 munity colleges to educate and train stu-

1 dents to meet the workforce needs of em-
2 ployers in the State; and

3 (iii) not supplant other Federal, State,
4 or local funds.

5 (c) USE OF FUNDS BY COMMUNITY COLLEGES.—

6 (1) PERMISSIBLE USES OF FUNDS.—Funds
7 made available to community colleges through a loan
8 described in subsection (a)(1)(A), a capital campaign
9 described in subsection (a)(1)(B), or a loan from a
10 revolving loan fund described in subsection (a)(1)(C)
11 shall be used only for the construction, moderniza-
12 tion, renovation, or repair of community college fa-
13 cilities that are primarily used for instruction, re-
14 search, or student housing, which may include any
15 of the following:

16 (A) Repair, replacement, or installation
17 of—

18 (i) roofs, including extensive, inten-
19 sive, or semi-intensive green roofs;

20 (ii) electrical wiring;

21 (iii) water supply and plumbing sys-
22 tems;

23 (iv) sewage systems;

24 (v) storm water runoff systems;

25 (vi) lighting systems;

1 (vii) building envelope;

2 (viii) windows;

3 (ix) ceilings;

4 (x) flooring; or

5 (xi) doors, including security doors.

6 (B) Repair, replacement, or installation of
7 heating, ventilation, or air conditioning systems,
8 including insulation.

9 (C) Conducting indoor air quality assess-
10 ments.

11 (D) Compliance with fire, health, seismic,
12 and safety codes, including professional installa-
13 tion of fire and life safety alarms, and mod-
14 ernizations, renovations, and repairs that en-
15 sure that the community college's facilities are
16 prepared for emergencies, such as improving
17 building infrastructure to accommodate security
18 measures and installing or upgrading tech-
19 nology to ensure that the community college is
20 able to respond to emergencies, such as acts of
21 terrorism, campus violence, and natural disas-
22 ters.

23 (E) Retrofitting necessary to increase the
24 energy efficiency of the community college's fa-
25 cilities.

1 (F) Modifications necessary to make facili-
2 ties accessible in compliance with the Americans
3 with Disabilities Act of 1990 (42 U.S.C. 12101
4 et seq.) and section 504 of the Rehabilitation
5 Act of 1973 (29 U.S.C. 794).

6 (G) Abatement, removal, or interim con-
7 trols of asbestos, polychlorinated biphenyls,
8 mold, mildew, or lead-based hazards, including
9 lead-based paint hazards from the community
10 college's facilities.

11 (H) Modernization, renovation, or repair
12 necessary to reduce the consumption of coal,
13 electricity, land, natural gas, oil, or water.

14 (I) Modernization, renovation, or repair re-
15 lating to improving science and engineering lab-
16 oratories, libraries, or instructional facilities.

17 (J) Installation or upgrading of edu-
18 cational technology infrastructure.

19 (K) Installation or upgrading of renewable
20 energy generation and heating systems, includ-
21 ing solar, photovoltaic, wind, biomass (including
22 wood pellet and woody biomass), waste-to-en-
23 ergy, solar-thermal and geothermal systems,
24 and energy audits.

1 (ii) construction, modernization, ren-
2 ovation, or repair of stadiums or other fa-
3 cilities primarily used for athletic contests
4 or exhibitions or other events for which ad-
5 mission is charged to the general public; or

6 (iii) construction, modernization, ren-
7 ovation, or repair of facilities—

8 (I) used for sectarian instruction,
9 religious worship, or a school or de-
10 partment of divinity; or

11 (II) in which a substantial por-
12 tion of the functions of the facilities
13 are subsumed in a religious mission.

14 (B) FOUR-YEAR INSTITUTIONS.—No funds
15 awarded to a 4-year public institution of higher
16 education under this section shall be used for
17 any facility, service, or program of the institu-
18 tion that is unavailable to students who are
19 pursuing an associate's degree or a certificate.

20 (d) REGULATIONS.—The Secretary shall, notwith-
21 standing section 437 of the General Education Provisions
22 Act (20 U.S.C. 1232) and section 553 of title 5, United
23 States Code, establish such program rules as may be nec-
24 essary to implement the grant program under this section
25 by notice in the Federal Register.

1 (e) CONCURRENT FUNDING.—Funds made available
2 under this section may not be used to assist any commu-
3 nity college that receives funding for the construction,
4 modernization, renovation, and repair of facilities under
5 any other program under this Act, the Higher Education
6 Act of 1965 (20 U.S.C. 1001 et seq.), or the American
7 Recovery and Reinvestment Act of 2009 (Public Law 111–
8 5).

9 (f) DEFINITIONS.—In this section:

10 (1) COMMUNITY COLLEGE.—The term “commu-
11 nity college” means—

12 (A) a junior or community college, as such
13 term is defined in section 312(f) of the Higher
14 Education Act of 1965 (20 U.S.C. 1058(f)); or

15 (B) a public 4-year degree-granting insti-
16 tution of higher education that—

17 (i) offers associate’s degrees;

18 (ii) agrees to use funds provided
19 through a grant under this section for ac-
20 tivities at the certificate and associate de-
21 gree levels; and

22 (iii) is not located reasonably close, as
23 determined by the Secretary, to an institu-
24 tion of higher education at which the high-

1 est degree awarded students attending the
2 institution is an associate's degree.

3 (2) CHPS CRITERIA.—The term “CHPS Cri-
4 teria” means the green building rating program de-
5 veloped by the Collaborative for High Performance
6 Schools.

7 (3) ENERGY STAR.—The term “Energy Star”
8 means the Energy Star program of the United
9 States Department of Energy and the United States
10 Environmental Protection Agency.

11 (4) GREEN GLOBES.—The term “Green
12 Globes” means the Green Building Initiative envi-
13 ronmental design and rating system referred to as
14 Green Globes.

15 (5) LEED GREEN BUILDING RATING SYSTEM.—
16 The term “LEED Green Building Rating System”
17 means the United States Green Building Council
18 Leadership in Energy and Environmental Design
19 green building rating standard referred to as the
20 LEED Green Building Rating System.

21 (6) SECRETARY.—The term “Secretary” means
22 the Secretary of Education.

23 (7) STATE.—The term “State” has the mean-
24 ing given the term in section 103 of the Higher
25 Education Act of 1965 (20 U.S.C. 1003).

1 (g) AVAILABILITY OF FUNDS.—There are authorized
2 to be appropriated, and there are appropriated, to carry
3 out this section (in addition to any other amounts appro-
4 priated to carry out this section and out of any money
5 in the Treasury not otherwise appropriated),
6 \$2,500,000,000 for fiscal year 2011, which shall remain
7 available until expended.

8 **Subtitle D—Pipeline to College**
9 **Initiative**

10 **SEC. 2401. DEFINITIONS.**

11 In this subtitle:

12 (1) IN GENERAL.—The terms “educational
13 service agency”, “local educational agency”, “sec-
14 ondary school”, and “State educational agency”
15 have the meanings given the terms in section 9101
16 of the Elementary and Secondary Education Act of
17 1965 (20 U.S.C. 7801).

18 (2) ADEQUATE YEARLY PROGRESS.—The term
19 “adequate yearly progress” has the meaning given
20 the term in section 1111(b)(2)(C) of the Elementary
21 and Secondary Education Act of 1965 (20 U.S.C.
22 6311(b)(2)(C)).

23 (3) ELIGIBLE MIDDLE SCHOOL.—The term “eli-
24 gible middle school” means a secondary school—

1 (A) in which the entering grade of the
2 school is not lower than grade 5 and the high-
3 est grade of the school is not higher than grade
4 9; and

5 (B) for which a high proportion of the stu-
6 dents attending such school go on to attend a
7 high school identified for whole school reform or
8 replacement, as described in section
9 2403(b)(2)(B).

10 (4) ELIGIBLE SECONDARY SCHOOL.—The term
11 “eligible secondary school” means—

12 (A) a high school identified for whole
13 school reform or replacement under section
14 2406(f)(2)(A); or

15 (B) an eligible middle school.

16 (5) EXTERNAL PARTNER.—The term “external
17 partner” means an entity that—

18 (A) is an organization such as a nonprofit
19 organization, community-based organization,
20 local education fund, service organization, edu-
21 cational service agency, or institution of higher
22 education; and

23 (B) has demonstrated expertise and effec-
24 tiveness in providing targeted support (such as
25 data analysis, professional development, or pro-

1 vision of nonacademic support and integrated
2 student services) to local educational agencies,
3 schools, or students that leads to improved
4 teaching, learning, and outcomes for students,
5 including secondary school students who are
6 failing to make sufficient progress to graduate
7 in the standard amount of years or who have
8 dropped out of school.

9 (6) GRADUATION RATE.—The term “graduation
10 rate” has the meaning given the term in section
11 1111(b)(2)(C)(vi) of the Elementary and Secondary
12 Education Act of 1965 (20 U.S.C.
13 6311(b)(2)(C)(vi)), as clarified in section
14 200.19(b)(1) of title 34, Code of Federal Regula-
15 tions.

16 (7) HIGH SCHOOL.—The term “high school”
17 means a secondary school in which the—

18 (A) entering grade of the school is not
19 lower than grade 6; and

20 (B) highest grade of the school is—

21 (i) grade 12; or

22 (ii) in the case of a secondary school
23 approved by a State to issue a regular di-
24 ploma concurrently with a postsecondary
25 degree or with not more than 2 years’

1 worth of postsecondary academic credit,
2 grade 13.

3 (8) INSTITUTION OF HIGHER EDUCATION.—The
4 term “institution of higher education” has the
5 meaning given the term in section 101(a) of the
6 Higher Education Act of 1965 (20 U.S.C. 1001(a)).

7 (9) POVERTY LINE.—The term “poverty line”
8 means the poverty line described in section 673 of
9 the Community Services Block Grant Act (42 U.S.C.
10 9902), applicable to a family of the size involved.

11 (10) SECONDARY SCHOOL REFORM PARTNER.—
12 The term “secondary school reform partner” means
13 an organization, such as a school reform organiza-
14 tion, community-based organization, educational
15 service agency, local education fund, or institution of
16 higher education, with—

17 (A) expertise in analyzing school perform-
18 ance data; and

19 (B) a track record of success in improving
20 student achievement and graduation rates in
21 low-performing middle schools or low-per-
22 forming high schools.

23 (11) SECRETARY.—The term “Secretary”
24 means the Secretary of Education.

1 (12) STATE.—The term “State” means each of
2 the several States of the United States, the District
3 of Columbia, and the Commonwealth of Puerto Rico.

4 **SEC. 2402. GRADUATION PROMISE GRANTS.**

5 (a) GRANTS AUTHORIZED.—From amounts appro-
6 priated under section 2408 and not reserved under sub-
7 section (b) for a fiscal year, the Secretary is authorized
8 to award 5-year grants, on a competitive basis, to State
9 educational agencies to enable the State educational agen-
10 cies to—

11 (1) improve student achievement and gradua-
12 tion rates; and

13 (2) effectively target resources and technical as-
14 sistance to—

15 (A) high schools in whole school reform or
16 replacement, as described in section
17 2403(b)(3)(B); and

18 (B) eligible middle schools.

19 (b) RESERVATION OF FUNDS.—From the total
20 amount appropriated under section 2408 for a fiscal year,
21 the Secretary shall reserve—

22 (1) not more than 5 percent to—

23 (A)(i) provide technical assistance to State
24 educational agencies or local educational agen-

1 cies applying for or receiving grants or sub-
2 grants under this subtitle; and

3 (ii) award grants or contracts to ex-
4 ternal partners and secondary school re-
5 form partners to—

6 (I) provide such technical assist-
7 ance; and

8 (II) build the external partners'
9 and secondary school partners' capac-
10 ity to serve more middle schools and
11 high schools; and

12 (B) support the development or enhance-
13 ment of research-based whole secondary school
14 reform or new secondary school models;

15 (2) 2 percent for the Secretary of the Interior,
16 to enable the Secretary of the Interior to carry out
17 the purposes of this subtitle for schools operated or
18 funded by the Bureau of Indian Affairs; and

19 (3) 10 percent to carry out research and eval-
20 uation in accordance with section 2801.

21 (c) SUPPLEMENT, NOT SUPPLANT.—A State edu-
22 cational agency that receives a grant under this subtitle
23 shall use the grant funds to supplement, and not supplant,
24 Federal and non-Federal funds available to middle schools
25 and high schools.

1 (d) MATCHING FUNDS.—

2 (1) MATCHING REQUIREMENT.—A State edu-
3 cational agency that receives a grant under this sub-
4 title shall provide, from non-Federal sources (which
5 may include foundations), matching funds in an
6 amount equal to 25 percent of the amount of grant
7 funds provided to the State educational agency.
8 Such matching funds—

9 (A) shall be used to carry out the activities
10 supported by the grant; and

11 (B) may be provided in cash or in-kind, ex-
12 cept that matching funds provided through in-
13 kind contributions may not equal more than 10
14 percent of the amount of grant funds provided
15 to the State educational agency.

16 (2) WAIVER.—The Secretary may waive all or
17 part of the matching requirement described in para-
18 graph (1) for any fiscal year for a State educational
19 agency if the Secretary determines that applying the
20 matching requirement to such State educational
21 agency would result in serious hardship or an inabil-
22 ity to carry out the authorized activities described in
23 section 2405.

1 **SEC. 2403. STATE PLANS TO DEVELOP DIFFERENTIATED**
2 **SECONDARY SCHOOL IMPROVEMENT SYS-**
3 **TEMS.**

4 (a) IN GENERAL.—A State educational agency desir-
5 ing to receive a grant under this subtitle shall submit a
6 plan to the Secretary at such time, in such manner, and
7 containing such information as the Secretary may reason-
8 ably require.

9 (b) CONTENTS.—Each plan submitted under this sec-
10 tion shall include the following:

11 (1) SCHOOL IMPROVEMENT PROCESS.—The
12 State educational agency shall describe how the
13 State educational agency will use grant funds under
14 this subtitle to establish or expand a statewide dif-
15 ferentiated high school improvement system de-
16 scribed in paragraph (2) and section 2405, in col-
17 laboration with external partners and secondary
18 school reform partners.

19 (2) STATEWIDE DIFFERENTIATED HIGH
20 SCHOOL IMPROVEMENT.—

21 (A) PROCESS OF DIFFERENTIATION.—The
22 State educational agency shall describe a data-
23 driven process for categorizing high schools into
24 the categories described in subparagraph (B)
25 using—

1 (i) the indicators used to determine
2 adequate yearly progress; and

3 (ii) data from the school performance
4 indicators described in subsection (c).

5 (B) DIFFERENTIATED HIGH SCHOOL IM-
6 PROVEMENT CATEGORIES.—The State edu-
7 cational agency shall describe how local edu-
8 cational agencies in the State will use the proc-
9 ess established under subparagraph (A) to cat-
10 egorize each of the lowest-performing high
11 schools in the State, including each high school
12 in the State that had a graduation rate of 50
13 percent or less in the most recent year for
14 which data are available, into 1 of the following
15 school improvement categories:

16 (i) SCHOOLS NEEDING WHOLE
17 SCHOOL REFORMS.—High schools whose
18 performance on the school performance in-
19 dicators described in subsection (c) dem-
20 onstrate a need for comprehensive
21 schoolwide reform described in section
22 2406(f)(4) to improve student outcomes
23 and make adequate yearly progress.

24 (ii) SCHOOLS NEEDING REPLACE-
25 MENT.—High schools whose performance

1 on the school performance indicators dem-
 2 onstrate a need for school replacement, as
 3 described in section 2406(f)(5).

4 (C) CONTINUOUS IMPROVEMENT.—The
 5 State educational agency shall describe how the
 6 State educational agency will annually evaluate
 7 the progress of high schools to ensure that each
 8 high school is making continuous and substan-
 9 tial improvement—

10 (i) in accordance with the benchmarks
 11 described in paragraph (3); and

12 (ii) consistent with the requirements
 13 described in section [_____] [Note: unclear
 14 what this references?].

15 (3) BENCHMARKS FOR SCHOOL PERFORMANCE
 16 INDICATORS.—The State educational agency shall
 17 develop quantifiable benchmarks for the State and
 18 for the activities supported under the grant that
 19 [Note: given your new indicator/benchmark struc-
 20 ture throughout the bill, should this be moved out-
 21 side of the application/plan?]

22 (A) are based on the indicators described
 23 in subsection (c) that are applicable to the eligi-
 24 ble entity [Note: for this grant, won't all indi-
 25 cators be applicable?];

1 (B) are submitted for approval to the Sec-
2 retary; **【Note: redundant if this requirement is**
3 **kept in this location, for the plan itself is sub-**
4 **mitted for approval.】**

5 (C) include a goal and a minimum percent-
6 age of expected growth for each school perform-
7 ance indicator defined by the Secretary under
8 subsection (c); and

9 (D) demonstrate that a school is making
10 continuous and substantial progress toward
11 such goal and toward **【making adequate yearly**
12 **progress】**.

13 (4) STATE REVIEW OF LOCAL EDUCATIONAL
14 AGENCY PLANS.—The State educational agency shall
15 describe how the State educational agency will—

16 (A) award subgrants to local educational
17 agencies under section 2406;

18 (B) collect and review secondary school im-
19 provement plans developed in accordance with
20 section 2406(f)(2)(C);

21 (C) review and monitor the implementation
22 of the secondary school improvement plans;

23 (D) provide technical assistance to local
24 educational agencies, middle schools, and high
25 schools that need support to implement school

1 improvement plans described in section
2 2406(2)(C) or improve graduation rates and
3 student achievement, including through identi-
4 fying and using secondary school reform pro-
5 viders and external providers, as appropriate;
6 and

7 (E) coordinate the activities funded under
8 this subtitle with **【activities financed through】**
9 other Federal education funding sources avail-
10 able to the State, including—

11 (i) the State Fiscal Stabilization Fund
12 under section 14001 of the American Re-
13 covery and Reinvestment Act of 2009
14 (Public Law 111–5);

15 (ii) the State incentive grant program
16 under section 14006 of such Act;

17 (iii) the Innovation Fund under sec-
18 tion 14007 of such Act;

19 (iv) the program under section 1003
20 of the Elementary and Secondary Edu-
21 cation Act of 1965 (20 U.S.C. 6303); and

22 (v) the programs under part A of title
23 I of the Elementary and Secondary Edu-
24 cation Act of 1965 (20 U.S.C. 6311 et
25 seq.), including the differentiated account-

1 ability pilot program under such part,
2 where applicable.

3 (5) EARLY WARNING INDICATOR AND INTER-
4 VENTION SYSTEM.—The State educational agency
5 shall describe how the State educational agency will
6 develop an early warning indicator and intervention
7 system that—

8 (A) is used statewide or for the local edu-
9 cational agencies receiving subgrants under sec-
10 tion 2406; and

11 (B) alerts a secondary school when a stu-
12 dent begin to exhibit outcomes or behaviors
13 that indicate the student is at increased risk for
14 low academic achievement or is unlikely to
15 progress toward secondary school graduation
16 by—

17 (i) identifying, by analyzing data such
18 as longitudinal data of past cohorts of stu-
19 dents, the academic and behavioral indica-
20 tors that most reliably predict dropping
21 out of high school, such as—

22 (I) attendance;

23 (II) behavior measures (including
24 suspensions, officer referrals, or con-
25 duct marks);

1 (III) academic performance in
2 core courses; and

3 (IV) earned on-time promotion
4 from grade-to-grade;

5 (ii) analyzing student progress and
6 performance on the indicators identified
7 under clause (i) in order to guide the
8 school's decisionmaking regarding whether
9 a student is at increased risk;

10 (iii) analyzing academic indicators to
11 determine whether a student is making
12 sufficient progress to graduate high school
13 in the standard number of years, and de-
14 veloping appropriate evidence-based inter-
15 ventions for students who are not making
16 such progress; and

17 (iv) identifying or developing a mecha-
18 nism for regularly collecting and report-
19 ing—

20 (I) student-level data on the indi-
21 cators identified under clause (i);

22 (II) student-level progress and
23 performance, as described in clause
24 (ii);

1 (III) student-level data on the in-
2 dicators described in clause (iii); and

3 (IV) information about the im-
4 pact of interventions on student out-
5 comes and progress; and

6 (C) creates a system of evidence-based
7 interventions to be used by schools to effectively
8 intervene in such situations.

9 (c) SCHOOL PERFORMANCE INDICATORS.—The Sec-
10 retary shall define, in consultation with representatives
11 from urban and rural local educational agencies, a com-
12 prehensive set of school performance indicators to be used
13 to measure success on the activities carried out under a
14 grant under this subtitle. Such indicators—

15 (1) shall be used, in addition to the indicators
16 used to determine adequate yearly progress, to—

17 (A) analyze the performance of secondary
18 schools in the State;

19 (B) determine the amount, intensity, and
20 type of support each secondary school served
21 under this subtitle needs; and

22 (C) guide the school improvement process;

23 (2) in the case of a secondary school that is a
24 high school, demonstrate whether the high school is
25 making substantial and continuous progress toward

1 the goal that all of the school's students graduate
2 prepared for success in higher education and in the
3 students' careers;

4 (3)(A) directly measure student achievement
5 and advancement in secondary school; or

6 (B) have been demonstrated by research to
7 have a direct impact on secondary school student
8 achievement and advancement; and

9 (4) include—

10 (A) indicators of high school student en-
11 gagement and effort;

12 (B) indicators of student advancement;

13 (C) indicators of educator quality;

14 (D) indicators of academic learning; and

15 (E) such other indicators, as defined by
16 the Secretary.

17 **SEC. 2404. AWARD BASIS; PEER REVIEW AND APPROVAL.**

18 (a) AWARD BASIS.—The Secretary shall select a
19 State to receive grants under this subtitle based on the
20 quality of the State's plan under section 2403. In making
21 such selections, the Secretary shall provide a priority to
22 the States with the highest percentage of high schools with
23 a graduation rate of less than 65 percent.

1 (b) PEER REVIEW.—The Secretary shall establish a
2 peer-review process to assist in the review and approval
3 of State plans.

4 (c) ACCURACY.—In approving a State plan and
5 awarding a grant under this subtitle, the Secretary shall
6 ensure that—

7 (1) the process the State educational agency
8 proposes for differentiating school improvement ac-
9 tions under section 2403 and assigning each [low-
10 performing?] high school to a school improvement
11 category described in section 2403(b)(2)(B) in a way
12 that—

13 (A) accurately identifies improvement
14 needs of the high school; and

15 (B) leads to the implementation of the
16 interventions necessary to meet the needs of the
17 students attending the high school; and

18 (2) the benchmarks proposed by the State edu-
19 cational agency under section 2403(b)(3) are mean-
20 ingful and achievable, and demonstrate continuous
21 and substantial progress.

22 **SEC. 2405. USE OF GRANT FUNDS.**

23 A State educational agency that receives a grant
24 under this subtitle shall—

1 (1) reserve not more than 10 percent of the
2 grant funds—

3 (A) to implement the early warning indi-
4 cator and intervention system described in the
5 State plan under section 2403(b)(5) in the
6 State or in the local educational agencies in the
7 State receiving subgrants under section 2406;
8 and

9 (B) to establish or expand a statewide dif-
10 ferentiated high school improvement system
11 that—

12 (i) uses data to identify high schools
13 for whole school reform or replacement, as
14 described in section 2403(b)(2)(B), within
15 the State;

16 (ii) differentiates school improvement
17 actions described in section 2406(f)(3)
18 based on the amount and type of supports
19 necessary to improve student achievement
20 and graduation rates in high schools and
21 eligible middle schools within the State;
22 and

23 (iii) targets resources and support to
24 high schools in the State that are identi-

1 fied for whole school reform or replacement
2 and to eligible middle schools. and

3 (2) use not less than 90 percent of the grant
4 funds to make subgrants to local educational agen-
5 cies in accordance with section 2406.

6 **SEC. 2406. SUBGRANTS TO LOCAL EDUCATIONAL AGEN-**
7 **CIES.**

8 (a) SUBGRANTS AUTHORIZED.—A State educational
9 agency that receives a grant under this subtitle shall
10 award subgrants to local educational agencies to enable
11 the local educational agencies to carry out the activities
12 described in subsection (f).

13 (b) APPLICATION.—

14 (1) IN GENERAL.—To be eligible to receive a
15 subgrant under this subtitle, a local educational
16 agency shall submit an application to the State edu-
17 cational agency at such time, in such manner, and
18 containing such information as the State educational
19 agency may reasonably require.

20 (2) CONTENTS.—Each application submitted
21 under this subsection shall include—

22 (A) a description, for each high school
23 identified as in need of whole school reform or
24 replacement as described in section
25 2403(b)(2)(B), of how the local educational

1 agency will carry out activities described in sub-
2 section (f) for the high school;

3 (B) a description of how the local edu-
4 cational agency will identify eligible middle
5 schools served by the local educational agency
6 and develop plans to improve the eligible middle
7 schools;

8 (C) a description of the local educational
9 agency staffing structure that is designed to
10 carry out activities in support of the school im-
11 provement plans described in subsection
12 (f)(2)(C);

13 (D) an assurance that the local educational
14 agency will conduct the capacity and needs as-
15 sessment required under subsection (f)(2)(F)
16 and provide the results of the assessment to the
17 State educational agency and the Secretary;

18 (E) a description of the external partners
19 and secondary school reform partners that will
20 be used to undertake school improvement in the
21 schools served by the local educational agency;
22 and

23 (F) a description of how data, including
24 data on the school performance indicators de-
25 scribed in section 2403(c), will be used, con-

1 sistent with the requirements of this section, to
2 inform the—

3 (i) classification of high schools served
4 by the local educational agency;

5 (ii) the identification of eligible middle
6 schools served by the local educational
7 agency; and

8 (iii) the development and implementa-
9 tion of school improvement plans.

10 (c) AWARD BASIS.—A State educational agency
11 awarding subgrants under this section shall select a local
12 educational agency for a subgrant based on—

13 (1) the quality of the local educational agency's
14 plan to improve student graduation rates and stu-
15 dent achievement in high schools in need of whole
16 school reform or replacement and in eligible middle
17 schools;

18 (2) the capacity of the local educational agency
19 to implement the plan; and

20 (3) the need of the local educational agency,
21 based on the percentage of high schools served by
22 the local educational agency with a graduation rate
23 of less than 65 percent.

24 (d) SUPPLEMENT, NOT SUPPLANT.—A local edu-
25 cational agency that receives a subgrant under this section

1 shall use the subgrant funds to supplement, and not sup-
2 plant, other Federal and non-Federal funds available for
3 secondary schools served by the local educational agency.

4 (e) MATCHING FUNDS.—

5 (1) IN GENERAL.—A local educational agency
6 receiving a subgrant under this section shall provide
7 matching funds, from non-Federal sources (which
8 may include foundations), in an amount equal to not
9 less than 15 percent of the total subgrant award for
10 the local educational agency. Such matching funds
11 may be provided in cash or in-kind.

12 (2) WAIVER.—The Secretary may waive all or
13 part of the matching requirement described in para-
14 graph (1) for any fiscal year for a local educational
15 agency if the Secretary determines that applying the
16 matching requirement to such local educational
17 agency would result in serious hardship or an inabil-
18 ity to carry out the authorized activities described in
19 subsection (f).

20 (f) USE OF FUNDS.—

21 (1) IN GENERAL.—A local educational agency
22 that receives a subgrant under this section shall, in
23 partnership with external partners and secondary
24 school reform partners, use subgrant funds to—

1 (A) develop, lead, and implement a dis-
2 trict-wide approach to improving eligible sec-
3 ondary schools that meets the requirements of
4 paragraph (2);

5 (B) carry out the activities described in
6 paragraphs (3) through (5); and

7 (C) coordinate the activities funded under
8 this subtitle with activities financed through
9 other Federal education funding sources avail-
10 able to the State, including—

11 (i) the State Fiscal Stabilization Fund
12 under section 14001 of the American Re-
13 covery and Reinvestment Act of 2009
14 (Public Law 111–5);

15 (ii) the State incentive grant program
16 under section 14006 of such Act;

17 (iii) the Innovation Fund under sec-
18 tion 14007 of such Act;

19 (iv) the program under section 1003
20 of the Elementary and Secondary Edu-
21 cation Act of 1965 (20 U.S.C. 6303); and

22 (v) the programs under part A of title
23 I of the Elementary and Secondary Edu-
24 cation Act of 1965 (20 U.S.C. 6311 et
25 seq.), including the differentiated account-

1 ability pilot program under such part,
2 where applicable.

3 (2) DISTRICT-WIDE **【ELIGIBLE SECONDARY】**
4 SCHOOL IMPROVEMENT SYSTEM.—

5 (A) CATEGORIZATION OF HIGH
6 SCHOOLS.—The local educational agency
7 shall—

8 (i) identify the category of high school
9 improvement, as described in section
10 2403(b)(2)(B), for each high school served
11 by such agency that does not make ade-
12 quate yearly progress for 2 consecutive
13 years using, at a minimum—

14 (I) data on the school perform-
15 ance indicators described in section
16 2403(e);

17 (II) data on the indicators used
18 to determine adequate yearly
19 progress;

20 (III) information about incoming
21 students in the initial grade of the
22 high school;

23 (IV) information about the stu-
24 dent population, including data pro-
25 vided through the early warning indi-

1 cator and intervention system de-
2 scribed in section 2403(b)(5); and

3 (V) data regarding schools' ca-
4 pacity and needs, as described in sub-
5 paragraph (F); and

6 (ii) publicly identify such schools by
7 school improvement category.

8 (B) SCHOOL IMPROVEMENT TEAMS.—

9 (i) IN GENERAL.—The local edu-
10 cational agency shall convene a school im-
11 provement team for each eligible secondary
12 school served by such agency.

13 (ii) MANDATORY MEMBERS.—The
14 school improvement team for each school
15 shall include—

16 (I) the principal of the school;

17 (II) at least 2 teachers from the
18 school representing different grade
19 levels or disciplines;

20 (III) local educational agency
21 staff;

22 (IV) a parent of a student in the
23 school;

24 (V) a community representative,
25 such as a representative of nonprofit

1 organizations serving young people
2 and the business community;

3 (VI) a pupil services representa-
4 tive; and

5 (VII) external partners or sec-
6 ondary school reform partners.

7 (iii) OPTIONAL MEMBERS.—The
8 school improvement team for a school may
9 include State educational agency staff, if
10 requested by the local educational agency
11 or assigned by the State educational agen-
12 cy.

13 (iv) COLLABORATION.—The local edu-
14 cational agency shall ensure the collabora-
15 tion of each school improvement team with
16 personnel of any school served by the local
17 educational agency whose students will at-
18 tend the eligible secondary school, to the
19 extent appropriate.

20 (C) DEVELOPING SCHOOL IMPROVEMENT
21 PLANS.—The school improvement team con-
22 vened under subparagraph (B) for each eligible
23 secondary school shall use the data described in
24 subparagraph (A)(i) and other relevant data

1 and knowledge regarding the school, to develop
2 a multi-year school improvement plan that—

3 (i) identifies the school’s growth tar-
4 gets for the school performance indicators
5 described in section 2403(e) that meet or
6 exceed the State’s benchmarks described in
7 section 2403(b)(3);

8 (ii) defines the evidence-based aca-
9 demic and nonacademic interventions and
10 resources necessary to meet the school’s
11 growth targets and make adequate yearly
12 progress;

13 (iii) identifies the roles of the State
14 educational agency, the local educational
15 agency, the school, secondary school re-
16 form partners, and external partners, as
17 appropriate, in providing such interven-
18 tions and resources necessary to meet the
19 school’s growth targets and make adequate
20 yearly progress;

21 (iv) provides for the involvement of
22 business and community organizations and
23 other entities, including parents and insti-
24 tutions of higher education, in the activi-
25 ties to be assisted under the subgrant; and

1 (v) describes and directs the use of—

2 (I) any additional funding to be
3 provided by the State educational
4 agency, the local educational agency,
5 or other sources to support activities
6 carried out under this subtitle; and

7 (II) secondary school reform
8 partners and external partners.

9 (D) IMPLEMENTING SCHOOL IMPROVE-
10 MENT.—The local educational agency shall—

11 (i) engage in a planning period of not
12 longer than **[180]** days to prepare to im-
13 plement the school improvement plan for
14 each eligible secondary school, including
15 preparation activities such as—

16 (I) creating a skilled leadership
17 team and providing professional devel-
18 opment in best practice and successful
19 school models that educate similar
20 student populations;

21 (II) working with secondary
22 school reform partners to identify
23 roles and responsibilities to create a
24 comprehensive approach and effort to
25 implementing the school improvement

1 plan for each eligible secondary
2 school;

3 (III) planning and providing pro-
4 fessional development to eligible sec-
5 ondary school teachers in instruction,
6 use of data, and working in the eligi-
7 ble secondary schools;

8 (IV) establishing and imple-
9 menting use of the early warning indi-
10 cator and intervention system de-
11 scribed in section 2403(b)(5); and

12 (V) establishing a school schedule
13 that enables the implementation of
14 the eligible secondary school improve-
15 ment plan; and

16 (ii) ensure the implementation of the
17 school improvement plan for each eligible
18 secondary school.

19 (E) DISTRICT-WIDE ACTIVITIES.—The
20 local educational agency shall work with exter-
21 nal partners or secondary school reform part-
22 ners to support successful implementation of el-
23 igible secondary school improvement plans and
24 district-wide improvement through—

1 (i) using an early warning indicator
2 and intervention system described in sec-
3 tion 2403(b)(5) to identify students who
4 are at risk of dropping out of school and
5 to guide preventive and recuperative school
6 improvement strategies;

7 (ii) providing academically rigorous
8 education options that lead to a secondary
9 school diploma consistent with readiness
10 for postsecondary education and the work-
11 force;

12 (iii) providing research-based interven-
13 tions for eligible middle schools;

14 (iv) identifying and implementing
15 strategies for pairing academic support
16 with integrated student services and case-
17 managed interventions for students requir-
18 ing intensive supports, which may include
19 partnering with community-based organi-
20 zations;

21 (v) undertaking district-wide reform
22 efforts that will benefit students attending
23 eligible secondary schools, such as—

24 (I) planning for and establishing
25 a new middle school or high school to

1 serve students currently served by an
2 eligible secondary school; and

3 (II) forming partnerships with
4 State or regional 2-year and 4-year
5 institutions of higher education, em-
6 ployers, State workforce investment
7 boards or local workforce investment
8 boards established under section 111
9 or 117, respectively, of the Workforce
10 Investment Act of 1998 (29 U.S.C.
11 2821, 2832), or community-based or-
12 ganizations to create or organize path-
13 ways and supportive services for high
14 school students to prepare the stu-
15 dents for postsecondary education and
16 high-skill, high-demand careers, which
17 pathways may include—

18 (aa) early college high
19 schools;

20 (bb) career academies;

21 (cc) any articulated se-
22 quences of academic and career
23 courses that prepare students for
24 postsecondary education;

1 (dd) experiences and courses
2 aligned with the needs of high
3 skill, high demand careers; and

4 (ee) academic and career
5 counseling for informed student
6 decision-making; and

7 (vi) assisting students in developing
8 an individual academic and career plan
9 starting, to the extent practicable, at or
10 near the beginning of the student's sec-
11 ondary school career.

12 (F) CAPACITY AND NEEDS ASSESSMENT.—

13 (i) IN GENERAL.—Each school im-
14 provement team described in subparagraph
15 (B) and the local educational agency shall
16 conduct an eligible secondary school capac-
17 ity and needs assessment for the school
18 served by the team.

19 (ii) ASSESSMENT REQUIREMENTS.—A
20 local educational agency shall use the in-
21 formation provided in the capacity and
22 needs assessment for a school, in coordina-
23 tion with the school's school improvement
24 plan, to—

1 (I) determine the level and direct
2 the use of the funds requested by the
3 local educational agency for the eligi-
4 ble secondary school under the
5 subgrant under this section; and

6 (II) determine the number and
7 direct the use of secondary school re-
8 form partners and external partners.

9 (3) IMPLEMENTATION OF SCHOOL IMPROVE-
10 MENT ACTIVITIES.—The school improvement team
11 described in paragraph (2)(B) for each eligible sec-
12 ondary school shall ensure that the school improve-
13 ment activities included in the school improvement
14 plan are implemented.

15 (4) WHOLE SCHOOL REFORM.—The local edu-
16 cational agency or State educational agency, with
17 technical assistance from secondary school reform
18 partners, [as determined by the school improvement
19 team], shall enable and assist each school identified
20 as needing whole school reform pursuant to section
21 2403(b)(2) to implement whole school reform based
22 on scientifically valid research using [data on the
23 school performance indicators described in section
24 2403(c)]. Such reform—

1 (A) shall address the comprehensive as-
2 pects of high school reform, including—

3 (i) schoolwide needs;

4 (ii) students who need targeted assist-
5 ance; and

6 (iii) students who need intensive inter-
7 ventions, including those who are not mak-
8 ing sufficient progress to graduate in the
9 standard number of years;

10 (B) shall address schoolwide factors to im-
11 prove student achievement, including—

12 (i) setting high expectations and in-
13 fusing relevance into learning for all stu-
14 dents;

15 (ii) personalizing the high school expe-
16 rience; and

17 (iii) improving school climate, includ-
18 ing student attendance and behavior;

19 (C) shall include activities that—

20 (i) ensure continuous improvement
21 by—

22 (I) ensuring the school improve-
23 ment plan is supported to the extent
24 practicable by all school staff;

25 (II) establishing clear—

1 (aa) goals and growth tar-
2 gets for implementation out-
3 comes; and

4 (bb) school annual growth
5 targets; and

6 (III) regularly evaluating the im-
7 plementation of, and fidelity to, the
8 high school improvement plan,
9 through such means as dedicating a
10 staff member to support implementa-
11 tion of the school improvement plan;

12 (ii) organize the school to improve
13 teaching and learning, including through—

14 (I) strategic use of time, such
15 as—

16 (aa) establishing common
17 planning time for subject area
18 teachers and interdisciplinary
19 teams who share common groups
20 of students;

21 (bb) utilizing block sched-
22 uling or redesigning the school
23 calendar year or day to create ex-
24 tended learning time in core sub-
25 jects; or

1 (cc) creating a flexible
2 school period to address specific
3 student academic needs and in-
4 terests such as credit recovery,
5 electives, or service learning;

6 (II) aligning resources to im-
7 provement goals, such as through en-
8 suring that students in the students'
9 initial year in the high school are
10 taught by teachers prepared to meet
11 the students' specific learning needs;
12 and

13 (III) development of effective
14 leadership structures, supports, and
15 clear decisionmaking processes, such
16 as through developing distributive
17 leadership and leadership teams;

18 (iii) improve curriculum and instruc-
19 tion, including through—

20 (I) increasing access to rigorous
21 and advanced coursework, including
22 adoption and implementation of a
23 college- and work-ready curriculum,
24 and evidence-based, engaging instruc-

1 tional materials aligned with such a
2 curriculum, for all students;

3 (II) increasing access to
4 contextualized learning opportunities
5 aligned with readiness for postsec-
6 ondary education and the workforce,
7 such as—

8 (aa) providing work-based,
9 project-based, and service-learn-
10 ing opportunities; or

11 (bb) providing a high qual-
12 ity, college preparatory cur-
13 riculum in the context of a rig-
14 orous technical core;

15 (III) regularly collecting and
16 using data to inform instruction, such
17 as—

18 (aa) through use of forma-
19 tive assessments;

20 (bb) creating and using com-
21 mon grading rubrics; or

22 (cc) identifying effective in-
23 structional approaches to meet
24 student needs; and

1 (IV) emphasizing core skills in-
2 struction, such as literacy, across con-
3 tent areas;

4 (iv) provide students with academic
5 and social support to address individual
6 student learning needs, including
7 through—

8 (I) increasing personalization
9 through learning structures that fa-
10 cilitate the development of student
11 and staff relationships, such as—

12 (aa) implementing grade 9
13 academies or thematic smaller
14 learning communities;

15 (bb) establishing teams of
16 teachers who work exclusively
17 with small groups of students; or

18 (cc) creating advisor posi-
19 tions to provide students with
20 study, organizational, and social
21 skills;

22 (II) offering extended-learning,
23 credit recovery, mentoring, or tutoring
24 options of sufficient scale to meet stu-
25 dent needs;

1 (III) providing evidence-based ac-
2 celerated learning for students with
3 academic skill levels below grade level;

4 (IV) coordinating and increasing
5 access to integrated services, such as
6 providing additional counselors, social
7 workers, and behavior and mental
8 health providers to deliver such serv-
9 ices; and

10 (V) providing graduation and
11 postsecondary planning and transition
12 supports, including college awareness
13 and planning;

14 (v) increase teacher and school leader
15 effectiveness, including through—

16 (I) professional development ac-
17 tivities that respond to student and
18 schoolwide needs as identified through
19 data on the school performance indi-
20 cators described in section 2403(c),
21 such as—

22 (aa) training teachers, lead-
23 ers, and administrators together
24 with staff from high schools mak-
25 ing adequate yearly progress that

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1 serve similar populations and in
2 such schools; and

3 (bb) establishing peer learn-
4 ing and coaching among teach-
5 ers; and

6 (II) facilitating collaboration, in-
7 cluding through professional commu-
8 nities across subject area and inter-
9 disciplinary groups and similar high
10 schools; and

11 (vi) engage families and community
12 partners, including community-based orga-
13 nizations, organizations assisting parent
14 involvement, institutions of higher edu-
15 cation, and industry, in school improve-
16 ment activities through evidence-based
17 strategies; and

18 (D) may include—

19 (i) providing enabling policies, such as
20 additional flexibility regarding staffing and
21 compensation, budgeting, student credit at-
22 tainment, or use of school time, that sup-
23 port the implementation of effective school
24 improvement activities and educational op-
25 tions;

1 (ii) implementing multiple school op-
2 tions or effective school models that ad-
3 dress the needs of students who are not
4 making sufficient progress to graduate in
5 the standard number of years or have
6 dropped out of high school, as informed by
7 analysis of school performance indicator
8 data described in section 2403(c) and early
9 warning indicator and intervention system
10 data described in section 2403(b)(5); and

11 (iii) other activities designed to ad-
12 dress whole school needs, such as imple-
13 menting a comprehensive reform model for
14 the high school.

15 (5) SCHOOL REPLACEMENT.—The local edu-
16 cational agency, in consultation with the State edu-
17 cational agency, secondary school reform partners,
18 and external partners, shall replace each eligible sec-
19 ondary school that, using **【data on the school per-**
20 **formance indicators described in section 2403(c)】**, is
21 identified for replacement under paragraph (2)(A).
22 The local educational agency shall ensure successful
23 implementation of the replacement strategy
24 through—

1 (A) closing and reopening the school or im-
2 plementing new school options with effective
3 school models that address the needs of stu-
4 dents in the replaced schools, including students
5 who are not making sufficient progress to grad-
6 uate in the standard number of years or have
7 dropped out of high school; and

8 (B) implementing activities described in
9 clause (ii).

10 (g) **AUTHORITY TO INTERVENE.**—The State edu-
11 cational agency may use funds provided under this subtitle
12 to develop or implement school improvement plans for eli-
13 gible secondary schools, or enter into contracts with sec-
14 ondary school reform partners to assist local educational
15 agencies with the development and implementation of such
16 school improvement plans, if the State educational agency
17 determines that—

18 (1) a local educational agency serving an eligi-
19 ble secondary school has not submitted an applica-
20 tion described in subsection (b); or

21 (2) a local educational agency does not have the
22 capacity to implement the school improvement activi-
23 ties described in the school improvement plan sub-
24 mitted under subsection (f)(2)(C).

1 **SEC. 2407. REPORTING.**

2 On an annual basis, each State educational agency
3 receiving a grant, and each local educational agency re-
4 ceiving a subgrant, under this subtitle shall—

5 (1) prepare a report on such information and
6 school performance indicators described in section
7 2403(e) as the Secretary shall require;

8 (2) submit the report to the Secretary and, in
9 the case of a local educational agency, the State edu-
10 cational agency; and

11 (3) make such report available to the public.

12 **SEC. 2408. AUTHORIZATION AND APPROPRIATIONS.**

13 There is authorized to be appropriated and there is
14 appropriated to carry out this subtitle, \$500,000,000 for
15 each of the fiscal years 2010 through 2014.

16 **Subtitle E—[American Graduation**
17 **Initiative]**

18 **CHAPTER 1—GENERAL PROVISIONS**

19 **SEC. 2511. DEFINITIONS.**

20 In this subtitle:

21 (1) **AREA CAREER AND TECHNICAL EDUCATION**
22 **SCHOOL.**—The term “area career and technical edu-
23 cation school” has the meaning given such term in
24 section 3 of the Carl D. Perkins Career and Tech-
25 nical Education Act of 2006 (20 U.S.C. 2302).

1 (D) a State agency that serves, is respon-
2 sible for, or is in partnership with, a community
3 college; or

4 **[(E) a consortium of not less than 2 of the**
5 **entities described in subparagraph (A), (B), or**
6 **(C).]**

7 (4) INDUSTRY OR SECTOR PARTNERSHIP.—The
8 term “industry or sector partnership” means a
9 workforce collaborative that—

10 (A) organizes key stakeholders in a tar-
11 geted industry cluster into a working group
12 that focuses on the shared goals and workforce
13 needs of a targeted industry cluster or sector
14 and that includes, at the appropriate stage of
15 development of the partnership—

16 (i) representatives (including workers)
17 of multiple firms or employers in a tar-
18 geted industry cluster or sector, including
19 small- and medium-sized employers when
20 practicable;

21 (ii) 1 or more representatives of a rec-
22 ognized State labor organization or central
23 labor council, or other labor representa-
24 tives as determined appropriate by the Sec-
25 retary;

1 (iii) 1 or more representatives of a
2 local workforce investment board;

3 (iv) 1 or more representatives of a
4 postsecondary educational institution, or
5 other provider of training services, eligible
6 to receive funds as described in section 122
7 of the Workforce Investment Act of 1998
8 (29 U.S.C. 2842); and **【Note: This prob-**
9 **ably also includes providers of on-the-job**
10 **training or customized training.】**

11 (v) 1 or more representatives of a
12 State workforce agency or other entity pro-
13 viding employment services; and

14 (B) may include representatives of—

15 (i) State or local government, includ-
16 ing an elected official;

17 (ii) State or local economic develop-
18 ment agencies;

19 (iii) State workforce investment
20 boards;

21 (iv) other State or local agencies;

22 (v) business or trade associations;

23 (vi) official economic development or-
24 ganizations;

25 (vii) community-based organizations;

- 1 (viii) philanthropic organizations;
2 (ix) industry associations; and
3 (x) other organizations, as determined
4 necessary by the members comprising the
5 industry or sector partnership.

6 (5) INSTITUTION OF HIGHER EDUCATION.—The
7 term “institution of higher education” has the
8 meaning given such term in section 101 of the High-
9 er Education Act of 1965 (20 U.S.C. 1001).

10 (6) PHILANTHROPIC ORGANIZATION.—The term
11 “philanthropic organization” has the meaning given
12 such term in section 786(i) of the Higher Education
13 Act of 1965.

14 (7) SECRETARY.—The term “Secretary” means
15 the Secretary of Education.

16 (8) STATE.—The term “State” has the mean-
17 ing given such term in section 103 of the Higher
18 Education Act of 1965 (20 U.S.C. 1003).

19 (9) STATE PUBLIC EMPLOYMENT SERVICE.—
20 The term “State public employment service” refers
21 to a State public employment service established
22 under the Wagner-Peyser Act (29 U.S.C. 49 et
23 seq.).

24 (10) STATE WORKFORCE INVESTMENT BOARD;
25 LOCAL WORKFORCE INVESTMENT BOARD.—The

1 terms “State workforce investment board” and
2 “local workforce investment board” refer to a State
3 workforce investment board established under sec-
4 tion 111 of the Workforce Investment Act of 1998
5 (29 U.S.C. 2821) and a local workforce investment
6 board established under section 117 of such Act (29
7 U.S.C. 2832), respectively.

8 (11) SUPPORTIVE SERVICES.—The term “sup-
9 portive services” has the meaning given such term in
10 section 101 of the Workforce Investment Act of
11 1998 (29 U.S.C. 2801).

12 (12) TRADITIONALLY UNDERREPRESENTED
13 POPULATION.—The term “traditionally underrep-
14 resented population” has the meaning given such
15 term in section [781] of the Higher Education Act
16 of 1965.

17 **SEC. 2512. RESPONSIBILITY.**

18 (a) IN GENERAL.—

19 (1) INTERAGENCY AGREEMENT.—The Secretary
20 and the Secretary of Labor shall jointly develop pol-
21 icy for, and administer, this subtitle in accordance
22 with such terms as the Secretaries shall set forth in
23 an interagency agreement. Such interagency agree-
24 ment, at a minimum—

1 (A) shall include joint appointment of peer
2 review panels, shared development of applica-
3 tions, shared provision of technical assistance to
4 eligible entities (as applicable), and shared de-
5 velopment and implementation of research and
6 development plans and activities;

7 (B) detail how the Secretaries will joint-
8 ly—

9 (i) develop and issue solicitations for
10 applications from eligible entities under
11 this subtitle;

12 (ii) review such applications and select
13 eligible entities to receive grants under this
14 subtitle;

15 (iii) provide guidance to eligible enti-
16 ties receiving grants under chapter 3 on
17 benchmarks and evaluation in accordance
18 with section 2556;

19 (iv) monitor the progress of eligible
20 entities receiving grants under this sub-
21 title; and

22 (v) provide technical assistance to
23 such eligible entities.

24 (2) SECRETARY OF EDUCATION.—With respect
25 to this subtitle, and subject to paragraph (1), the

1 Secretary shall bear responsibility for obligating,
2 transferring, and disbursing funds and ensuring
3 compliance with applicable laws and administrative
4 requirements, in accordance with the General Edu-
5 cation Provisions Act (20 U.S.C. 1221 et seq.) and
6 parts 74 through 80 of title 34 of the Code of Fed-
7 eral Regulations as such parts were in effect on the
8 day before the date of enactment of this Act.

9 **SEC. 2513. DISTRIBUTION.**

10 The Secretary shall make every effort to distribute
11 grants under this subtitle—

- 12 (1) across rural and urban areas;
- 13 (2) across different geographic regions;
- 14 (3) to areas with high rates and significant con-
15 centrations of unemployment; and
- 16 (4) among larger and smaller community col-
17 leges.

18 **CHAPTER 2—COMMUNITY COLLEGE**

19 **STUDENT SUCCESS PLANNING GRANTS**

20 **SEC. 2531. PLANNING GRANTS.**

21 (a) PROGRAM AUTHORIZED.—

- 22 (1) IN GENERAL.—From amounts appropriated
23 under section 2571, the Secretary is authorized to
24 award planning grants to eligible entities to enable
25 the eligible entities to complete comprehensive plan-

1 ning to carry out activities designed to increase the
2 number and percentage of individuals from tradi-
3 tionally underrepresented populations that obtain
4 postsecondary degrees, certificates, and industry-rec-
5 ognized credentials.

6 (2) GRANT PERIOD.—A planning grant awarded
7 under this chapter shall be for a period of not more
8 than 1 year.

9 (3) NONRENEWABILITY.—The Secretary shall
10 not award an eligible entity more than 1 planning
11 grant under this chapter.

12 (4) MAXIMUM GRANT AMOUNT.—A planning
13 grant awarded under this chapter shall not exceed
14 \$250,000.

15 (b) APPLICATION.—

16 (1) IN GENERAL.—Each eligible entity desiring
17 a planning grant under this chapter shall submit an
18 application to the Secretary at such time, in such
19 manner, and accompanied by such information as
20 the Secretary may require.

21 (2) APPLICATION CONTENTS.—Each application
22 described in paragraph (1), at a minimum, shall—

23 (A) include a description of how the eligi-
24 ble entity proposes to use the planning grant
25 funds to develop a plan designed to increase the

1 number and percentage of individuals from tra-
2 ditionally underrepresented populations who ob-
3 tain postsecondary degrees, certificates, or in-
4 dustry-recognized credentials;

5 (B) include a description of the representa-
6 tives from the State or local workforce invest-
7 ment system, and businesses, that will be in-
8 cluded in the planning process;

9 (C) provide a budget for the use of the
10 planning grant funds;

11 (D) describe the roles and responsibilities
12 of any partners participating in the planning
13 under this chapter; and

14 (E) provide such additional assurances and
15 information as the Secretary determines to be
16 necessary.

17 **SEC. 2532. REQUIRED ACTIVITIES.**

18 An eligible entity receiving a planning grant under
19 this chapter shall use the planning grant funds to carry
20 out each of the following activities:

21 (1) REVIEW.—The eligible entity shall review
22 resources and programs across the eligible entity
23 and its partners that are relevant to the objectives
24 of the grant, and coordinate any new plans and re-

1 sources under this subtitle with such existing re-
2 sources and programs.

3 (2) PLAN.—The eligible entity shall develop an
4 implementation plan to achieve the objective of in-
5 creasing the number and percentage of individuals
6 from traditionally underrepresented populations who
7 obtain postsecondary degrees, certificates, or indus-
8 try-recognized credentials. The plan shall include a
9 description of how the eligible entity will carry out
10 the following:

11 (A) Set intermediate and long-term meas-
12 urable goals.

13 (B) Develop and implement a coherent
14 plan for achieving the goals, including the fol-
15 lowing core set of activities:

16 (i) An analysis of the roles of the key
17 education, workforce development, and eco-
18 nomic development related systems in the
19 State and region served by the eligible en-
20 tity in helping to achieve the goals.

21 (ii) In accordance with such analysis,
22 facilitate and improve the alignment be-
23 tween or among—

24 (I) activities carried out by the
25 eligible entity and its partners; and

1 (II) the activities of other State
2 or local entities responsible for post-
3 secondary education, adult education,
4 career and vocational education, work-
5 force development, and economic de-
6 velopment.

7 (iii) Conduct an analysis of data on
8 student enrollment, persistence, and com-
9 pletion, which shall include the develop-
10 ment of a baseline analysis of key student
11 enrollment, persistence, and completion in-
12 dicators, including—

13 (I) data on student enrollment
14 disaggregated by enrollment status,
15 race, ethnicity, gender, and any avail-
16 able data related to socioeconomic sta-
17 tus, disability status, and status as
18 homeless; and

19 (II) data on persistence and com-
20 pletion, including—

21 (aa) enrollment in and com-
22 pletion of developmental courses
23 and transition to credit-bearing
24 courses;

1 (bb) satisfactory completion
2 of courses;

3 (cc) persistence from one se-
4 mester to the next and from year
5 to year;

6 (dd) degrees, certificates,
7 and industry-recognized creden-
8 tials earned; and

9 (ee) the number of students
10 transferring to 4-year or other
11 institutions of higher education.

12 (iv) Planning to ensure credentials
13 earned using grant funds provided under
14 this subtitle are informed by labor market
15 demands, where applicable.

16 (v) Creating a plan for ongoing collec-
17 tion and analysis of data on student out-
18 comes, including progress toward out-
19 comes.

20 (3) PARTNERS.—The eligible entity shall enter
21 into a partnership for the purposes of planning inno-
22 vative programs that enable the eligible entity to in-
23 crease the number of individuals from traditionally
24 underrepresented populations who obtain a postsec-
25 ondary degree, certificate, or industry-recognized

1 credential, including a representative from 1 or more
2 of the following:

3 (A) The State workforce investment board.

4 (B) Relevant local workforce investment
5 boards.

6 (C) The State educational agency or local
7 education agency.

8 (D) A representative of business.

9 (E) A representative of labor.

10 (F) A representative of adult education.

11 (G) A representative of an official, regional
12 economic development entity.

13 (H) An institution of higher education.

14 (I) A nonprofit organization.

15 (J) A faculty member of an institution of
16 higher education whose primary responsibility is
17 teaching.

18 (K) Such other entities that are appro-
19 priate to the specific focus of the objectives of
20 the grant.

21 (4) COORDINATION.—An eligible entity that is
22 a State shall coordinate planning with funds pro-
23 vided under this chapter with planning activities de-
24 scribed in section 784 of the Higher Education Act
25 of 1965.

1 **CHAPTER 3—COMMUNITY COLLEGE**
2 **STUDENT SUCCESS GRANTS**

3 **SEC. 2551. GRANTS.**

4 (a) PROGRAM AUTHORIZED.—From amounts appro-
5 priated under section 2571, the Secretary is authorized
6 to award grants to eligible entities to enable the eligible
7 entities to pay the Federal share of the costs of—

8 (1) implementing a community college innova-
9 tion to increase the rate at which individuals from
10 traditionally underrepresented populations obtain
11 postsecondary degrees, certificates, and industry-rec-
12 ognized credentials; and

13 (2) carrying out the activities of the type de-
14 scribed in section 2554.

15 (b) SPECIAL RULE.—Not later than fiscal year 2014,
16 the Secretary shall award the majority of the grants under
17 this chapter to eligible entities that apply to expand or
18 replicate programs or activities that are based on dem-
19 onstrated success and research, including through re-
20 search and evaluation conducted under subtitle H.

21 (c) DURATION AND RENEWAL.—

22 (1) DURATION.—The Secretary shall award
23 grants under this chapter for not more than 4 years.

24 (2) RENEWAL.—The Secretary may renew a
25 grant awarded under this chapter subject to the

1 progress of the eligible entity in meeting benchmarks
2 described in section 2556.

3 (d) MINIMUM AMOUNT.—The Secretary shall award
4 a grant under this chapter in an amount that is not less
5 than a total of \$750,000 awarded over the period of the
6 grant.

7 (e) PRIORITY.—

8 (1) IN GENERAL.—In awarding grants under
9 this chapter, the Secretary shall give priority to eli-
10 gible entities that submit an application under sec-
11 tion 2552 that demonstrates—

12 (A) satisfaction of the required activities or
13 comparable activities under section 2532 as de-
14 termined by the Secretary;

15 (B) a plan to serve significant percentages
16 of individuals from traditionally underrep-
17 resented populations; and

18 (C) an intent to enter into a partnership
19 for the purposes of the grant with any of the
20 partners described in paragraph (2), under
21 which the partners agree to pay a portion of the
22 non-Federal share costs, provided in cash or in-
23 kind, of the programs and activities carried out
24 under the grant.

1 (2) PARTNERS.—A partner referred to in para-
2 graph (1) is any of the following:

3 (A) A State workplace investment board or
4 local workforce investment board.

5 (B) A philanthropic, research, or commu-
6 nity-based organization that has demonstrated
7 expertise in increasing the number of and rate
8 at which individuals from traditionally under-
9 represented populations obtain postsecondary
10 degrees, certificates, or industry-recognized cre-
11 dentials.

12 (C) A business or industry sector partner-
13 ship that collaborates with 1 or more eligible
14 entities to hire individuals who have earned a
15 particular postsecondary education credential.

16 **SEC. 2552. APPLICATIONS.**

17 An eligible entity that desires to receive a grant under
18 this chapter shall submit an application to the Secretary
19 at such time, in such manner, and containing such infor-
20 mation as the Secretary may require. Each such applica-
21 tion shall include a description of how the eligible entity
22 will increase the number and percentage of students at-
23 taining a credential, certificate, or degree through activi-
24 ties, developed in consultation with faculty and staff

1 served by the eligible entity, such as the programs and
2 activities described in section 2554.

3 **SEC. 2553. PROVISION OF TRANSFER OF CREDIT INFORMA-**
4 **TION IN COMMUNITY COLLEGE COURSE**
5 **SCHEDULES.**

6 To the maximum extent practicable, each eligible en-
7 tity receiving a grant under this chapter that includes a
8 community college, or is partnering with a community col-
9 lege for purposes of a grant under this chapter, shall in-
10 clude in each electronic and printed publication of the
11 community college's course schedule and in a manner of
12 the college's choosing, for each course listed in such course
13 schedule, whether such course is transferable for credit to-
14 ward the completion of a baccalaureate degree at a public
15 institution of higher education in the State in which the
16 community college is located.

17 **SEC. 2554. USES OF FUNDS.**

18 An eligible entity that receives a grant under this
19 chapter shall use the grant funds to carry out the pro-
20 grams and activities described in the application submitted
21 under section 2552. Such programs and activities may in-
22 clude the following:

- 23 (1) Carrying out a program to increase access
24 to and completion of postsecondary education pro-
25 grams. Such programs may include—

1 (A) adapting college offerings to the sched-
2 ules and needs of traditionally underrepresented
3 populations; and

4 (B) changing policy and practice to better
5 serve students, including through—

6 (i) the provision of better instruction,
7 especially in developmental education
8 courses;

9 (ii) high-quality counseling or advis-
10 ing; or

11 (iii) increased financial support.

12 (2) Developing and implementing a policy or
13 program to expand opportunities for students to
14 earn baccalaureate degrees by—

15 (A) facilitating the transfer of academic
16 credits between institutions of higher education,
17 including the transfer of academic credits for
18 courses in the same field of study;

19 (B) expanding articulation agreements and
20 guaranteed transfer agreements between insti-
21 tutions of higher education, including through
22 establishing common course numbering and a
23 general core curriculum;

24 (C) facilitating the articulation of non-
25 credit occupational, basic skills, or develop-

1 mental coursework to for-credit occupational
2 coursework in the same field of study within
3 and across institutions; or

4 (D) creating or enhancing programs and
5 policy to support or reform developmental
6 courses, including developing or improving tools
7 to increase the likelihood that students will
8 complete such courses.

9 (3) Providing and enhancing student support
10 services, including—

11 (A) intensive, high-quality career and aca-
12 demic advising;

13 (B) labor market information and job
14 counseling; and

15 (C) career skills, college skills, or success
16 courses;

17 (D) connecting community college students
18 with employers in the students' field of study
19 for work study jobs;

20 (E) transitional job support, or nonaca-
21 demic support or assistance in connecting stu-
22 dents with community resources, such as—

23 (i) the identification and enrollment of
24 eligible students and their families in Fed-
25 eral, State, and local benefit programs;

1 (ii) one-on-one counseling, or legal or
2 financial counseling, including housing-re-
3 lated counseling; or

4 (iii) such transportation, child care,
5 dependent care, and needs-related pay-
6 ments that are necessary to enable an indi-
7 vidual to participate in the activities fund-
8 ed under this chapter; or

9 (F) providing information technology train-
10 ing for students and members of the public
11 seeking to improve their computer literacy and
12 information technology skills, through public ac-
13 cessibility to community college computer labs
14 and training provided by an employee of a com-
15 munity college who is capable of basic computer
16 instruction on weeknights and weekends.

17 (4) Building or enhancing linkages, including
18 the development of dual enrollment programs and
19 early college high schools, between or among—

20 (A) secondary schools; and

21 (B) eligible entities described in subpara-
22 graphs (A), (B), (C), and (D) of section
23 2511(3).

24 (5) Accelerating the process for creating a de-
25 gree, certificate, or industry-recognized credential

1 program at an eligible entity described in subpara-
2 graph (A), (B), or (C) of section 2511(3) that—

3 (A) reflects and responds to regional labor
4 market developments and trends;

5 (B) effectively addresses the workforce
6 needs of employers in the region served by the
7 eligible entity; and

8 (C) is designed in consultation with such
9 employers.

10 (6) Expanding, enhancing, or creating an aca-
11 demic or workforce training program that provides a
12 sequence of education and occupational training that
13 leads to an industry-recognized credential, including
14 a program that—

15 (A) concurrently offers or integrates basic
16 skills and occupational training that leads to in-
17 dustry-recognized credentials;

18 (B) integrates developmental education
19 curricula and instruction with for-credit
20 coursework toward career pathways that include
21 a degree, certificate, or other industry-recog-
22 nized credential; or

23 (C) advances individuals on a career path-
24 way leading to a high-skill, high-wage occupa-
25 tion in a high-demand industry; and

1 (D) may be carried out through industry
2 or sector partnerships, including State work-
3 force investment boards or local workforce in-
4 vestment boards with partners that provide rel-
5 evant job training for, or in ways that lead to,
6 occupations in high-skill, high-wage occupa-
7 tions.

8 (7) Enhancing systemic reforms within States
9 and across regions and the Nation that result in—

10 (A) the sharing and replication of best
11 practices;

12 (B) increased alignment across education
13 and workforce development programs; and

14 (C) increasing the number and percentage
15 of individuals attaining postsecondary degrees,
16 certificates, and industry-recognized credentials.

17 (8) Implementing another innovative or evi-
18 dence-based program, service, or policy designed
19 to—

20 (A) increase postsecondary degree, certifi-
21 cate, or industry-recognized credential comple-
22 tion rates, particularly with respect to students
23 from traditionally underrepresented populations
24 at eligible entities described in subparagraphs

1 (A), (B), (C), **【and (D)】** of section 2511(3);
2 and

3 (B) increase the provision of training for
4 students from traditionally underrepresented
5 populations to enter skilled occupations in high-
6 demand industries.

7 (9) Partnering with a nonprofit organization or
8 State entity that offers an industry skills training
9 program at the postsecondary education level which
10 combines technical and theoretical training through
11 structured on-the-job learning with related instruc-
12 tion (in the classroom or through distance learning)
13 while an individual is employed, working under the
14 direction of qualified personnel or a mentor, and
15 earning incremental wage increases aligned to en-
16 hanced job proficiency. Such partnership shall result
17 in the acquisition of a nationally recognized and
18 portable certificate, under a plan approved by the
19 Office of Apprenticeship or a State agency recog-
20 nized by the Department of Labor.

21 (10) Developing and implementing a program
22 of institutional improvement to increase retention
23 and completion, which includes—

24 (A) using data to devise strategies, mon-
25 itor progress, and evaluate outcomes;

1 (B) developing strategies to close identified
2 performance gaps among students;

3 (C) involving faculty, students, staff, and
4 communities in the development and implemen-
5 tation of the strategies to improve outcomes;

6 (D) reporting data and outcomes to the
7 public and to the campus community served by
8 the institution;

9 (E) forming partnerships with the commu-
10 nity, local businesses, and others; and

11 (F) institutionalizing effective policies and
12 practices to sustain improvements in retention
13 and completion.

14 **SEC. 2555. TECHNICAL ASSISTANCE.**

15 The Secretary is authorized to reserve not more than
16 1 percent of the amounts available to carry out this sub-
17 title to provide technical assistance, directly or by grant
18 or contract with nonprofit organizations with dem-
19 onstrated expertise in designing, implementing, or evalu-
20 ating relevant programs, in order to help eligible entities
21 prepare for, qualify for, apply for, and maintain a grant
22 under this subtitle.

23 **SEC. 2556. BENCHMARKS; EVALUATION.**

24 (a) INDICATORS, BENCHMARKS, AND EVALUATION.—

1 (1) INDICATORS.—The Secretary shall define
2 indicators to be used to measure success on the ac-
3 tivities carried out under a grant under this chapter.

4 Such indicators shall include the following:

5 (A) Closing gaps in enrollment and com-
6 pletion rates for traditionally underrepresented
7 populations.

8 (B) Addressing local and regional work-
9 force needs.

10 (C) Establishing articulation agreements
11 between 2-year and 4-year public institutions of
12 higher education within a State.

13 (D) Improving comprehensive employment
14 and educational outcomes for postsecondary
15 education and training programs, including—

16 (i) student persistence from 1 aca-
17 demic year to the following academic year;

18 (ii) the number of credits that stu-
19 dents earn toward postsecondary degrees,
20 certificates, and industry recognized cre-
21 dentials, disaggregated by full-time or
22 part-time status, race, ethnicity, gender,
23 socioeconomic status, and disability status;

24 (iii) the number and percentage of
25 students in developmental education

1 courses who subsequently enroll in and
2 complete credit-bearing coursework;

3 (iv) the transfer of general education
4 credits between institutions of higher edu-
5 cation;

6 (v) completion of industry-recognized
7 credentials or associate's degrees;

8 (vi) transfers to 4-year institutions of
9 higher education; and

10 (vii) job placement related to skills
11 training or associate's degree completion.

12 (E) Such other indicators, as determined
13 by the Secretary.

14 (2) BENCHMARKS.—Each eligible entity desir-
15 ing a grant under this chapter shall—

16 (A) develop quantifiable benchmarks for
17 the eligible entity and the activities supported
18 under the grant based on the indicators de-
19 scribed in paragraph (1) that are applicable to
20 the activities to be supported under the grant,
21 which benchmarks may include—

22 (i) attainment of 1 or more recognized
23 credentials, including a certificate, a li-
24 cense, a journey-status card, an associate's
25 degree, or a baccalaureate degree;

1 (ii) attainment of 1 or more recog-
2 nized credentials, including a certificate, a
3 license, a journey-status card, an associ-
4 ate's degree, or a baccalaureate degree re-
5 lated to a high-skill, high-demand industry;

6 (iii) attainment by individuals from
7 traditionally underrepresented populations
8 of 1 or more recognized credentials, includ-
9 ing a certificate, a license, a journey-status
10 card, an associate's degree, or a bacca-
11 laureate degree;

12 (iv) employment of individuals who at-
13 tended a community college and attained a
14 postsecondary education credential;

15 (v) employment of individuals who at-
16 tended a community college and attained a
17 postsecondary education credential related
18 to a high-skill, high-demand industry;

19 (vi) employment of individuals from
20 traditionally underrepresented populations
21 who attended a community college and at-
22 tained a postsecondary education creden-
23 tial;

24 (vii) the initial wage or salary level of
25 individuals who attended a community col-

1 lege and attained a postsecondary edu-
2 cation credential;

3 (viii) the initial wage or salary level of
4 individuals from traditionally underrep-
5 resented populations who attended a com-
6 munity college and attained a postsec-
7 ondary education credential; and

8 (ix) the initial wage or salary level of
9 individuals who attended a community col-
10 lege and attained a postsecondary edu-
11 cation credential related to a high-skill,
12 high-demand industry; and

13 (B) submit the benchmarks for approval to
14 the Secretary in order to receive grant funds
15 under this chapter.

16 (3) REPORTS.—Each eligible entity receiving a
17 grant under this subtitle shall—

18 (A) annually measure and report to the
19 Secretary the progress of the eligible entity in
20 achieving the benchmarks developed under
21 paragraph (2); and

22 (B) collect and report data relating to the
23 benchmarks, disaggregated by the students'
24 full-time or part-time status, race, ethnicity,

1 gender, socioeconomic status, and disability sta-
2 tus.

3 (4) PROGRESS REVIEW.—

4 (A) IN GENERAL.—By not later than the
5 end of the third year of a grant under this
6 chapter, the Secretary shall review the perform-
7 ance of each eligible entity receiving such grant,
8 based on the benchmarks developed under para-
9 graph (2) for the eligible entity.

10 (B) TECHNICAL ASSISTANCE.—If the Sec-
11 retary determines that the eligible entity has
12 not made demonstrable progress in achieving
13 such benchmarks, the Secretary shall [offer to
14 provide and, if requested, provide], the eligible
15 entity with technical assistance to improve per-
16 formance.

17 (5) GUIDANCE.—The Secretary shall provide
18 guidance regarding acceptable data sources and
19 methodologies for—

20 (A) establishing baselines and performance
21 benchmarks with respect to the indicators; and

22 (B) measuring progress by eligible entities
23 receiving such grants.

24 (b) RESEARCH AND EVALUATIONS.—The Secretary
25 shall transfer [not more than] 10 percent of the funds

1 appropriated under section 2571 to the Institute of Edu-
2 cation Sciences to conduct research and evaluations in ac-
3 cordance with section 2801, that—

4 (1) assess the effectiveness of the programs and
5 activities carried out by each eligible entity receiving
6 a grant under this chapter in—

7 (A) improving postsecondary education
8 completion rates (disaggregated by age, race,
9 ethnicity, sex, income, and disability);

10 (B) improving employment-related out-
11 comes for students served by such programs;

12 (C) improving postsecondary education
13 completion rates of the target population
14 (disaggregated by age, race, ethnicity, sex, in-
15 come, and disability); and

16 (D) building or enhancing working part-
17 nerships with the State workforce development
18 system, including—

19 (i) the State public employment serv-
20 ice; and

21 (ii) the State workforce investment
22 board or local workforce investment
23 boards; and

24 (2) include any other information or assess-
25 ments the Secretary may require.

1 (c) DISSEMINATION.—The Secretary shall, based on
2 the results of each evaluation completed under subsection
3 (b), disseminate information and analysis to the public,
4 and provide technical assistance to institutions of higher
5 education, on best practices and promising innovations in
6 the field of community college degree completion.

7 **SEC. 2557. FEDERAL AND NON-FEDERAL SHARE; SUPPLE-**
8 **MENT, NOT SUPPLANT.**

9 (a) FEDERAL SHARE.—The amount of the Federal
10 share under this chapter for a fiscal year shall be not
11 greater than $\frac{1}{2}$ of the costs of the programs and activities
12 described in section 2554 that are carried out under the
13 grant.

14 (b) NON-FEDERAL SHARE.—

15 (1) IN GENERAL.—The amount of the non-Fed-
16 eral share under this section for a fiscal year shall
17 be not less than $\frac{1}{2}$ of the costs of the programs and
18 activities described in section 2554 that are carried
19 out under the grant. The non-Federal share may be
20 in cash or in kind, and may be provided from State
21 resources, local resources, contributions from private
22 organizations, or a combination thereof.

23 (2) FINANCIAL HARDSHIP WAIVER.—The Sec-
24 retary may waive or reduce the non-Federal share of
25 an eligible entity that has submitted an application

1 for a grant under this chapter if the eligible entity
2 demonstrates a need for such waiver or reduction
3 due to extreme financial hardship.

4 (c) SUPPLEMENT, NOT SUPPLANT.—The Federal
5 and non-Federal shares required by this chapter shall be
6 used to supplement, and not supplant, State and other
7 Federal funds.

8 (d) MAINTENANCE OF EFFORT.—

9 (1) IN GENERAL.—In the case of a State that
10 is an eligible entity receiving a grant under this
11 chapter—

12 (A) the State shall maintain, for each year
13 of the grant, the State funding for community
14 colleges at not less than the level of such State
15 funding for the year preceding the first year of
16 the grant; and

17 (B) the Secretary shall make a grant pay-
18 ment for the second, third, and fourth year of
19 the grant only if the State demonstrates to the
20 satisfaction of the Secretary that the State met
21 the maintenance of effort requirement applica-
22 ble to the State under subparagraph (A) for the
23 first, second, or third, respectively, year of the
24 grant.

1 (2) FINANCIAL HARDSHIP WAIVER.—A State
 2 may apply to the Secretary for a waiver, and the
 3 Secretary may waive, the requirements of paragraph
 4 (1) if the State is experiencing a financial hardship.

5 **CHAPTER 4—AUTHORIZATION AND**
 6 **APPROPRIATIONS**

7 **SEC. 2571. AUTHORIZATION AND APPROPRIATIONS.**

8 There are authorized to be appropriated, and there
 9 are appropriated, to carry out this subtitle (in addition
 10 to any other amounts appropriated to carry out this sub-
 11 title and out of any money in the Treasury not otherwise
 12 appropriated) \$900,000,000 for fiscal year 2010 and each
 13 succeeding fiscal year.

14 **Subtitle F—Supporting Open**
 15 **Online Learning**

16 **SEC. 2601. SUPPORTING OPEN ONLINE LEARNING.**

17 Title VIII (20 U.S.C. 1161a et seq.) is amended by
 18 adding at the end the following:

19 **“PART BB—SUPPORTING OPEN ONLINE**
 20 **LEARNING**

21 **“SEC. 899. OPEN ONLINE LEARNING.**

22 “(a) PROGRAM AUTHORIZED.—

23 “(1) IN GENERAL.—From amounts appro-
 24 priated under subsection (c), the Secretary is au-
 25 thorized to award grants, or enter into contracts or

1 cooperative agreements, on a competitive basis, to or
2 with institutions of higher education, nonprofit orga-
3 nizations, and other entities determined appropriate
4 by the Secretary, to develop, enhance, evaluate, and
5 disseminate, high-quality online—

6 “(A) training;

7 “(B) adult education courses;

8 “(C) secondary school courses;

9 “(D) postsecondary education courses; and

10 “(E) course materials.

11 “(2) LICENSE AGREEMENTS.—The Secretary
12 shall specify the terms of any license agreement of
13 any copyright or any other intellectual property
14 right in any work funded or disseminated under this
15 subsection to enable that work’s widest possible use.

16 “(3) ACCESS STANDARDS.—Each entity receiv-
17 ing funds under this subsection shall ensure that
18 electronic and information technology activities car-
19 ried out with the funds meet the access standards
20 established under section 508(a) of the Rehabilita-
21 tion Act of 1973 (29 U.S.C. 794d(a)).

22 “(b) EVALUATION AND REPORTS.—

23 “(1) RESERVATION.—The Secretary shall re-
24 serve **【not more than】** 10 percent of the funds ap-
25 propriated under subsection (c) for a fiscal year to

1 carry out this subsection in accordance with section
2 2801 of the Investing in Students for a Stronger
3 America Act.

4 “(2) EVALUATION.—

5 “(A) IN GENERAL.—The Director of the
6 Institute of Education Sciences shall conduct
7 regular, comprehensive, rigorous, and inde-
8 pendent evaluations of the activities supported
9 by the grants, contracts, and cooperative agree-
10 ments awarded and entered into under sub-
11 section (a).

12 “(B) MATTERS EXAMINED.—The evalua-
13 tion shall examine the activities supported
14 under the grants, contracts, and cooperative
15 agreements awarded and entered into under
16 subsection (a), including—

17 “(i) uses of online curricula and
18 course materials that are so supported, by
19 secondary schools, 2-year institutions of
20 higher education, and other institutions of
21 higher education that are using such cur-
22 ricula and materials;

23 “(ii) responses by students and in-
24 structors to such curricula and materials,
25 including responses to the effectiveness of

1 such curricula and materials relative to
2 traditional courses and course materials;

3 “(iii) the number of students access-
4 ing online courses so supported;

5 “(iv) the number of students who take
6 online courses so supported for credit to-
7 ward a degree or certificate program at in-
8 stitutions of higher education, and the ex-
9 tent to which availability of the such online
10 courses result in higher enrollment, in-
11 creased student satisfaction, and increased
12 student success in classes for which such
13 online courses are offered at institutions of
14 higher education;

15 “(v) the number of credits accrued,
16 from such online courses, toward—

17 “(I) a secondary school diploma
18 or its recognized equivalent; or

19 “(II) a postsecondary degree or
20 certificate; and

21 “(vi) information and data on job
22 placement or advancement rates among in-
23 dividuals who complete such online
24 courses.

1 “(c) APPROPRIATIONS.—There is authorized to be
2 appropriated and there is appropriated to carry out this
3 section, \$50,000,000 for fiscal year 2010 and each suc-
4 ceeding fiscal year.”.

5 **Subtitle G—Early Learning Grants**

6 **SEC. 2701. SHORT TITLE.**

7 This subtitle may be cited as the “_____ Act
8 of _____”.

9 **SEC. 2702. PURPOSES.**

10 The purposes of this subtitle are—

11 (1) to promote standards-driven, results-ori-
12 ented reform of State early learning programs serv-
13 ing children from birth to age 5 in order to support
14 the development and improve the school-readiness
15 outcomes of young children;

16 (2) to establish a high standard of quality that
17 reflects appropriate early learning standards across
18 early learning settings;

19 (3) to fund and implement quality initiatives
20 that improve the skills and effectiveness of early
21 learning providers, and improve the quality of exist-
22 ing early learning programs, in order to increase the
23 number of disadvantaged children who participate in
24 comprehensive and high-quality early learning pro-
25 grams;

1 (4) to ensure that a greater number of dis-
2 advantaged children enter kindergarten with the cog-
3 nitive, social, emotional, and physical skills and abili-
4 ties needed to be successful in school; and

5 (5) to increase parents' ability to access com-
6 prehensive and high-quality early learning programs
7 across settings for their children.

8 **SEC. 2703. PROGRAMS AUTHORIZED.**

9 (a) **QUALITY PATHWAYS GRANTS.**—The Secretary
10 shall use funds made available to carry out this subtitle
11 for a fiscal year to award grants on a competitive basis
12 to States that demonstrate the greatest progress in estab-
13 lishing and committing to maintain a system of high-qual-
14 ity early learning programs, consistent with section 2704.

15 (b) **DEVELOPMENT GRANTS.**—The Secretary shall
16 use funds made available to carry out this subtitle for a
17 fiscal year to award grants in accordance with section
18 2705 on a competitive basis to States that demonstrate
19 a commitment to establishing a system of early learning
20 that will include the components described in section
21 2704(c)(4) but are not—

22 (1) eligible to be awarded a grant under sub-
23 section (a); or

24 (2) awarded such a grant after application.

25 (c) **RESERVATIONS OF FEDERAL FUNDS.**—

1 (1) RESEARCH, EVALUATION, AND ADMINISTRA-
2 TION.—From the amount made available to carry
3 out this subtitle for a fiscal year, the Secretary—

4 (A) shall reserve not more than 2 percent
5 to administer this subtitle jointly with the Sec-
6 retary of Health and Human Services; and

7 (B) shall reserve not more than 5 percent
8 to carry out activities under section 2706.

9 (2) TRIBAL SCHOOL READINESS PLANNING
10 DEMONSTRATION.—After making the reservations
11 under paragraph (1), the Secretary shall reserve 2
12 percent for a competitive grant demonstration pro-
13 gram for Indian tribes to develop and implement
14 school readiness plans and programs that—

15 (A) establish or expand existing tribally
16 administered early childhood education pro-
17 grams;

18 (B) address at least 1 of the purposes de-
19 scribed in section 2702;

20 (C) support Native culture and language
21 instruction in a tribally administered early
22 childhood education program;

23 (D) are coordinated with local educational
24 agencies serving children who are members of
25 the tribe; and

1 (E) include American Indian and Alaska
2 Native Head Start and Early Head Start pro-
3 grams, tribal child care programs, Indian
4 Health Service programs, or other tribal pro-
5 grams serving children.

6 (3) QUALITY PATHWAYS GRANTS.—

7 (A) IN GENERAL.—From the amount made
8 available to carry out this subtitle for a fiscal
9 year and not reserved under paragraph (1) or
10 (2), the Secretary shall reserve a percent (which
11 shall be not greater than 60 percent for fiscal
12 years 2010 through 2012 and not greater than
13 80 percent for fiscal year 2013 and each suc-
14 ceeding fiscal year) determined under subpara-
15 graph (B) to carry out subsection (a).

16 (B) DETERMINATION OF AMOUNT.—In de-
17 termining the amount to reserve under subpara-
18 graph (A), the Secretary shall take into account
19 the following:

20 (i) The total number of States with
21 approved applications under this subtitle
22 for the year.

23 (ii) The number of children under age
24 5 from low-income families in each State

1 with an approved application under section
2 2704 for the year.

3 (iii) The quality of applications and
4 plans submitted in accordance with section
5 2704(c).

6 (C) REALLOCATION.—For fiscal year 2013
7 and each succeeding fiscal year, the Secretary
8 may reallocate funds allocated for development
9 grants under subsection (b) for the purpose of
10 providing additional grants under subsection
11 (a), if the Secretary determines that there are
12 insufficient applications for a grant under sub-
13 section (b).

14 (d) STATE APPLICATIONS.—In applying for a grant
15 under this subtitle, a Governor shall designate or establish
16 a State-level entity (referred to in this subtitle as the
17 “State”) for administration of the grant. Such entity—

18 (1) shall coordinate proposed activities with the
19 State Advisory Council on Early Childhood Edu-
20 cation and Care (established pursuant to section
21 642B(b)(1)(A) of the Head Start Act (42 U.S.C.
22 9837b(b)(1)(A))) and shall incorporate plans and
23 recommendations from such Council in the applica-
24 tion, where applicable; and

1 (2) shall submit the application to the Secretary
2 at such time, in such manner, and containing such
3 information as the Secretary may reasonably re-
4 quire.

5 (e) PRIORITY IN AWARDING GRANTS.—In awarding
6 grants under this subtitle, the Secretary shall give priority
7 to States—

8 (1) whose applications contain assurances that
9 the State will use, in part, funds reserved under sec-
10 tion 658G of the Child Care and Development Block
11 Grant Act of 1990 (42 U.S.C. 9858e) for activities
12 described in section 2704(f); and

13 (2) that demonstrate efforts to build public-pri-
14 vate partnerships designed to accomplish the pur-
15 poses of this subtitle.

16 (f) MAINTENANCE OF EFFORT.—

17 (1) IN GENERAL.—With respect to each period
18 for which a State is awarded a grant under this sub-
19 title, the aggregate expenditures by the State and its
20 political subdivisions on early learning programs and
21 services shall be not less than the level of the ex-
22 penditures for such programs and services by the
23 State and its political subdivisions on the date of en-
24 actment of this Act.

1 (2) STATE EXPENDITURES.—For purposes of
2 paragraph (1), expenditures by the State on early
3 learning programs and services shall include, at a
4 minimum, the following:

5 (A) State matching and maintenance of ef-
6 fort funds for the Child Care and Development
7 Block Grant Act of 1990 (42 U.S.C. 9858 et
8 seq.).

9 (B) State matching funds for the State
10 Advisory Council on Early Childhood Education
11 and Care (established pursuant to section
12 642B(b)(1)(A) of the Head Start Act (42
13 U.S.C. 9837b(b)(1)(A))).

14 (C) State—

15 (i) expenditures on public pre-kinder-
16 garten programs;

17 (ii) expenditures on Head Start pro-
18 grams (including Early Head Start pro-
19 grams) under the Head Start Act (42
20 U.S.C. 9831 et seq.);

21 (iii) funds received under section
22 403(a)(1) of the Social Security Act (42
23 U.S.C. 603(a)(1)) that are spent directly
24 on child care;

1 (iv) funds transferred under section
2 404(d) of the Social Security Act (42
3 U.S.C. 604(d)) to carry out a program
4 under the Child Care and Development
5 Block Grant of 1990 (42 U.S.C. 9858 et
6 seq.); and

7 (v) expenditures on other State early
8 learning programs and services dedicated
9 to children (including State expenditures
10 under part C of the Individuals with Dis-
11 abilities Education Act (20 U.S.C. 1431 et
12 seq.)).

13 (g) PROHIBITIONS ON USE OF FUNDS.—Funds avail-
14 able under this subtitle may not be used for any of the
15 following:

16 (1) Assessments that provide rewards or sanc-
17 tions for individual children or teachers.

18 (2) A single assessment used as the primary or
19 sole method for assessing program effectiveness.

20 (3) Evaluating children other than for—

21 (A) improving instruction or classroom en-
22 vironment;

23 (B) targeting professional development;

24 (C) determining the need for health, men-
25 tal health, disability, or family support services;

1 (D) informing the quality improvement
2 process at the State level;

3 (E) program evaluation for the purposes of
4 program improvement and parent information;
5 or

6 (F) research conducted as part of the na-
7 tional evaluation required by section 2706(2).

8 (h) FEDERAL ADMINISTRATION.—

9 (1) INTERAGENCY AGREEMENT.—The Secretary
10 and the Secretary of Health and Human Services
11 shall jointly develop policy for, and administer, this
12 subtitle in accordance with such terms as the Secre-
13 taries shall set forth in an interagency agreement,
14 which shall include at a minimum, joint appointment
15 of peer review panels, joint development of all guid-
16 ance or regulations, shared development of all appli-
17 cations, and shared development and implementation
18 of research and development plans and activities.

19 (2) SECRETARY OF EDUCATION.—With respect
20 to this subtitle, and subject to paragraph (1), the
21 Secretary shall bear responsibility for obligating and
22 disbursing funds and ensuring compliance with ap-
23 plicable laws and administrative requirements, in ac-
24 cordance with the General Education Provisions Act

1 (20 U.S.C. 1221 et seq.) and parts 74 through 80
2 of title 34 of the Code of Federal Regulations.

3 (i) **RULE OF CONSTRUCTION.**—Nothing in this sub-
4 title shall be construed to reduce early learning standards
5 where an early learning program is held to higher stand-
6 ards.

7 **SEC. 2704. QUALITY PATHWAYS GRANTS.**

8 (a) **GRANT PERIOD.**—Grants under section
9 2703(a)—

10 (1) may be awarded for a period not to exceed
11 5 years; and

12 (2) may be renewed once, subject to approval
13 by the Secretary, and based on the State’s progress
14 in—

15 (A) increasing the number and percentage
16 of children from low-income families in each age
17 group who participate in high-quality early
18 learning programs;

19 (B) implementing an early learning system
20 that meets the components described in sub-
21 section (c)(4);

22 (C) increasing the number of high-quality
23 early learning programs in low-income commu-
24 nities; and

1 (D) incorporating the program quality
2 findings and recommendations reported by the
3 commission established under section 2706(1)
4 into the State system of early learning.

5 (b) MATCHING REQUIREMENT.—

6 (1) IN GENERAL.—Subject to subsection (g), to
7 be eligible to receive a grant under section 2703(a),
8 a State shall contribute to the activities assisted
9 under the grant, non-Federal matching funds in an
10 amount equal to not less than the applicable percent
11 of the amount of the grant.

12 (2) APPLICABLE PERCENT.—For purposes of
13 paragraph (1), the applicable percent means—

14 (A) 10 percent in the first fiscal year of
15 the grant;

16 (B) 10 percent in the second fiscal year of
17 the grant;

18 (C) 15 percent in the third fiscal year of
19 the grant; and

20 (D) 20 percent in the fourth fiscal year of
21 the grant and subsequent fiscal years.

22 (3) NON-FEDERAL MATCHING FUNDS.—A State
23 may use the following to satisfy the matching re-
24 quirement of paragraph (1):

25 (A) Cash.

1 (B) In-kind contributions for the acquisi-
2 tion, construction, or improvement of early
3 learning program facilities serving disadvan-
4 taged children.

5 (C) Technical assistance related to sub-
6 paragraph (B).

7 (4) PRIVATE CONTRIBUTIONS.—Private con-
8 tributions made as part of public-private partner-
9 ships to increase the number of children from low-
10 income families in high-quality early learning pro-
11 grams in a State may be used by the State to satisfy
12 the matching funds requirement of paragraph (1).

13 (5) FINANCIAL HARDSHIP WAIVER.—The Sec-
14 retary may waive or reduce the non-Federal share of
15 a State that has submitted an application for a
16 grant under section 2703(a) if the State dem-
17 onstrates a need for such waiver or reduction due to
18 extreme financial hardship, as defined by the Sec-
19 retary by regulation.

20 (c) STATE APPLICATIONS.—In order to receive a
21 grant under section 2703(a), a State's application under
22 section 2703(d) shall include the following:

23 (1) A description of how the State will use the
24 grant to implement quality initiatives to improve
25 early learning programs serving disadvantaged chil-

1 dren from birth to age 5 to lead to a greater per-
2 centage of such children participating in high-quality
3 early learning programs.

4 (2) A description of the goals and benchmarks
5 the State will establish to lead to a greater percent-
6 age of children from low-income families partici-
7 pating in high-quality early learning programs to im-
8 prove school readiness outcomes, including an estab-
9 lished baseline of the number of children from low-
10 income families in high-quality early learning pro-
11 grams.

12 (3) A description of how the State will integrate
13 existing early learning programs and services into a
14 comprehensive system for early learning and devel-
15 opment.

16 (4) A description of how the State will imple-
17 ment a governance structure and a system of high-
18 quality early learning programs and services that,
19 not later than 1 year after receiving grant funds, in-
20 cludes the following components:

21 (A) State early learning standards.

22 (B) A process to ensure that State early
23 learning standards are integrated into the in-
24 structional and programmatic practices of early
25 learning programs and services, including serv-

1 ices provided to children under section 619 and
2 part C of the Individuals with Disabilities Edu-
3 cation Act (20 U.S.C. 1419, 1431 et seq.).

4 (C) A tiered program rating system that
5 fully integrates early learning standards, licens-
6 ing requirements, early learning program qual-
7 ity standards, and other State regulatory stand-
8 ards and that—

9 (i) is designed to improve quality and
10 effectiveness across different types of early
11 learning settings;

12 (ii) includes evidence-based program
13 quality standards that reflect standard lev-
14 els of quality and has progressively higher
15 levels of program quality leading to stand-
16 ards that are consistent with national ac-
17 creditation standards, such as the program
18 performance standards applicable to pro-
19 grams under the Head Start Act (42
20 U.S.C. 9831 et seq.);

21 (iii) determines the extent to which in-
22 dividual programs across different types of
23 settings integrate the State’s early learning
24 standards for the purpose of improving in-
25 structional and programmatic practices;

1 (iv) addresses quality for and effective
2 inclusion of children with disabilities or de-
3 velopmental delays across all early learning
4 settings;

5 (v) addresses staff qualifications and
6 professional development;

7 (vi) addresses the quality and supply
8 of early learning facilities;

9 (vii) provides financial incentives and
10 other supports designed to promote and
11 sustain higher levels of quality;

12 (viii) includes mechanisms for evalu-
13 ating how programs are meeting the
14 State's early learning program quality
15 standards and progressively higher levels
16 of quality; and

17 (ix) includes a mechanism for public
18 awareness and understanding of the pro-
19 gram rating system, including rating levels
20 of individual programs across settings.

21 (D) A system of program review and moni-
22 toring that is designed to rate providers using
23 the system described in subparagraph (C) in a
24 way that is accessible and useful to parents, to
25 assess and improve programmatic practices and

1 instructional practices, and to provide high-
2 quality environments that can engage children
3 with materials, curriculum, and experiences ap-
4 propriate to the developmental level of the child.

5 (E) A process to support and increase the
6 number of early learning programs integrating
7 instructional and programmatic practices
8 that—

9 (i) includes developmentally appro-
10 priate, ongoing, classroom-based instruc-
11 tional assessments for each domain of child
12 development and learning to guide and im-
13 prove instructional practice, professional
14 development of staff, and services; and

15 (ii) is aligned with the curriculum
16 used in the early learning program and
17 with the State early learning standards or
18 the Head Start Child Outcomes Frame-
19 work (as described in the Head Start Act
20 (42 U.S.C. 9831 et seq.)), as applicable.

21 (F) Minimum preservice and ongoing early
22 childhood development and education training
23 and professional development requirements for
24 providers in early learning programs.

1 (G) A comprehensive plan for supporting
2 the preparation and the ongoing professional
3 development of an effective, well-compensated
4 early learning workforce that—

5 (i) is sustained, intensive, and class-
6 room-focused;

7 (ii) leads toward a credential or de-
8 gree; and

9 (iii) is tied to improved compensation.

10 (H) Engage in outreach strategies that—

11 (i) incorporate multiple strategies for
12 parent and family involvement with sensi-
13 tivity and attention to diversity of families,
14 including strategies to promote positive
15 parent-child relations and promote healthy
16 development and early learning;

17 (ii) communicate information on child
18 assessment; and

19 (iii) communicate how to support their
20 child's early development and learning;

21 (I) Promote understanding by parents and
22 families of—

23 (i) the State's program rating system,
24 as described in subparagraph (C); and

1 (ii) the rating of the program in which
2 their child is enrolled.

3 (J) A coordinated system to facilitate
4 screening, referral, and provision of services re-
5 lated to health, mental health, disability, and
6 family support for children participating in
7 early learning programs.

8 (K) A process for evaluating school readi-
9 ness in children that reflects all of the major
10 domains of development, and that—

11 (i) is used to guide practice and im-
12 prove early learning programs; and

13 (ii) includes multiple measures of
14 school readiness at kindergarten entry, and
15 which may reflect a sample across the
16 State.

17 (L) A comprehensive plan that promotes
18 nutrition and wellness in early learning settings,
19 and which—

20 (i) includes standards for the health-
21 ful development of infants, toddlers and
22 young children;

23 (ii) reflects the recommendations of
24 the most recent version of Dietary Guide-
25 lines for Americans; and

1 (iii) reflects the dietary and physical
2 activity recommendations of authoritative
3 scientific organizations.

4 (M) A coordinated data infrastructure,
5 which may be supported with grants provided
6 under section 2133, that facilitates—

7 (i) uniform data collection about the
8 quality of early learning programs, essen-
9 tial information about the children and
10 families that participate in such programs
11 disaggregated by income, age, race, gender,
12 disability, status as homeless, and limited
13 English proficiency status, and the quali-
14 fications and compensation of the early
15 learning workforce in such programs; and

16 (ii) alignment and interoperability be-
17 tween the data system for early learning
18 programs for children and the data system
19 for elementary and secondary education
20 and other agencies serving children and
21 families in the State, as appropriate.

22 (N) A plan to ensure effective transitions
23 between early learning programs and the kin-
24 dergarten through grade 3 public school system
25 in the State.

1 (5) A description of how the funds provided
2 under the grant will be targeted to prioritize increas-
3 ing the number and percentage of disadvantaged
4 children in high-quality early learning programs, in-
5 cluding children—

6 (A) in each age group (infants, toddlers,
7 and preschoolers); and

8 (B) living in rural and urban areas.

9 (6) A description of how the State will address
10 the learning and development needs of young chil-
11 dren and of working families in achieving the pur-
12 poses of this subtitle.

13 (7) A description of the steps the State will
14 take to ensure that all center-based child care pro-
15 grams, family child care programs, State-funded
16 prekindergarten, Head Start programs under the
17 Head Start Act (42 U.S.C. 9831 et seq.), and other
18 early learning programs, such as those funded under
19 title I of the Elementary and Secondary Education
20 Act of 1965 (20 U.S.C. 6301 et seq.) or section 619
21 of the Individuals with Disabilities Education Act
22 (20 U.S.C. 1419) are included in the State program
23 rating system described in paragraph (4)(C).

24 (8) A description of any disparity by age group
25 (infants, toddlers, and preschoolers) of available

1 high-quality early learning programs in low-income
2 communities and the steps the State will take to de-
3 crease such disparity, if applicable.

4 (9) A description of how the State's early learn-
5 ing standards will be appropriate for children who
6 are limited English proficient.

7 (10) A description of how the State, in con-
8 sultation with the State Advisory Council, will co-
9 ordinate the purposes of this subtitle with other
10 early learning and development programs and activi-
11 ties.

12 (11) A description of how the State's early
13 learning and development policies facilitate access to
14 high-quality early learning programs for disadvan-
15 taged children.

16 (12) A description of how the State will provide
17 individuals with pathways to obtain credentials, in-
18 dustry recognized certification, and degrees in early
19 learning and development, which may be aligned
20 with **【what?】** of the Higher Education Act of 1965.

21 (13) A description of how the State's profes-
22 sional development plan will prepare the early learn-
23 ing workforce to support the early learning needs of
24 children who are limited English proficient and to

1 promote positive interactions among staff, children,
2 and the children's families.

3 (14) A description of how the State will align
4 early learning standards with—

5 (A) appropriate academic content stand-
6 ards for kindergarten through grade 3; and

7 (B) elements of early learning program
8 quality standards.

9 (15) A description of how the State will im-
10 prove interagency collaboration and coordinate the
11 purposes of this subtitle with the activities funded
12 under—

13 (A) section 658G of the Child Care and
14 Development Block Grant Act of 1990 (42
15 U.S.C. 9858e);

16 (B) section 619 and part C of the Individ-
17 uals with Disabilities Education Act (20 U.S.C.
18 1419, 1431 et seq.);

19 (C) title I of the Elementary and Sec-
20 ondary Education Act of 1965 (20 U.S.C. 6301
21 et seq.);

22 (D) parts B and E of title IV of the Social
23 Security Act (42 U.S.C. 621 et seq. and 670 et
24 seq.);

1 (E) State-funded pre-kindergarten pro-
2 grams (where applicable);

3 (F) Head Start programs;

4 (G) section 17 of the Richard B. Russell
5 National School Lunch Act (42 U.S.C. 1766);
6 and

7 (H) other early childhood programs and
8 services.

9 (16) An assurance that the grant will be used
10 to improve the quality of early learning programs
11 across a range of types of settings and providers of
12 such programs.

13 (17) A description of the target dates when the
14 State will develop and implement the necessary poli-
15 cies and procedures described in such State's appli-
16 cation.

17 (18) An assurance that the Governor has des-
18 ignated or created a State Advisory Council and has
19 taken steps to ensure that membership includes the
20 representatives described in section 642B(b)(1)(C)
21 of the Head Start Act (42 U.S.C. 9837b(b)(1)(C)).

22 (19) An assurance that the grant will be used
23 only to supplement, and not to supplant, Federal,
24 State, and local funds otherwise available to support
25 existing early learning programs and services.

1 (20) An assurance that the State will continue
2 to participate in part C of the Individuals with Dis-
3 abilities Education Act (20 U.S.C. 1431 et seq.) for
4 the duration of the grant.

5 (21) An assurance that the State has in place,
6 or will have in place not later than 1 year after such
7 grant is awarded, a requirement that all early learn-
8 ing programs serving 3 or more unrelated children
9 shall be required to be licensed by the State. States
10 shall have not more than 3 years after such grant
11 is awarded to fully phase in such requirement.

12 (d) CRITERIA USED IN AWARDING GRANTS.—In
13 awarding grants under section 2703(a), the Secretary
14 shall evaluate the applications, and award grants under
15 such section to States that demonstrate the greatest
16 progress in establishing a system of high-quality early
17 learning programs, on a competitive basis, based on—

18 (1) the quality of the application submitted in
19 accordance with subsection (c);

20 (2) the priority factors described in section
21 2703(e);

22 (3) evidence of significant progress in estab-
23 lishing a high-quality system of early learning for
24 children that includes the components described in
25 subsection (c)(4);

1 (4) the State's capacity to fully complete imple-
2 mentation of such a system; and

3 (5) the quality of the State's plan to move more
4 disadvantaged children into high quality programs.

5 (e) CRITERION USED IN DETERMINING AMOUNT OF
6 AWARD.—In determining the amount to award a State
7 under section 2703(a), the Secretary shall take into ac-
8 count—

9 (1) the number of children under age 5 from
10 low-income families in the State; and

11 (2) the State plan and capacity to implement
12 the criteria described in paragraphs (1) and (4) of
13 subsection (d).

14 (f) STATE USES OF FUNDS.—

15 (1) IN GENERAL.—A State receiving a grant
16 under section 2703(a) shall use the grant funds—

17 (A) for initiatives that help early learning
18 programs meet and sustain higher levels of pro-
19 gram quality standards, such as—

20 (i) improving early learning provider-
21 child ratios;

22 (ii) reducing group size;

23 (iii) improving the qualifications of
24 early learning providers;

1 (iv) providing access to high-quality
2 instruction, instruction materials, and cur-
3 ricula; and

4 (v) supporting effective education and
5 training for early learning providers; and

6 (B) to carry out 3 or more of the following
7 activities:

8 (i) Initiatives that improve the system
9 components described in subsection (c)(4).

10 (ii) Developing or enhancing the gov-
11 ernance structure and system proposed in
12 accordance with subsection (c)(4).

13 (iii) Implementing classroom observa-
14 tion assessments and data-driven decisions,
15 which may include implementation of a re-
16 search-based prevention and intervention
17 framework designed to build social com-
18 petence and prevent challenging behaviors,
19 tied to activities that improve instructional
20 practices, programmatic practices, or class-
21 room environment and promote school
22 readiness.

23 (iv) Providing financial incentives to
24 early learning programs—

1 (I) for undertaking quality im-
2 provements that promote healthy de-
3 velopment and school readiness; and

4 (II) maintaining quality improve-
5 ments that promote healthy develop-
6 ment and school readiness.

7 (v) Integrating State early learning
8 standards into instructional and pro-
9 grammatic practices in early learning pro-
10 grams.

11 (vi) Providing high-quality, sustained,
12 intensive, and classroom-focused profes-
13 sional development that improves the
14 knowledge and skills of early learning pro-
15 viders, including professional development
16 related to meeting the needs of diverse
17 populations.

18 (vii) Building the capacity of early
19 learning programs and communities to pro-
20 mote parents' and families' understanding
21 of the State's early learning system and
22 the rating of the program in which their
23 child is enrolled and encourage the active
24 involvement and engagement of parents,
25 expectant parents, and families in the

1 State in the learning and development of
2 their children.

3 (viii) Building the capacity of early
4 learning programs and communities to fa-
5 cilitate screening, referral, and provision of
6 services related to health, mental health,
7 disability, and family support for children
8 participating in early learning programs.

9 (ix) Developing or enhancing pro-
10 grams that assist individuals in obtaining
11 certificates, industry recognized creden-
12 tials, and degrees in early learning and de-
13 velopment, which may include obtaining
14 certification and licensure in bilingual edu-
15 cation.

16 (x) Other innovative activities, pro-
17 posed by the State and approved in ad-
18 vance by the Secretary that—

19 (I) are based on successful prac-
20 tices;

21 (II) are designed to improve the
22 quality of early learning programs and
23 services;

24 (III) are designed to increase the
25 number and percentage of disadvan-

1 tagged children participating in high-
2 quality early learning programs; and

3 (IV) advance the system compo-
4 nents described in subsection (c)(4).

5 (xi) Implementation or enhancement
6 of the State's data system, including inter-
7 operability across agencies serving chil-
8 dren, and unique child and program identi-
9 fiers, consistent with grants received by the
10 State under section 2133 or other Federal
11 or State activities supporting statewide
12 longitudinal data systems.

13 (xii) Enhancement of the State's over-
14 sight system for early learning programs,
15 including the implementation of a quality
16 rating system.

17 (xiii) The development and implemen-
18 tation of measures of school readiness of
19 children that reflect all of the major do-
20 mains of child development and that in-
21 form the quality improvement process.

22 (2) PRIORITY.—In carrying out activities under
23 this subsection, a State shall prioritize improving the
24 quality of early learning programs serving children
25 from low-income families.

1 (g) SPECIAL RULE.—

2 (1) IN GENERAL.—A State with respect to
3 which the Secretary certifies that the State has in
4 place or has made sufficient progress in imple-
5 menting the requirements of the grant may apply to
6 the Secretary to reserve not more than 25 percent
7 of the amount of the grant to expand access for chil-
8 dren from low-income families to the highest quality
9 early learning programs that offer full-day services
10 if the State agrees to contribute for such purpose
11 non-Federal matching funds in an amount equal to
12 not less than 20 percent of the amount reserved
13 under this paragraph. Not more than one-half of
14 such non-Federal matching funds may be provided
15 by a private entity.

16 (2) NON-FEDERAL FUNDS.—A State may use
17 the following to satisfy the matching requirement of
18 paragraph (1):

19 (A) Cash.

20 (B) In-kind contributions for the acquisi-
21 tion, construction, or improvement of early
22 learning program facilities serving disadvan-
23 taged children.

24 (C) Technical assistance related to sub-
25 paragraph (B).

1 (3) FINANCIAL HARDSHIP WAIVER.—The Sec-
2 retary may waive or reduce the non-Federal share of
3 a State under paragraph (1) if the State dem-
4 onstrates a need for such waiver or reduction due to
5 extreme financial hardship, as defined by the Sec-
6 retary by regulation.

7 (h) IMPROVEMENT PLAN.—

8 (1) IN GENERAL.—If the Secretary determines
9 that a State receiving a grant under section 2703(a)
10 is encountering barriers to reaching goals described
11 in subsection (c)(2), the State shall develop a plan
12 for improvement in consultation with, and subject to
13 approval by, the Secretary.

14 (2) REDUCTION OF FUNDS.—If the Secretary
15 determines that a grantee is making insufficient
16 progress in implementing a high-quality system of
17 early learning or increasing the number of children
18 from low-income families participating in high-qual-
19 ity programs, the Secretary may reduce or withdraw
20 grant funds.

21 **SEC. 2705. DEVELOPMENT GRANTS.**

22 (a) GRANT PERIOD.—The Secretary shall award
23 grants under section 2703(b) for a period not to exceed
24 3 years, and such grants may not be renewed.

25 (b) STATE USES OF FUNDS.—

1 (1) IN GENERAL.—A State receiving a grant
2 under section 2703(b) shall use the grant funds to
3 undertake activities to develop the components of
4 early learning programs and service systems de-
5 scribed in section 2704(c)(4) that will allow the
6 State to become eligible and competitive for a grant
7 described in section 2703(a).

8 (2) PRIORITY.—In carrying out activities under
9 this subsection, a State shall prioritize improving the
10 quality of early learning programs serving children
11 from low-income families.

12 (c) MATCHING REQUIREMENT.—

13 (1) IN GENERAL.—To be eligible to receive a
14 grant under section 2703(b), a State shall contribute
15 non-Federal matching funds to the activities assisted
16 under the grant in an amount equal to not less than
17 the applicable percent of the amount of the grant.

18 (2) APPLICABLE PERCENT.—For purposes of
19 paragraph (1), the applicable percent means—

20 (A) 20 percent in the first fiscal year of
21 the grant;

22 (B) 25 percent in the second fiscal year of
23 the grant; and

24 (C) 30 percent in the third fiscal year of
25 the grant.

1 (3) NON-FEDERAL FUNDS.—A State may use
2 the following to satisfy the matching requirement of
3 paragraph (1):

4 (A) Cash.

5 (B) In-kind contributions for the acquisi-
6 tion, construction, or improvement of early
7 learning program facilities serving disadvan-
8 taged children.

9 (C) Technical assistance related to sub-
10 paragraph (B).

11 (4) PRIVATE CONTRIBUTIONS.—Private con-
12 tributions made as part of public-private partner-
13 ships to increase the number of children from low-
14 income families in high-quality early learning pro-
15 grams in a State may be used by the State to satisfy
16 the requirement of paragraph (1).

17 (5) FINANCIAL HARDSHIP WAIVER.—The Sec-
18 retary may waive or reduce the non-Federal share of
19 a State that has submitted an application for a
20 grant under section 2703(b) if the State dem-
21 onstrates a need for such waiver or reduction due to
22 extreme financial hardship, as defined by the Sec-
23 retary by regulation.

1 **SEC. 2706. RESEARCH AND EVALUATION.**

2 From funds reserved under section 2703(c)(1)(B),
3 the Secretary and the Secretary of Health and Human
4 Services, acting jointly and in accordance with section
5 2801, shall carry out the following activities:

6 (1) Establishing a national commission, com-
7 prised primarily of experts and practitioners in the
8 field of early learning and development, whose duties
9 shall include—

10 (A) reviewing the status of Federal and
11 State early learning program quality standards
12 and early learning standards, including the sta-
13 tus of Federal and State early learning stand-
14 ards for children who are limited English pro-
15 ficient;

16 (B) recommending benchmarks for pro-
17 gram quality standards and early learning
18 standards, in coordination with the research
19 collaborative described in paragraph (3), includ-
20 ing taking into consideration the school readi-
21 ness needs of children who are limited English
22 proficient and previous research conducted by
23 the National Academies of Science, National In-
24 stitute of Child Health and Human Develop-
25 ment, and other national research panels focus-

1 ing on improving the learning and development
2 of children from birth to age 5;

3 (C) working with the Secretaries of Edu-
4 cation and Health and Human Services to en-
5 sure that best practices and information gath-
6 ered from this process is used to improve the
7 administration and oversight of programs serv-
8 ing children from birth through age 5 within
9 and across agencies serving such children and
10 their families, as appropriate; and

11 (D) reporting to the Secretaries of Edu-
12 cation and Health and Human Services not
13 later than 2 years after the date of enactment
14 of this subtitle on the commission's findings
15 and recommendations.

16 (2) Conducting a national evaluation of the
17 grants made under this subtitle through the Insti-
18 tute of Education Science in accordance with section
19 2801 and in collaboration with the appropriate re-
20 search divisions within the Department of Health
21 and Human Services.

22 (3) Supporting a research collaborative among
23 the Institute of Education Sciences, the National In-
24 stitute of Child Health and Human Development,
25 the Office of Planning, Research, and Evaluation

1 within the Administration for Children and Families
2 in the Department of Health and Human Services,
3 and other appropriate Federal entities to support re-
4 search on early learning that can inform improved
5 State standards and licensing requirements, govern-
6 ance and quality rating system processes, and im-
7 proved child outcomes, which collaborative shall—

8 (A) biennially prepare and publish for pub-
9 lic comment a detailed research plan;

10 (B) support early learning research activi-
11 ties that may include determining—

12 (i) the characteristics of early learning
13 programs that produce positive develop-
14 mental outcomes for children across pro-
15 grams;

16 (ii) the characteristics of State gov-
17 ernance structures used to manage and
18 maintain systems of high-quality early
19 learning programs, including the investiga-
20 tion of structural and governance chal-
21 lenges at the State level and documenting
22 best practices;

23 (iii) the effects of program quality
24 standards on child outcomes;

1 (iv) the relationships between specific
2 interventions and types of child and family
3 outcomes;

4 (v) the effectiveness of early learning
5 provider training in raising program qual-
6 ity and improving child outcomes;

7 (vi) the effectiveness of professional
8 development strategies in raising program
9 quality and improving child outcomes;

10 (vii) the shared characteristics of
11 early learning systems and programs that
12 produce positive learning and development
13 outcomes for disadvantaged children;

14 (viii) how to develop and scale effec-
15 tive practices for recruiting, training, certi-
16 fying, and retaining early learning pro-
17 viders; and

18 (ix) how to improve the school readi-
19 ness outcomes of children who are limited
20 English proficient, children with develop-
21 mental delay or disability, homeless chil-
22 dren, and children under the care of the
23 State child welfare agency, including eval-
24 uation of professional development pro-
25 grams with demonstrated success at pre-

1 paring and supporting early learning pro-
2 viders working with such children; and
3 (C) disseminate relevant research findings
4 and best practices.

5 **SEC. 2707. BENCHMARKS; INDICATORS; REPORTING.**

6 (a) INDICATORS.—The Secretary, in consultation
7 with the national commission established pursuant to sec-
8 tion 2706, shall define indicators to be used to measure
9 success on the activities carried out under a grant under
10 this subtitle.

11 (b) BENCHMARKS.—Each State receiving a grant
12 under this subtitle shall—

13 (1) develop quantifiable benchmarks for the
14 State and the activities supported under the grant
15 based on the indicators described in subsection (a)
16 that are applicable to the State; and

17 (2) submit the benchmarks for approval to the
18 Secretary.

19 (c) REPORTING.—

20 (1) IN GENERAL.—Each State receiving a grant
21 under this subtitle shall—

22 (A) annually measure and report to the
23 Secretary the progress of the State in achieving
24 the benchmarks developed under subsection (b);
25 and

1 (B) collect and report data relating to the
2 benchmarks and indicators as the Secretary
3 may require.

4 **[(2) ANNUAL REPORT TO CONGRESS.—**
5 **【BYRD】**The Secretary, in consultation with the
6 Secretary of Health and Human Services, shall an-
7 nually submit a report to Congress on the progress
8 made **【in what?】** using grant funds provided under
9 this subtitle, including an analysis of barriers to
10 progress.]

11 **SEC. 2708. TECHNICAL ASSISTANCE.**

12 The Secretary may reserve not more than \$5,000,000
13 from amounts appropriated under this subtitle to directly,
14 or through grant or contract, provide technical assistance
15 to eligible entities, or partners of eligible entities, to pre-
16 pare the entities or partners to qualify, apply for, and
17 maintain grants under section 2704 or 2705.

18 **SEC. 2709. CONSTRUCTION.**

19 Nothing in this subtitle—

20 (1) shall be construed to require a child to par-
21 ticipate in an early learning program;

22 (2) shall be used to deny entry to kindergarten
23 for any individual if the individual is legally eligible,
24 as defined by State or local law; or

1 (3) shall be construed to require a State to re-
2 strict or lower standards where such standards are
3 higher than those required under this subtitle.

4 **SEC. 2710. DEFINITIONS.**

5 In this subtitle:

6 (1) CHILD.—The term “child” refers to an in-
7 dividual from birth through the day the individual
8 enters kindergarten.

9 (2) DISADVANTAGED.—The term “disadvan-
10 taged”, when used with respect to a child, means a
11 child who is—

12 (A) a child from a low-income family;

13 (B) a homeless child;

14 (C) a child in the custody of a child wel-
15 fare agency;

16 (D) a child with a developmental delay or
17 disability; or

18 (E) a child who is limited English pro-
19 ficient.

20 (3) EARLY CHILDHOOD EDUCATION PRO-
21 GRAM.—The term “early childhood education pro-
22 gram” has the meaning given the term in section
23 103 of the Higher Education Act of 1965 (20
24 U.S.C. 1003).

1 (4) EARLY LEARNING STANDARDS.—The term
2 “early learning standards” means a set of guidelines
3 describing what children should know and be able to
4 do that—

5 (A) include social and emotional, cognitive,
6 and physical development domains;

7 (B) identify approaches to learning that
8 are developmentally appropriate (including cul-
9 turally and linguistically appropriate) for all
10 children; and

11 (C) are aligned with the appropriate aca-
12 demic content standards for kindergarten
13 through grade 3.

14 (5) EARLY LEARNING PROGRAM QUALITY
15 STANDARDS.—The term “early learning program
16 quality standards” means a set of guidelines that, at
17 a minimum, shall include standards regarding
18 preservice and ongoing training in early childhood
19 development, health and safety, teacher and child ra-
20 tios and group size, curriculum and access to high
21 quality early learning opportunities, and other pro-
22 gram standards as required by the State of other
23 relevant Federal policy **【with respect to early learn-
24 ing programs?】**.

1 (6) HOMELESS CHILDREN.—The term “home-
2 less children” has the meaning given the term
3 “homeless children and youths” in section 725(2) of
4 the McKinney-Vento Homeless Assistance Act (42
5 U.S.C. 11434a(2)).

6 (7) INDIAN TRIBE.—The term “Indian tribe”
7 means any tribe, band, nation, pueblo, or other orga-
8 nized group or community of Indians, including any
9 Native village described in section 3(c) of the Alaska
10 Native Claims Settlement Act (43 U.S.C. 1602(c))
11 or established pursuant to such Act (43 U.S.C. 1601
12 et seq.), that is recognized as eligible for the special
13 programs and services provided by the United States
14 to Indians because of their status as Indians.

15 (8) LIMITED ENGLISH PROFICIENT.—The term
16 “limited English proficient” has the meaning given
17 the term in section 637 of the Head Start Act (42
18 U.S.C. 9832).

19 (9) LOW-INCOME.—The term “low-income”,
20 when used with respect to a child, means a child
21 whose family income is described in section
22 658P(4)(B) of the Child Care and Development
23 Block Grant Act of 1990 (42 U.S.C. 9858n(4)(B)).

24 (10) SECRETARY.—The term “Secretary”
25 means the Secretary of Education.

1 (11) STATE.—The term “State” has the mean-
 2 ing given the term in section 9101 of the Elemen-
 3 tary and Secondary Education Act of 1965 (20
 4 U.S.C. 7801).

5 **SEC. 2711. APPROPRIATIONS.**

6 There are authorized to be appropriated, and there
 7 are appropriated, to carry out this subtitle (in addition
 8 to any other amounts appropriated to carry out this sub-
 9 title and out of any money in the Treasury not otherwise
 10 appropriated) \$1,000,000,000 for each of fiscal years
 11 2010 through 2019.

12 **Subtitle H—Research and**
 13 **Evaluation**

14 **SEC. 2801. RESEARCH AND EVALUATION; BENCHMARKS**
 15 **AND CONSULTATION.**

16 (a) RESEARCH AND EVALUATION.—

17 (1) IN GENERAL.—The Secretary shall transfer
 18 amounts reserved for research and evaluation under
 19 sections 2403(c)(1)(B), 2556(b), and 2702(b)(3)
 20 and sections 782(b), 372(b)(2)(B), and 899(b)(1) of
 21 the Higher Education Act of 1965, to the Institute
 22 of Education Sciences, to be used—

23 (A) for the evaluation of grants [or other
 24 assistance?] funded under such sections; and

1 (B) to support research conducted through
2 such grants.

3 (2) COLLABORATION.—The evaluation and re-
4 search described in paragraph (1) shall be carried
5 out in collaboration with the office within the De-
6 partment of Education administering the grants that
7 are the subject of the evaluation and research.

8 (b) BENCHMARKS AND CONSULTATION.—In devel-
9 oping indicators and benchmarks for programs funded
10 under **【this Act and】** the amendments made by this Act,
11 the Secretary shall consult with the Director of the Insti-
12 tute of Education Sciences.