

118TH CONGRESS
1ST SESSION

S. 2266

To amend the Higher Education Act of 1965 to provide greater access to higher education for America’s students, to eliminate educational barriers for participation in a public service career, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 12, 2023

Mr. CARDIN introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To amend the Higher Education Act of 1965 to provide greater access to higher education for America’s students, to eliminate educational barriers for participation in a public service career, and for other purposes.

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 “Strengthening Amer-
5 ican Communities Act of 2023”.

6 **SEC. 2. PURPOSE.**

7 It is the purpose of this Act to provide greater access
8 to higher education for America’s students, to eliminate

1 educational barriers for participation in a public service
2 career by providing an opportunity for potential public
3 servants to obtain an undergraduate education, and to es-
4 tablish an accelerated form of the public service loan for-
5 giveness program for more immediate loan forgiveness for
6 existing public servants holding Federal Direct Stafford
7 Loans, Federal Direct Unsubsidized Stafford Loans, and
8 Federal Direct PLUS Loans.

9 **TITLE I—AMERICA’S COLLEGE**
10 **PROMISE**

11 **SEC. 100. SHORT TITLE.**

12 This title may be cited as the “America’s College
13 Promise Act of 2023”.

14 **Subtitle A—State and Indian Tribe**
15 **Grants for Community Colleges**

16 **SEC. 101. PROGRAM AUTHORIZED.**

17 Title IV of the Higher Education Act of 1965 (20
18 U.S.C. 1070 et seq.) is amended by adding at the end
19 the following:

1 **“PART J—AMERICA’S COLLEGE PROMISE**
2 **FEDERAL-STATE PARTNERSHIP**
3 **“Subpart 1—State and Indian Tribe Grants for**
4 **Community Colleges**

5 **“SEC. 499A. IN GENERAL.**

6 “From amounts appropriated under section 499G for
7 any fiscal year, the Secretary shall award grants to eligible
8 States and Indian tribes to pay the Federal share of ex-
9 penditures needed to carry out the activities and services
10 described in section 499E.

11 **“SEC. 499B. FEDERAL SHARE; NON-FEDERAL SHARE.**

12 “(a) FEDERAL SHARE.—

13 “(1) IN GENERAL.—Subject to paragraph (2),
14 the amount of the Federal share of a grant under
15 this subpart shall be based on a formula, determined
16 by the Secretary, that provides, for each eligible stu-
17 dent in the State or Indian tribe, a per-student
18 amount that is equal to 75 percent of—

19 “(A) for the 2022–2023 award year, the
20 average resident community college tuition and
21 fees per student in all States for the most re-
22 cent year for which data are available; and

23 “(B) for each subsequent award year, the
24 amount determined under this paragraph for
25 the preceding award year, increased by the less-
26 er of—

1 “(i) a percentage equal to the esti-
 2 mated percentage increase in the Con-
 3 sumer Price Index (as determined by the
 4 Secretary) since the date of such deter-
 5 mination; or

6 “(ii) 3 percent.

7 “(2) INDIAN TRIBES.—The amount of the Fed-
 8 eral share for an Indian tribe receiving a grant
 9 under this subpart shall be the lesser of—

10 “(A) the amount determined in accordance
 11 with paragraph (1) with respect to such tribe;
 12 or

13 “(B) the amount that is 95 percent of the
 14 total amount needed to waive tuition and fees
 15 for all eligible students enrolled in the commu-
 16 nity colleges operated or controlled by such
 17 tribe.

18 “(b) STATE OR TRIBAL SHARE.—

19 “(1) FORMULA.—

20 “(A) IN GENERAL.—Subject to subpara-
 21 graph (B), the State or tribal share of a grant
 22 under this subpart for each fiscal year shall be
 23 the amount needed to pay 25 percent of the av-
 24 erage resident community college tuition and
 25 fees per student in the 2022–2023 award year

1 for all eligible students in the State or tribe for
2 such fiscal year.

3 “(B) INDIAN TRIBES.—The tribal share of
4 a grant awarded to an Indian tribe under this
5 subpart for each fiscal year shall be the lesser
6 of—

7 “(i) the amount determined in accord-
8 ance with subparagraph (A) with respect
9 to such tribe; or

10 “(ii) 5 percent of the total amount
11 needed to waive tuition and fees for all eli-
12 gible students enrolled in the community
13 colleges operated or controlled by such
14 tribe.

15 “(2) NEED-BASED AID.—A State or Indian
16 tribe may include, as part of the State or tribal
17 share, any need-based financial aid that—

18 “(A) is provided from State or tribal funds
19 to an eligible student; and

20 “(B) may be used by such student to pay
21 costs of attendance other than tuition and fees.

22 “(3) NO IN-KIND CONTRIBUTIONS.—A State or
23 Indian tribe shall not include in-kind contributions
24 for purposes of the State or tribal share described
25 in paragraph (1).

1 “(c) DETERMINING NUMBER OF ELIGIBLE STU-
2 DENTS.—

3 “(1) IN GENERAL.—For purposes of subsection
4 (a) and subsection (b), the Secretary shall develop
5 and implement a formula for accurately estimating
6 the number of eligible students in a State or Indian
7 tribe and for making adjustments based on the num-
8 ber of eligible students enrolled on less than a full-
9 time basis and the associated tuition and fees
10 charged to such students in proportion to the degree
11 to which each such student is not attending on a
12 full-time basis.

13 “(2) INITIAL DETERMINATION.—For the first
14 year for which grants are awarded under this sub-
15 part, the number of eligible students in a State or
16 Indian tribe shall be considered to be equal to the
17 number of eligible students who were in the State or
18 tribe for the preceding school year.

19 “(d) ADJUSTMENT OF GRANT AMOUNT.—Not later
20 than 180 days after the date on which a State or Indian
21 tribe receives a grant under this subpart, the Secretary
22 shall—

23 “(1) in consultation with the State or tribe con-
24 cerned, determine whether the actual number of eli-
25 gible students in the State or tribe for the year cov-

1 ered by the grant is greater than the estimated num-
2 ber of such students that was used to determine the
3 amount of the grant; and

4 “(2) in the case of a determination under para-
5 graph (1) that the actual number of eligible students
6 in the State or tribe is higher than such estimate,
7 issue a supplementary grant payment to the State or
8 tribe in an amount that ensures that the total
9 amount of the grant funds received by the State or
10 tribe under this subpart for the year covered by the
11 grant accurately reflects the higher number of eligi-
12 ble students.

13 **“SEC. 499C. APPLICATIONS.**

14 “(a) SUBMISSION.—In order to receive a grant under
15 this subpart, a State or Indian tribe shall submit an appli-
16 cation to the Secretary at such time, in such manner, and
17 containing such information as the Secretary may require.

18 “(b) CONTENTS.—Each application under subsection
19 (a) shall include—

20 “(1) an estimate of the number of eligible stu-
21 dents in the State or Indian tribe and the cost of
22 waiving community college tuition and fees for all el-
23 igible students for each fiscal year covered by the
24 grant;

1 “(2) an assurance that each community college
2 in the State, or operated or controlled by the Indian
3 tribe, as applicable, will waive tuition and fees for el-
4 igible students in accordance with section 499D(a);

5 “(3) a description of the promising and evi-
6 dence-based institutional reforms and innovative
7 practices to improve student outcomes, including
8 transfer and completion rates, that have been or will
9 be adopted by each such community college, such
10 as—

11 “(A) providing comprehensive academic,
12 career, and student support services (including
13 mentoring, advising, case management services,
14 and career pathway navigation), especially for
15 low-income, first-generation, and adult stu-
16 dents, and other students belonging to racial
17 and other groups that are historically underrep-
18 resented in higher education;

19 “(B) providing direct support services, or
20 assistance in applying for such services, such
21 as—

22 “(i) childcare, transportation, and
23 emergency financial assistance;

24 “(ii) assistance in obtaining health in-
25 surance coverage and accessing health care

1 services, including behavioral and mental
2 health services;

3 “(iii) affordable housing;

4 “(iv) nutrition assistance programs or
5 free or discounted food; and

6 “(v) means-tested Federal benefit pro-
7 grams, or similar State, tribal, or local
8 benefit programs;

9 “(C) providing accelerated learning oppor-
10 tunities, such as dual or concurrent enrollment
11 programs, including early college high school
12 programs, and reforming course scheduling and
13 credit awarding policies to better meet the
14 needs of students and shorten time to comple-
15 tion;

16 “(D) strengthening and reforming remedial
17 and developmental education, especially for low-
18 income, first-generation, and adult students,
19 and other students belonging to racial and
20 other groups that are historically underrep-
21 resented in higher education, including through
22 the use of multiple measures (such as a stu-
23 dent’s college entrance examination score, grade
24 point average, high school course list, or a

1 placement examination) to identify students in
2 need of remedial education;

3 “(E) utilizing career pathways, including
4 through building capacity for career and tech-
5 nical education, as defined in section 3(5) of
6 the Carl D. Perkins Career and Technical Edu-
7 cation Act of 2006 (20 U.S.C. 2302(5)), and
8 programs of study, as defined in section 3(41)
9 of such Act (20 U.S.C. 2302(41)), or degree
10 pathways; or

11 “(F) providing expanded opportunities for
12 participating in work-based learning, which may
13 include apprenticeship programs, in students’
14 programs of study;

15 “(4) a description of how the State or Indian
16 tribe will ensure that programs leading to a recog-
17 nized postsecondary credential meet the quality cri-
18 teria established by the State under section 123(a)
19 of the Workforce Innovation and Opportunity Act
20 (29 U.S.C. 3153(a)) or other quality criteria deter-
21 mined appropriate by the State or Indian tribe;

22 “(5) an assurance that each community college
23 in the State or under the authority of the Indian
24 tribe have entered into program participation agree-
25 ments under section 487;

1 “(6) an assurance that the State or Indian tribe
2 will, to the maximum extent practicable, assist eligi-
3 ble students in obtaining information about and ac-
4 cessing means-tested Federal benefit programs and
5 similar, State, tribal, and local benefit programs for
6 which such students may be eligible;

7 “(7) an assurance that, for each year of the
8 grant, the State or Indian tribe will notify each eligi-
9 ble student of the student’s remaining eligibility for
10 assistance under this subpart;

11 “(8) if the application is submitted by a
12 State—

13 “(A) a description of how the State will
14 support the scaling and increased adoption of
15 the reforms and practices described in para-
16 graph (3);

17 “(B) an assurance that the State will, to
18 the extent practicable, consider changes to
19 State law that will enable more community col-
20 lege students to be eligible for means-tested
21 Federal benefit programs and similar State
22 benefit programs;

23 “(C) an assurance that the State will meet
24 the requirements of section 499D(b)(1) relating

1 to the alignment of secondary and postsec-
2 ondary education; and

3 “(D) an assurance that the State will meet
4 the requirements of section 499D(b)(2) relating
5 to the improvement of transfer pathways be-
6 tween institutions of higher education; and

7 “(9) an assurance that the State or Indian tribe
8 will clearly communicate to prospective students,
9 their families, and the general public—

10 “(A) plans to implement the program
11 funded under this subpart; and

12 “(B) how eligible students can attend a
13 community college operated by the State or
14 tribe without paying the cost of tuition and
15 fees.

16 **“SEC. 499D. PROGRAM REQUIREMENTS.**

17 “(a) GENERAL REQUIREMENTS FOR STATES AND IN-
18 DIAN TRIBES.—As a condition of receiving a grant under
19 this subpart, a State or Indian tribe shall meet the fol-
20 lowing requirements:

21 “(1) For each year of the grant the total
22 amount of community college tuition and fees
23 charged to an eligible student in the State or Indian
24 tribe shall be \$0.

1 “(2) For each year of the grant no amount of
2 financial assistance for which an eligible student
3 qualifies may be applied to such tuition or fees.

4 “(b) STATE REQUIREMENTS.—As a condition of re-
5 ceiving a grant under this subpart, a State shall meet the
6 following requirements:

7 “(1) ALIGNMENT OF K–12 AND HIGHER EDU-
8 CATION.—

9 “(A) IN GENERAL.—The State shall—

10 “(i) submit a plan to align the re-
11 quirements for receiving a regular high
12 school diploma from public schools in the
13 State with the requirements for entering
14 credit-bearing coursework at community
15 colleges in such State; and

16 “(ii) not later than 3 years after the
17 date on which the State first receives a
18 grant under this subpart, certify to the
19 Secretary that such alignment has been
20 achieved.

21 “(B) FAILURE TO CERTIFY.—If a State
22 does not provide the certification required
23 under subparagraph (A) by the date specified in
24 such subparagraph, the State shall submit to

1 the Secretary, at such time and in such manner
2 as the Secretary may require—

3 “(i) a written explanation for the
4 delay in making the certification; and

5 “(ii) a plan that will enable the State
6 to make the certification by not later than
7 5 years after the date on which the State
8 first received a grant under this subpart.

9 “(2) TRANSFER PATHWAYS.—

10 “(A) IN GENERAL.—The State shall—

11 “(i) submit a plan, developed in col-
12 laboration with faculty from institutions of
13 higher education in the State, to improve
14 transfer pathways between institutions of
15 higher education in the State, including
16 by—

17 “(I) ensuring that associate de-
18 grees awarded by community colleges
19 in the State are fully transferable to,
20 and credited as, the first 2 years of
21 related baccalaureate programs at
22 public institutions of higher education
23 in such State; and

24 “(II) ensuring that students at-
25 tending community colleges in the

1 State have access to comprehensive
2 counseling regarding the process for
3 transferring to a 4-year institution of
4 higher education; and

5 “(ii) not later than 3 years after the
6 date on which the State first receives a
7 grant under this subpart, certify to the
8 Secretary that the State is carrying out
9 the plan submitted in accordance with
10 clause (i) and is meeting the requirements
11 of subclauses (I) and (II) of such clause.

12 “(B) FAILURE TO CERTIFY.—If a State
13 does not provide the certification required
14 under subparagraph (A) by the date specified in
15 such subparagraph, the State shall submit to
16 the Secretary, at such time and in such manner
17 as the Secretary may require—

18 “(i) a written explanation for the
19 delay in making the certification; and

20 “(ii) a plan that will enable the State
21 to make the certification by not later than
22 5 years after the date on which the State
23 first received a grant under this subpart.

1 “(3) APPLICABILITY.—The Secretary may not
2 apply the requirements under this subsection to an
3 Indian tribe.

4 “(c) NO ADDITIONAL ELIGIBILITY REQUIRE-
5 MENTS.—A State or Indian tribe that receives a grant
6 under this subpart may not impose additional eligibility
7 requirements on eligible students other than the require-
8 ments under this subpart.

9 **“SEC. 499E. ALLOWABLE USES OF FUNDS.**

10 “(a) IN GENERAL.—Except as provided in subsection
11 (b), a State or Indian tribe shall use a grant under this
12 subpart only to provide funds to each community college
13 in the State, or operated or controlled by such tribe, as
14 applicable, to enable each such community college to waive
15 tuition and fees for eligible students as required under sec-
16 tion 499D(a).

17 “(b) ADDITIONAL USES.—If a State or Indian tribe
18 demonstrates to the Secretary that the State or Indian
19 tribe has grant funds remaining after meeting the demand
20 for activities described in subsection (a), the State or In-
21 dian tribe may use those funds to carry out 1 or more
22 of the following:

23 “(1) Enhancing the quality and equity of public
24 higher education to improve student outcomes, in-

1 including transfer and completion rates and labor
2 market outcomes.

3 “(2) Investing in and diversifying the academic
4 workforce.

5 “(3) Expanding the scope and capacity of high-
6 quality academic and occupational skills training
7 programs at community colleges, which may include
8 collaboration with one or more industry or sector
9 partnerships (as defined in section 3 of the Work-
10 force Innovation and Opportunity Act (29 U.S.C.
11 3201)).

12 “(4) Improving postsecondary education readi-
13 ness in the State or Indian tribe, including through
14 outreach and early intervention.

15 “(5) Expanding access to dual or concurrent
16 enrollment programs, such as early college high
17 school programs.

18 “(6) Reducing unmet need at public 4-year in-
19 stitutions of higher education.

20 “(c) USE OF FUNDS FOR ADMINISTRATIVE PUR-
21 POSES.—A State or Indian tribe that receives a grant
22 under this subpart may not use any funds provided under
23 this subpart for administrative purposes relating to such
24 grant.

1 “(d) MAINTENANCE OF EFFORT.—A State or Indian
2 tribe receiving a grant under this subpart shall be entitled
3 to receive its full allotment of funds under this subpart
4 for a fiscal year only if, for each year of the grant, the
5 State or Indian tribe provides—

6 “(1) State fiscal support for higher education
7 per FTE student at a level equal to or exceeding the
8 average amount of State fiscal support for higher
9 education per FTE student provided for the 3 con-
10 secutive preceding fiscal years;

11 “(2) financial support for operational expenses
12 (excluding capital expenses and research and devel-
13 opment costs) for public 4-year institutions of higher
14 education at a level equal to or exceeding the aver-
15 age amount provided for the 3 consecutive preceding
16 State or Indian tribe fiscal years; and

17 “(3) financial support for need-based financial
18 aid at a level equal to or exceeding the average
19 amount provided for the 3 consecutive preceding
20 State or Indian tribe fiscal years.

21 “(e) SUPPLEMENT, NOT SUPPLANT.—Funds made
22 available under this subpart shall be used to supplement,
23 and not supplant, other Federal, State, tribal, and local
24 funds that would otherwise be expended to carry out ac-
25 tivities described in this section.

1 “(f) REPORT REQUIREMENTS.—

2 “(1) REPORTING BY STATES AND INDIAN
3 TRIBES.—A State or Indian tribe receiving a grant
4 under this subpart shall submit to the Secretary an
5 annual report that shall include—

6 “(A) the uses of grant funds under this
7 subpart;

8 “(B) the progress made in fulfilling the re-
9 quirements of the grant;

10 “(C) the rates of transfer, graduation, and
11 attainment of recognized postsecondary creden-
12 tials at participating community colleges,
13 disaggregated by race, income, and age; and

14 “(D) any other information that the Sec-
15 retary may require.

16 “(2) REPORTING BY SECRETARY.—The Sec-
17 retary shall, on an annual basis—

18 “(A) compile and analyze the information
19 described in paragraph (1); and

20 “(B) prepare and submit to the author-
21 izing committees a report containing—

22 “(i) the analysis described in subpara-
23 graph (A); and

1 “(ii) an identification of State and In-
2 dian tribe best practices for achieving the
3 purpose of this subpart.

4 “(g) TECHNICAL ASSISTANCE.—The Secretary shall
5 provide technical assistance to eligible States and Indian
6 tribes concerning best practices regarding the promising
7 and evidence-based institutional reforms and innovative
8 practices to improve student outcomes and shall dissemi-
9 nate such best practices among the States and Indian
10 tribes.

11 “(h) CONTINUATION OF FUNDING.—

12 “(1) IN GENERAL.—Except as provided in para-
13 graph (2), a State or Indian tribe receiving a grant
14 under this subpart for a fiscal year may continue to
15 receive funding under this subpart for future fiscal
16 years conditioned on the availability of budget au-
17 thority and on meeting the requirements of the
18 grant, as determined by the Secretary.

19 “(2) DISCONTINUATION.—The Secretary may
20 discontinue funding of the Federal share of a grant
21 under this subpart if the State or Indian tribe has
22 violated the terms of the grant or is not making ade-
23 quate progress in implementing the reforms de-
24 scribed in the application submitted under section
25 499C.

1 **“SEC. 499F. AUTOMATIC STABILIZERS FOR AMERICA’S COL-**
2 **LEGE PROMISE.**

3 “(a) MAINTENANCE OF EFFORT RELIEF.—Notwith-
4 standing subsection (d) of section 499E, a State that
5 meets the qualifying spending requirements may request
6 a waiver of the requirements under such subsection (d).
7 The Secretary shall waive the requirements of such sub-
8 section (d) for a State that makes a qualifying request
9 under this subsection as follows:

10 “(1) TIER I.—With respect to each State eligi-
11 ble for relief under tier I, such requirements shall be
12 waived for the fiscal year succeeding the fiscal year
13 in which the determination of the State’s eligibility
14 for such relief is made.

15 “(2) TIERS II THROUGH V.—With respect to
16 each State eligible for relief under tier II, III, IV,
17 or V, such requirements shall be waived, in accord-
18 ance with subsection (d), for—

19 “(A) the fiscal year in which the deter-
20 mination of the State’s eligibility for such relief
21 is made;

22 “(B) the fiscal year succeeding the fiscal
23 year described in subparagraph (A); or

24 “(C) both such fiscal years.

25 “(b) MATCH RELIEF.—

1 “(1) STATE MATCH RELIEF.—Notwithstanding
2 subsection (b) of section 499B, a State that is eligi-
3 ble for relief under tier II, III, IV, or V may request
4 relief with respect to the requirements of such sub-
5 section (b). The Secretary shall provide relief from
6 the requirements of such subsection (b), for the ap-
7 plicable fiscal year or years, for a State that makes
8 a qualifying request under this paragraph as follows:

9 “(A) TIER II.—With respect to a State
10 that is eligible for relief under tier II, the Sec-
11 retary shall—

12 “(i) apply section 499B(a)(1) by sub-
13 stituting ‘80 percent’ for ‘75 percent’; and

14 “(ii) apply section 499B(b)(1)(A) by
15 substituting ‘20 percent’ for ‘25 percent’.

16 “(B) TIER III.—With respect to a State
17 that is eligible for relief under tier III, the Sec-
18 retary shall—

19 “(i) apply section 499B(a)(1) by sub-
20 stituting ‘85 percent’ for ‘75 percent’; and

21 “(ii) apply section 499B(b)(1)(A) by
22 substituting ‘15 percent’ for ‘25 percent’.

23 “(C) TIER IV.—With respect to a State
24 that is eligible for relief under tier IV, the Sec-
25 retary shall—

1 “(i) apply section 499B(a)(1) by sub-
2 stituting ‘90 percent’ for ‘75 percent’; and

3 “(ii) apply section 499B(b)(1)(A) by
4 substituting ‘10 percent’ for ‘25 percent’.

5 “(D) TIER V.—With respect to a State
6 that is eligible for relief under tier V, the Sec-
7 retary shall—

8 “(i) apply section 499B(a)(1) by sub-
9 stituting ‘95 percent’ for ‘75 percent’; and

10 “(ii) apply section 499B(b)(1)(A), by
11 substituting ‘5 percent’ for ‘25 percent’.

12 “(2) APPLICABLE FISCAL YEARS.—With respect
13 to each State eligible for relief under tier II, III, IV,
14 or V, the Secretary shall provide the relief under
15 paragraph (1), in accordance with subsection (d),
16 for—

17 “(A) the fiscal year in which the deter-
18 mination of the State’s eligibility for such relief
19 is made;

20 “(B) the fiscal year succeeding the fiscal
21 year described in subparagraph (A); or

22 “(C) both such fiscal years.

23 “(c) STATE ELIGIBILITY.—A State’s eligibility for re-
24 lief under this section shall be determined as follows:

1 “(1) TIER I.—A State shall be eligible for relief
2 under tier I for a fiscal year in which—

3 “(A)(i) the State was in an elevated unem-
4 ployment period at any point in the fiscal year;
5 or

6 “(ii) the Nation as a whole was in an ele-
7 vated unemployment period at any point in the
8 fiscal year; and

9 “(B) the State is not eligible for relief
10 under any other tier.

11 “(2) TIER II.—A State shall be eligible for re-
12 lief under tier II for a fiscal year in which—

13 “(A)(i) the State average unemployment
14 rate was equal to or greater than 6.5 percent
15 but less than 7.5 percent at any point in the
16 fiscal year; or

17 “(ii) the national average unemployment
18 rate is equal to or greater than 6.5 percent but
19 less than 7.5 percent at any point in the fiscal
20 year; and

21 “(B) the State is not eligible for relief
22 under tier III, IV, or V.

23 “(3) TIER III.—A State shall be eligible for re-
24 lief under tier III for a fiscal year in which—

1 “(A)(i) the State average unemployment
2 rate was equal to or greater than 7.5 percent
3 but less than 8.5 percent at any point in the
4 fiscal year; or

5 “(ii) the national average unemployment
6 rate is equal to or greater than 7.5 percent but
7 less than 8.5 percent at any point in the fiscal
8 year; and

9 “(B) the State is not eligible for relief
10 under tier IV or V.

11 “(4) TIER IV.—A State shall be eligible for re-
12 lief under tier IV for a fiscal year in which—

13 “(A)(i) the State average unemployment
14 rate was equal to or greater than 8.5 percent
15 but less than 9.5 percent at any point in the
16 fiscal year; or

17 “(ii) the national average unemployment
18 rate is equal to or greater than 8.5 percent but
19 less than 9.5 percent at any point in the fiscal
20 year; and

21 “(B) the State is not eligible for relief
22 under tier V.

23 “(5) TIER V.—A State shall be eligible for relief
24 under tier V for a fiscal year in which—

1 “(A) the State average unemployment rate
2 was equal to or greater than 9.5 percent at any
3 point in the fiscal year; or

4 “(B) the national average unemployment
5 rate is equal to or greater than 9.5 percent at
6 any point in the fiscal year.

7 “(d) DISCRETION IN THE PROVISION OF RELIEF.—
8 In determining the fiscal years for which to provide relief
9 in accordance with subsections (a)(2) and (b) to a State
10 that is eligible under tier II, III, IV, or V, the Secretary
11 shall take into account the following:

12 “(1) In the case of a State that requests relief
13 under subsection (a)(2), the fiscal years for which
14 the State requests such relief, including—

15 “(A) if the State requests such relief for
16 the fiscal year for which the determination of
17 the State’s eligibility for such relief is made, the
18 amount by which the State is unable to meet
19 the requirements of section 499E(d) for such
20 fiscal year; and

21 “(B) if the State requests such relief for
22 the fiscal year succeeding the year described in
23 subparagraph (A), the amount by which the
24 State anticipates being unable to meet such re-
25 quirements for such succeeding fiscal year.

1 “(2) In the case of a State that requests relief
2 under subsection (b), the fiscal years for which the
3 State requests such relief, including—

4 “(A) if the State requests such relief for
5 the fiscal year for which the determination of
6 the State’s eligibility for such relief is made, the
7 extent to which the State is unable to meet the
8 requirements of section 499B(b) for such fiscal
9 year; and

10 “(B) if the State requests such relief for
11 the fiscal year succeeding the year described in
12 subparagraph (A), the extent to which the State
13 anticipates being unable to meet such require-
14 ments for such succeeding fiscal year.

15 “(3) The actual or anticipated timing, severity,
16 and duration of the unemployment rate increase
17 during—

18 “(A) the fiscal year for which the deter-
19 mination of the State’s eligibility for such relief
20 is made;

21 “(B) the fiscal year succeeding the fiscal
22 year described in subparagraph (A); and

23 “(C) the fiscal year preceding the fiscal
24 year described in subparagraph (A).

1 “(4) Other factors determined to be relevant by
2 the Secretary.

3 “(e) INDIAN TRIBES.—

4 “(1) IN GENERAL.—For purposes of deter-
5 mining the eligibility of an Indian tribe to receive re-
6 lief under this section—

7 “(A) an Indian tribe that operates or con-
8 trols a community college in a State that is eli-
9 gible for relief under any tier shall be treated
10 as a State for purposes of receiving relief under
11 such tier, except as otherwise provided in para-
12 graph (2); and

13 “(B) in the case of an Indian tribe that
14 operates or controls a community college in at
15 least 2 different States each of which is eligible
16 for relief under different tiers, the Indian tribe
17 shall receive relief under the tier offering the
18 greatest level of relief.

19 “(2) INDIAN TRIBE MATCH RELIEF.—Notwith-
20 standing subsection (b) of section 499B, an Indian
21 tribe that is eligible for relief under tier II, III, IV,
22 or V may request relief with respect to the require-
23 ments of such subsection (b). The Secretary shall
24 provide relief from the requirements of section
25 499B(b), for the applicable fiscal year or years, for

1 an Indian tribe that makes a qualifying request
2 under this paragraph, by—

3 “(A) with respect to applying section
4 499B(a)(1), providing the appropriate relief de-
5 scribed in subsection (b)(1) of this section;

6 “(B) applying section 499B(a)(2)(B) by
7 substituting ‘100 percent’ for ‘95 percent’; and

8 “(C) applying section 499B(b)(1)(B)(ii),
9 by substituting ‘0 percent’ for ‘5 percent’.

10 “(f) DEFINITIONS.—In this section:

11 “(1) ELEVATED UNEMPLOYMENT PERIOD.—
12 The term ‘elevated unemployment period’—

13 “(A) when used with respect to the Nation
14 as a whole, means a consecutive, 3-month pe-
15 riod in a fiscal year in which the national aver-
16 age unemployment rate is not less than 0.5 per-
17 centage points above the lowest national aver-
18 age unemployment rate for the 12-month period
19 preceding such 3-month period; and

20 “(B) when used with respect to a State,
21 means a consecutive, 3-month period in a fiscal
22 year in which the State average unemployment
23 rate is not less than 0.5 percentage points
24 above the lowest State average unemployment

1 rate for the 12-month period preceding such 3-
2 month period.

3 “(2) QUALIFYING SPENDING REQUIREMENTS.—

4 The term ‘qualifying spending requirements’ means
5 the requirements that a State not disproportionately
6 decrease spending for any of the categories described
7 in subparagraphs (A) through (C) of section
8 499E(d)(1) relative to such State’s overall, average
9 decrease in spending for the 3 consecutive preceding
10 fiscal years.

11 “(3) NATIONAL AVERAGE UNEMPLOYMENT

12 RATE.—The term ‘national average unemployment
13 rate’ means the average (seasonally adjusted) rate of
14 total unemployment in all States for a consecutive,
15 3-month period in a fiscal year, based on data from
16 the Bureau of Labor Statistics of the Department of
17 Labor.

18 “(4) STATE AVERAGE UNEMPLOYMENT RATE.—

19 The term ‘State average unemployment rate’ means
20 the average (seasonally adjusted) rate of total unem-
21 ployment in a State for a consecutive, 3-month pe-
22 riod in a fiscal year, based on data from the Bureau
23 of Labor Statistics of the Department of Labor.

1 **“SEC. 499G. APPROPRIATIONS.**

2 “There are authorized to be appropriated, and there
3 are appropriated to carry out this subpart (in addition to
4 any other amounts appropriated to carry out this subpart
5 and out of any money in the Treasury not otherwise ap-
6 propriated), such sums as may be necessary for fiscal year
7 2023 and each succeeding fiscal year.

8 **“SEC. 499H. DEFINITIONS.**

9 “In this subpart:

10 “(1) APPRENTICESHIP.—The term ‘apprentice-
11 ship’ means an apprenticeship program registered
12 under the Act of August 16, 1937 (commonly known
13 as the ‘National Apprenticeship Act’; 50 Stat. 664,
14 chapter 663; 29 U.S.C. 50 et seq.).

15 “(2) CAREER PATHWAY.—The term ‘career
16 pathway’ has the meaning given the term in section
17 3 of the Workforce Innovation and Opportunity Act
18 (29 U.S.C. 3102).

19 “(3) COMMUNITY COLLEGE.—The term ‘com-
20 munity college’ means a public institution of higher
21 education at which the highest degree that is pre-
22 dominantly awarded to students is an associate’s de-
23 gree, including 2-year Tribal Colleges or Universities
24 under section 316 and public 2-year institutions of
25 higher education operated by a State.

1 “(4) DUAL OR CONCURRENT ENROLLMENT
2 PROGRAM.—The term ‘dual or concurrent enrollment
3 program’ has the meaning given the term in section
4 8101 of the Elementary and Secondary Education
5 Act of 1965.

6 “(5) EARLY COLLEGE HIGH SCHOOL.—The
7 term ‘early college high school’ has the meaning
8 given the term in section 8101 of the Elementary
9 and Secondary Education Act of 1965.

10 “(6) ELIGIBLE STUDENT.—The term ‘eligible
11 student’ means a student who—

12 “(A) is enrolled in an eligible program (as
13 defined in section 481(b)) at a community col-
14 lege on not less than a half-time basis;

15 “(B) either—

16 “(i) qualifies for in-State resident
17 community college tuition, as determined
18 by the State or Indian tribe; or

19 “(ii) would qualify for such in-State
20 resident community college tuition, but for
21 the immigration status of such student;
22 and

23 “(C) has not been enrolled (whether full-
24 time or less than full-time) for more than 6 se-
25 mesters (or the equivalent) for which the stu-

1 dent received a waiver of community college tui-
2 tion and fees under section 499D(a).

3 “(7) INDIAN TRIBE.—The term ‘Indian tribe’
4 has the meaning given the term in section 102 of the
5 Federally Recognized Indian Tribe List Act of 1994
6 (25 U.S.C. 5130).

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

10 “(9) MEANS-TESTED FEDERAL BENEFIT PRO-
11 GRAM.—The term ‘means-tested Federal benefit pro-
12 gram’ has the meaning given the term in section
13 479.

14 “(10) RECOGNIZED POSTSECONDARY CREDEN-
15 TIAL.—The term ‘recognized postsecondary creden-
16 tial’ has the meaning as described in section 3 of the
17 Workforce Innovation and Opportunity Act (29
18 U.S.C. 3102).

19 “(11) STATE FISCAL SUPPORT FOR HIGHER
20 EDUCATION.—

21 “(A) IN GENERAL.—Except as provided in
22 subparagraph (B), the term ‘State fiscal sup-
23 port for higher education’, used with respect to
24 a State for a fiscal year, means an amount that
25 is equal to the gross amount of applicable State

1 funds appropriated or dedicated, and expended
2 by the State, including funds from lottery re-
3 cepts, in the fiscal year, that are used to sup-
4 port institutions of higher education and stu-
5 dent financial aid for higher education in the
6 State.

7 “(B) EXCLUSIONS.—State fiscal support
8 for higher education for a State for a fiscal
9 year shall not include—

10 “(i) funds described in subparagraph
11 (A) that are returned to the State;

12 “(ii) State-appropriated funds derived
13 from Federal sources, including funds pro-
14 vided under section 499B(b) and section
15 499J(b);

16 “(iii) amounts that are portions of
17 multiyear appropriations to be distributed
18 over multiple years that are not to be
19 spent for the year for which the calculation
20 under this paragraph is being made, sub-
21 ject to subparagraph (D);

22 “(iv) tuition, fees, or other edu-
23 cational charges paid directly by a student
24 to a public institution of higher education
25 or to the State;

1 “(v) funds for—

2 “(I) financial aid programs pro-
3 vided to out-of-State institutions of
4 higher education, including aid to stu-
5 dents enrolled in such institutions;

6 “(II) merit-based financial aid to
7 students awarded on the basis of pre-
8 dicted or actual academic perform-
9 ance;

10 “(III) financial aid for students
11 attending, or annual operating ex-
12 penses of, proprietary institutions of
13 higher education (as defined in section
14 102(b));

15 “(IV) financial aid for students
16 attending, or annual operating ex-
17 penses of, unaccredited institutions;

18 “(V) research and development;

19 “(VI) hospitals, athletics, or
20 other auxiliary enterprises; or

21 “(VII) corporate or other private
22 donations directed to 1 or more insti-
23 tutions of higher education permitted
24 to be expended by the State; or

1 “(vi) any other funds that the Sec-
2 retary determines shall not be included in
3 the calculation of State fiscal support for
4 higher education for such State.

5 “(C) ADJUSTMENTS FOR BIENNIAL APPRO-
6 PRIATIONS.—The Secretary shall take into con-
7 sideration any adjustments to the calculations
8 under this paragraph that may be required to
9 accurately reflect State fiscal support for higher
10 education in States with biennial appropriation
11 cycles.

12 “(D) INDIAN TRIBES.—In determining the
13 State fiscal support for higher education of an
14 Indian tribe for a fiscal year, the Indian tribe
15 shall be treated as a State except as otherwise
16 determined appropriate by the Secretary.

17 “(12) STATE FISCAL SUPPORT FOR HIGHER
18 EDUCATION PER FTE STUDENT.—The term ‘State
19 fiscal support for higher education per FTE stu-
20 dent’, used with respect to a State or Indian tribe
21 for a fiscal year, means, the quotient of—

22 “(A) the State fiscal support for higher
23 education for the previous fiscal year; divided
24 by

1 “(B) the number of full-time equivalent
2 students enrolled in public institutions of higher
3 education in such State or tribe for such pre-
4 vious fiscal year.”.

5 **Subtitle B—Student Success Fund**

6 **SEC. 111. STUDENT SUCCESS FUND.**

7 Part J of title IV of the Higher Education Act of
8 1965 (20 U.S.C. 1070 et seq.), as added by section 101,
9 is further amended by adding at the end the following:

10 **“Subpart 2—Student Success Fund**

11 **“SEC. 499I. IN GENERAL.**

12 “From amounts appropriated under section 499O for
13 any fiscal year, the Secretary shall carry out a grant pro-
14 gram (to be known as the ‘Student Success Fund’) to
15 make grants to eligible entities to carry out the activities
16 and services described in section 499L.

17 **“SEC. 499J. FEDERAL SHARE AND MATCHING FUNDS.**

18 “(a) FEDERAL SHARE.—

19 “(1) FORMULA REQUIREMENTS.—The Federal
20 share of a grant under this subpart shall be based
21 on a formula, developed by the Secretary, that ac-
22 counts for—

23 “(A) the State or Indian tribe’s relative
24 share of eligible students, as determined in ac-
25 cordance with section 499B(c);

1 “(B) the State or Indian tribe’s relative
2 share of Federal Pell Grant recipients; and

3 “(C) the ratio between a State or Indian
4 tribe’s funding per full-time equivalent (FTE)
5 student at public institutions of higher edu-
6 cation and the average net price at public 4-
7 year institutions of higher education, in such a
8 way as to reward States and Indian tribes that
9 keep net prices for students low while maintain-
10 ing their fiscal support for higher education.

11 “(2) FORMULA PUBLISHED BEFORE APPLICA-
12 TION DEADLINE.—The Secretary shall—

13 “(A) develop the formula described in
14 paragraph (1);

15 “(B) calculate estimated allotments for
16 each eligible entity under such formula; and

17 “(C) publish such formula and estimated
18 allotments not later than the date of the notice
19 soliciting applications for participation in the
20 program under this subpart.

21 “(b) MATCHING FUNDS.—

22 “(1) IN GENERAL.—Except as provided in para-
23 graph (2), an eligible entity participating in the pro-
24 gram under this subpart shall provide, from non-
25 Federal sources, in cash or in kind—

1 “(A) in each of the first, second, third, and
2 fourth years of participation in the program, an
3 amount equal to 25 percent of the amount such
4 entity received under subsection (a) with re-
5 spect to such year;

6 “(B) in each of the fifth and sixth years of
7 participation in the program, an amount equal
8 to 50 percent of the amount such entity re-
9 ceived under subsection (a) with respect to such
10 year;

11 “(C) in each of the seventh and eighth
12 years of participation in the program, an
13 amount equal to 75 percent of the amount such
14 entity received under subsection (a) with re-
15 spect to such year; and

16 “(D) in the ninth year and each subse-
17 quent year thereafter of participation in the
18 program, an amount equal to 100 percent of
19 the amount such entity received under sub-
20 section (a) with respect to such year.

21 “(2) EXCEPTION FOR INDIAN TRIBES.—The
22 Secretary may modify or waive the matching fund
23 requirements under paragraph (1) in the case of an
24 eligible entity that is an Indian tribe.

1 “(3) REALLOTMENT.—If an eligible entity re-
2 turns to the Secretary any portion of the grant
3 amount provided to such eligible entity under this
4 subpart for any fiscal year, or requests a grant
5 amount that is less than the Federal share deter-
6 mined for such entity in accordance with subsection
7 (a), the Secretary shall reallocate such excess amount
8 for the succeeding fiscal year, in addition to the
9 amounts appropriated under 4990 for such suc-
10 ceeding fiscal year.

11 “(c) SUPPLEMENT, NOT SUPPLANT.—Grant funds
12 awarded under this subpart shall be used to supplement,
13 and not supplant, other Federal, State, tribal, and local
14 funds that would otherwise be expended to carry out ac-
15 tivities assisted under this subpart.

16 **“SEC. 499K. APPLICATIONS.**

17 “(a) IN GENERAL.—To be eligible to participate in
18 the program under this subpart, an eligible entity shall
19 submit an application to the Secretary at such time, in
20 such manner, and containing such information as the Sec-
21 retary may require, including—

22 “(1) a plan that includes—

23 “(A) the amount of funds requested by the
24 eligible entity under this subpart and the in-
25 tended use of such funds;

1 “(B) how the eligible entity will use the re-
2 quested funds to implement promising and evi-
3 dence-based institutional reforms and innovative
4 practices to improve student outcomes, includ-
5 ing—

6 “(i) implementation of the reforms
7 and practices identified by such entity
8 under section 499C(b)(3); and

9 “(ii) annual implementation bench-
10 marks that the entity will use to track
11 progress in implementing such reforms and
12 practices;

13 “(C) if the eligible entity is a State, how
14 such eligible entity will support the scaling of
15 evidence-based and innovative initiatives sys-
16 tem-wide;

17 “(D) how the eligible entity will meet its
18 matching fund requirements under section
19 499J(b);

20 “(E) if the eligible entity is a State, how
21 such eligible entity will prioritize spending on
22 the public institutions of higher education speci-
23 fied in paragraph (2)(B); and

24 “(F) the improvements the eligible entity
25 anticipates in student outcomes, including im-

1 provements in transfer rates or completion
2 rates, or both; and

3 “(2) if the eligible entity is a State, an analysis
4 that includes—

5 “(A) with respect to each public institution
6 of higher education of the eligible entity—

7 “(i) the total per-student funding;

8 “(ii) the amount of per-student fund-
9 ing from State-appropriated funds;

10 “(iii) the student demographics (in-
11 cluding data on race, income, disability
12 status, and remediation); and

13 “(iv) transfer and completion rates,
14 including such rates among low-income
15 students, students of color, students with
16 disabilities, and students in need of reme-
17 diation; and

18 “(B) whether, of the public institutions of
19 higher education of the eligible entity, the pub-
20 lic institutions of higher education that received
21 less funding on a per-student basis described in
22 clause (i) or (ii), or both, of subparagraph (A),
23 are serving disproportionately high shares of
24 low-income students, students of color, students

1 with disabilities, or students in need of remedi-
2 ation.

3 “(b) APPROVAL.—

4 “(1) IN GENERAL.—Not later than 180 days
5 after receiving a plan under subsection (a), the Sec-
6 retary shall—

7 “(A) approve the plan; or

8 “(B) require revisions to such plan.

9 “(2) REVISIONS REQUIRED.—An eligible entity
10 shall make such revisions as required by the Sec-
11 retary under paragraph (1)(B).

12 “(c) PUBLICATION.—The Secretary shall make each
13 plan approved under subsection (b)(1)(A) and each plan
14 revised under subsection (b)(2) available to the public on
15 the website of the Department.

16 **“SEC. 499L. PROGRAM REQUIREMENTS.**

17 “(a) GENERAL REQUIREMENTS.—

18 “(1) REPORT ON DEMONSTRATED PROGRESS.—

19 For the third year in which an eligible entity partici-
20 pates in the program under this subpart, and every
21 2 years thereafter, the eligible entity shall submit a
22 report to the Secretary, in such manner and con-
23 taining such information as the Secretary may re-
24 quire, that includes—

1 “(A) the progress in meeting the annual
2 implementation benchmarks included in the ap-
3 plication of such eligible entity under section
4 499K(a)(1)(B);

5 “(B) the progress in improving the student
6 outcomes identified by the entity under section
7 499K(a)(1)(F); and

8 “(C) with respect to the 2 years after such
9 report is submitted—

10 “(i) a plan for the use of funds under
11 this subpart; and

12 “(ii) the amount of funds requested
13 by the eligible entity under this subpart.

14 “(2) APPROVAL.—Not later than 180 days
15 after receiving a plan under paragraph (1)(C)(i), the
16 Secretary shall—

17 “(A) approve the plan; or

18 “(B) require revisions to such plan.

19 “(3) REVISIONS REQUIRED.—An eligible entity
20 shall make such revisions as required by the Sec-
21 retary under paragraph (2)(B).

22 “(b) FAILURE TO MEET REQUIREMENTS.—If an eli-
23 gible entity does not meet the annual implementation
24 benchmarks included in the application of such eligible en-
25 tity under section 499K(a)(1)(B), as required to be re-

1 ported under subsection (a)(1)(A), such eligible entity
2 shall submit to the Secretary, at such time and in such
3 manner as the Secretary may require—

4 “(1) a written explanation for the delay in
5 meeting such requirements; and

6 “(2) a plan that will enable such eligible entity
7 to meet such requirements not later than 1 year
8 after the date on which the eligible entity submitted
9 the written explanation under paragraph (1).

10 “(c) PUBLICATION.—The Secretary shall make each
11 plan approved under subsection (a)(2)(A), each plan re-
12 vised under subsection (a)(3), and each plan submitted
13 under subsection (b)(2) available to the public on the
14 website of the Department.

15 **“SEC. 499M. ALLOWABLE USES OF FUNDS.**

16 “(a) IN GENERAL.—Except as provided in subsection
17 (b), an eligible entity shall use a grant under this subpart
18 only to carry out the plan approved or revised for such
19 year under section 499K.

20 “(b) USE OF FUNDS FOR ADMINISTRATIVE PUR-
21 POSES.—An eligible entity that receives a grant under this
22 subpart may use not more than 5 percent of such grant
23 for administrative purposes relating to the grant under
24 this subpart.

1 “(c) PROHIBITED USES OF FUNDS.—No funds re-
2 ceived under this section shall be used to—

3 “(1) pay contractors for the provision of pre-en-
4 rollment recruitment activities through a revenue
5 sharing agreement; or

6 “(2) fund endowments, athletics, sectarian in-
7 struction, or religious worship.

8 **“SEC. 499N. ELIGIBLE ENTITY DEFINED.**

9 “‘In this subpart, the term ‘eligible entity’ means a
10 State or Indian tribe that is a recipient of a grant under
11 subpart 1.

12 **“SEC. 499O. APPROPRIATIONS.**

13 “(a) AUTHORIZATION AND APPROPRIATIONS.—There
14 are authorized to be appropriated, and there are appro-
15 priated to carry out this subpart (in addition to any other
16 amounts appropriated to carry out this subpart and out
17 of any money in the Treasury not otherwise appropriated),
18 \$1,000,000,000 for fiscal year 2023 and each succeeding
19 fiscal year.

20 “(b) AVAILABILITY.—Funds appropriated under sub-
21 section (a) shall remain available to the Secretary until
22 expended.”.

1 **Subtitle C—Pathways to Student**
2 **Success for Historically Black**
3 **Colleges and Universities, Trib-**
4 **al Colleges and Universities,**
5 **and Minority-Serving Institu-**
6 **tions**

7 **SEC. 121. GRANTS TO HISTORICALLY BLACK COLLEGES**
8 **AND UNIVERSITIES, TRIBAL COLLEGES AND**
9 **UNIVERSITIES, AND MINORITY-SERVING IN-**
10 **STITUTIONS.**

11 Part J of title IV of the Higher Education Act of
12 1965 (20 U.S.C. 1070 et seq.), as added and amended
13 by this Act, is further amended by adding at the end the
14 following:

15 **“Subpart 3—Grants to Historically Black Colleges**
16 **and Universities, Tribal Colleges and Univer-**
17 **sities, and Minority-Serving Institutions**

18 **“SEC. 499P. PATHWAYS TO STUDENT SUCCESS FOR HIS-**
19 **TORICALLY BLACK COLLEGES AND UNIVER-**
20 **SITIES.**

21 “From amounts appropriated under section 499U(a)
22 for any fiscal year, the Secretary shall award grants to
23 participating historically Black colleges or universities
24 that meet the requirements of section 499S(a) to—

1 “(1) encourage students to enroll and success-
2 fully complete a bachelor’s degree at such colleges
3 and universities;

4 “(2) provide incentives to community college
5 students to transfer to such colleges and universities
6 through strong transfer pathways to complete a
7 bachelor’s degree program; and

8 “(3) support such colleges and universities to
9 better serve new and existing students by engaging
10 in reforms and innovations designed to improve com-
11 pletion rates and other student outcomes.

12 **“SEC. 499Q. PATHWAYS TO STUDENT SUCCESS FOR TRIBAL**
13 **COLLEGES AND UNIVERSITIES.**

14 “From amounts appropriated under section 499U(a)
15 for any fiscal year, the Secretary shall award grants to
16 participating Tribal Colleges or Universities that meet the
17 requirements of section 499S(a) to—

18 “(1) encourage students to enroll and success-
19 fully complete a bachelor’s degree at such Colleges
20 and Universities;

21 “(2) provide incentives to community college
22 students to transfer to such Colleges and Univer-
23 sities through strong transfer pathways to complete
24 a bachelor’s degree program; and

1 “(3) support such Colleges and Universities to
 2 better serve new and existing students by engaging
 3 in reforms and innovations designed to improve com-
 4 pletion rates and other student outcomes.

5 **“SEC. 499R. PATHWAYS TO STUDENT SUCCESS FOR ALASKA**
 6 **NATIVE-SERVING INSTITUTIONS, ASIAN**
 7 **AMERICAN AND NATIVE AMERICAN PACIFIC**
 8 **ISLANDER-SERVING INSTITUTIONS, HIS-**
 9 **PANIC-SERVING INSTITUTIONS, NATIVE**
 10 **AMERICAN-SERVING NONTRIBAL INSTITU-**
 11 **TIONS, NATIVE HAWAIIAN-SERVING INSTITU-**
 12 **TIONS, AND PREDOMINANTLY BLACK INSTI-**
 13 **TUTIONS.**

14 “From amounts appropriated under section 499U(a)
 15 for any fiscal year, the Secretary shall award grants to
 16 participating Alaska Native-serving institutions, Asian
 17 American and Native American Pacific Islander-serving
 18 institutions, Hispanic-serving institutions, Native Amer-
 19 ican-serving nontribal institutions, Native Hawaiian-serv-
 20 ing institutions, and Predominantly Black institutions
 21 that meet the requirements of section 499S(a) to—

22 “(1) encourage students to enroll and success-
 23 fully complete a bachelor’s degree at such institu-
 24 tions;

1 “(2) provide incentives to community college
2 students to transfer to such institutions through
3 strong transfer pathways to complete a bachelor’s
4 degree program; and

5 “(3) support such institutions to better serve
6 new and existing students by engaging in reforms
7 and innovations designed to improve completion
8 rates and other student outcomes.

9 **“SEC. 499S. GRANT TERMS.**

10 “(a) INSTITUTIONAL ELIGIBILITY.—An institution
11 shall meet the requirements of this subsection if the insti-
12 tution—

13 “(1) in a public or nonprofit 4-year institution
14 that has a student body of which not less than 35
15 percent are low-income students;

16 “(2) commits to maintaining or adopting and
17 implementing promising and evidence-based institu-
18 tional reforms and innovative practices to improve
19 the completion rates and other student outcomes,
20 such as—

21 “(A) providing comprehensive academic,
22 career, and student support services (including
23 mentoring, advising, case management services,
24 and career pathway navigation), especially for
25 low-income, first-generation, and adult stu-

1 dents, and other students belonging to racial
2 and other groups that are historically underrep-
3 resented in higher education;

4 “(B) providing direct support services, or
5 assistance in applying for such services, such
6 as—

7 “(i) childcare, transportation, and
8 emergency financial assistance;

9 “(ii) assistance in obtaining health in-
10 surance coverage and accessing health care
11 services, including behavioral and mental
12 health services;

13 “(iii) affordable housing;

14 “(iv) nutrition assistance programs or
15 free or discounted food; and

16 “(v) means-tested Federal benefit pro-
17 grams, or similar State, tribal, or local
18 benefit programs;

19 “(C) providing accelerated learning oppor-
20 tunities and degree pathways, such as dual or
21 concurrent enrollment programs and pathways
22 to graduate and professional degree programs;

23 “(D) partnering with employers, industry,
24 nonprofit associations, and other groups to pro-

1 vide opportunities to advance learning outside
2 the classroom, including—

3 “(i) work-based learning opportunities
4 (such as internships or apprenticeships); or

5 “(ii) programs designed to improve
6 inter-cultural development and personal
7 growth (such as foreign exchange and
8 study abroad programs); or

9 “(E) strengthening remedial education, es-
10 pecially for low-income, first-generation, and
11 adult students, and other students belonging to
12 racial and other groups that are historically
13 underrepresented in higher education, including
14 through the use of multiple measures (such as
15 a student’s college entrance examination score,
16 grade point average, high school course list, or
17 a placement examination) to identify students
18 in need of remedial education;

19 “(3) sets performance goals for improving stu-
20 dent outcomes for the duration of the grant; and

21 “(4) if receiving a grant for transfer students,
22 has a formal, statewide articulation agreement with
23 community colleges in the State in which such insti-
24 tution operates that guarantees—

1 “(A) that a student who earns postsec-
2 ondary credit at any community college in such
3 State shall be able to fully transfer such credit
4 toward meeting related degree or certificate re-
5 quirements at such institution; and

6 “(B) that associate degrees awarded by
7 community colleges in the State are fully trans-
8 ferable to, and credited as, the first 2 years of
9 related baccalaureate programs at such institu-
10 tion.

11 “(b) GRANT AMOUNT.—

12 “(1) INITIAL AMOUNT.—For the first year that
13 an eligible institution participates in the grant pro-
14 gram under this subpart and subject to paragraph
15 (3), such eligible institution shall receive a grant in
16 an amount based on the product of—

17 “(A) the actual cost of tuition and fees at
18 the eligible institution in such year (referred to
19 in this subpart as the per-student rebate); and

20 “(B) the number of eligible students en-
21 rolled in the eligible institution for the pre-
22 ceding year.

23 “(2) SUBSEQUENT INCREASES.—For each suc-
24 ceeding year after the first year of the grant pro-
25 gram under this subpart, each participating eligible

1 institution shall receive a grant in the amount deter-
2 mined under paragraph (1) for such year, except
3 that in no case shall the amount of the per-student
4 rebate for an eligible institution increase by more
5 than 3 percent as compared to the amount of such
6 rebate for the preceding year.

7 “(3) LIMITATIONS.—

8 “(A) MAXIMUM PER-STUDENT REBATE.—

9 No eligible institution participating in the grant
10 program under this subpart shall receive a per-
11 student rebate amount for any year that is
12 greater than the national average of annual tui-
13 tion and fees at public 4-year institutions of
14 higher education for such year, as determined
15 by the Secretary.

16 “(B) FIRST-YEAR TUITION AND FEES.—

17 During the first year of participation in the
18 grant program under this subpart, no eligible
19 institution may increase tuition and fees at a
20 rate greater than any annual increase at the eli-
21 gible institution in the previous 5 years.

22 “(4) STUDENTS ENROLLED LESS THAN FULL-

23 TIME.—The Secretary shall develop and implement a
24 formula for making adjustments to grant amounts
25 under this subpart based on the number of eligible

1 students at each eligible institution enrolled less
2 than full-time and the associated tuition and fees
3 charged to such students in proportion to the degree
4 to which each such student is not attending on a
5 full-time basis.

6 “(c) APPLICATION.—An eligible institution that de-
7 sires a grant under this subpart shall submit an applica-
8 tion to the Secretary at such time, in such manner, and
9 containing such information as the Secretary may require.

10 “(d) USE OF FUNDS.—Funds awarded under this
11 subpart to a participating eligible institution shall be used
12 to waive or significantly reduce tuition and fees for eligible
13 students by an amount not to exceed the annual per-stu-
14 dent rebate amount. Such funds under this subpart may
15 only be used to waive or reduce tuition and fees for the
16 first 60 credits for which an eligible student is enrolled
17 in the participating eligible institution.

18 “(e) SUPPLEMENT, NOT SUPPLANT.—Funds made
19 available under section 499U to carry out this subpart
20 shall be used to supplement, and not supplant, other Fed-
21 eral, State, tribal, and local funds that would otherwise
22 be expended to carry out activities under this subpart.

23 **“SEC. 499T. DEFINITIONS.**

24 “In this subpart:

1 “(1) ALASKA NATIVE-SERVING INSTITUTION.—
2 The term ‘Alaska Native-serving institution’ has the
3 meaning given such term in section 317(b).

4 “(2) ASIAN AMERICAN AND NATIVE AMERICAN
5 PACIFIC ISLANDER-SERVING INSTITUTION.—The
6 term ‘Asian American and Native American Pacific
7 Islander-serving institution’ has the meaning given
8 such term in section 371(c).

9 “(3) ELIGIBLE STUDENT.—The term ‘eligible
10 student’ means a student, regardless of age, who—

11 “(A) is enrolled in an eligible program (as
12 defined in section 481(b)) at a participating eli-
13 gible institution, on at least a half-time basis;

14 “(B) is a low-income student;

15 “(C) has been enrolled at such partici-
16 pating eligible institution under this subpart for
17 not more than 60 credits; and

18 “(D) has not been enrolled (whether full-
19 time or less than full-time) for more than 6 se-
20 mesters (or the equivalent) for which the stu-
21 dent received a benefit under this subpart.

22 “(4) HISPANIC-SERVING INSTITUTION.—The
23 term ‘Hispanic-serving institution’ has the meaning
24 given such term in section 502.

1 “(5) HISTORICALLY BLACK COLLEGE OR UNI-
2 VERSITY.—The term ‘historically Black college or
3 university’ means a part B institution described in
4 section 322(2).

5 “(6) LOW-INCOME STUDENT.—The term ‘low-
6 income student’ shall include—

7 “(A) any student eligible for a Federal Pell
8 Grant under section 401; and

9 “(B) any student who meets the financial
10 eligibility criteria for receiving a Federal Pell
11 Grant under section 401, but who is ineligible
12 to receive a Federal Pell Grant.

13 “(7) NATIVE AMERICAN-SERVING NONTRIBAL
14 INSTITUTION.—The term ‘Native American-serving
15 nontribal institution’ has the meaning given such
16 term in section 371(c).

17 “(8) NATIVE HAWAIIAN-SERVING INSTITU-
18 TION.—The term ‘Native Hawaiian-serving institu-
19 tion’ has the meaning given such term in section
20 317(b).

21 “(9) PREDOMINANTLY BLACK INSTITUTION.—
22 The term ‘Predominantly Black institution’ has the
23 meaning given such term in section 371(c).

1 “(10) TRIBAL COLLEGE OR UNIVERSITY.—The
2 term ‘Tribal College or University’ has the meaning
3 given the term in section 316(b)(3).

4 **“SEC. 499U. APPROPRIATIONS.**

5 “(a) AUTHORIZATION AND APPROPRIATIONS FOR
6 HBCU, TCU, AND MSI GRANTS.—For the purpose of
7 carrying out this subpart there are authorized to be appro-
8 priated, and there are appropriated—

9 “(1) \$98,100,000 for fiscal year 2023;

10 “(2) \$321,040,000 for fiscal year 2024;

11 “(3) \$1,912,010,000 for fiscal year 2025;

12 “(4) \$1,988,710,000 for fiscal year 2026;

13 “(5) \$2,068,960,000 for fiscal year 2027;

14 “(6) \$2,151,010,000 for fiscal year 2028;

15 “(7) \$2,184,900,000 for fiscal year 2029;

16 “(8) \$2,329,370,000 for fiscal year 2030;

17 “(9) \$2,423,910,000 for fiscal year 2031; and

18 “(10) \$2,521,990,000 for fiscal year 2032 and

19 each succeeding fiscal year.

20 “(b) AVAILABILITY.—Funds appropriated under sub-
21 section (a) for a fiscal year are to remain available to the
22 Secretary through the two fiscal years following such fiscal
23 year.

24 “(c) INSUFFICIENT FUNDS.—If the amount appro-
25 priated under subsection (a) for a fiscal year is not suffi-

1 cient to award each institution participating in the grant
 2 programs under sections 499P, 499Q, and 499R a grant
 3 under this subpart equal to 100 percent of the grant
 4 amount determined under section 499S(b), the Secretary
 5 may ratably reduce the amount of each such grant or take
 6 other actions necessary to ensure an equitable distribution
 7 of such amount appropriated under subsection (a).”.

8 **TITLE II—NATIONAL PUBLIC**
 9 **SERVICE EDUCATION GRANT**
 10 **PROGRAM**

11 **SEC. 201. NATIONAL PUBLIC SERVICE EDUCATION GRANT**
 12 **PROGRAM.**

13 Part A of title IV of the Higher Education Act of
 14 1965 (20 U.S.C. 1070 et seq.) is amended by adding at
 15 the end the following:

16 **“Subpart 11—National Public Service Education**
 17 **Grant Program**

18 **“SEC. 420T. NATIONAL PUBLIC SERVICE EDUCATION**
 19 **GRANT PROGRAM.**

20 “(a) DEFINITIONS.—In this section:

21 “(1) COST OF ATTENDANCE.—

22 “(A) IN GENERAL.—The term ‘cost of at-
 23 tendance’ means tuition, fees, on-campus room
 24 and board, books and supplies, personal ex-
 25 penses, and transportation.

1 “(B) ON-CAMPUS ROOM AND BOARD.—The
2 term ‘on-campus room and board’ means—

3 “(i) the cost to a student of a double
4 room on campus; and

5 “(ii) the cost of a resident student
6 meal plan.

7 “(2) ELIGIBLE INSTITUTION.—The term ‘eligi-
8 ble institution’ means a public 4-year institution of
9 higher education or a private, nonprofit 4-year insti-
10 tution of higher education.

11 “(3) ELIGIBLE STUDENT.—The term ‘eligible
12 student’ means a student who—

13 “(A) has received an associate’s degree or
14 has earned not less than 60 credits toward a
15 baccalaureate degree;

16 “(B) is enrolled, at an eligible institution
17 awarded a grant under this section, on a full-
18 time basis in a course of study that will lead to
19 employment in a public service job; and

20 “(C) has submitted a Free Application for
21 Federal Student Aid (FAFSA) to the Depart-
22 ment.

23 “(4) PUBLIC SERVICE JOB.—The term ‘public
24 service job’ has the meaning given the term in sec-
25 tion 455(m)(3)(B).

1 “(b) ESTABLISHMENT OF PROGRAM.—The Secretary
2 shall establish a National Public Service Education Grant
3 program to assist in paying for the cost of attendance for
4 an undergraduate education to students who commit to
5 work for not less than 3 years in a public service job upon
6 completion of their baccalaureate degree.

7 “(c) GRANTS FROM THE DEPARTMENT TO ELIGIBLE
8 INSTITUTIONS.—

9 “(1) IN GENERAL.—The Secretary shall award
10 grants to eligible institutions to enable the eligible
11 institutions to award grants to eligible students who
12 commit to work for not less than 3 years in a public
13 service job upon completion of their baccalaureate
14 degree.

15 “(2) DURATION.—Grants awarded to eligible
16 institutions under this subsection shall be 5 years in
17 duration. Subject to subsection (e), such a grant
18 may be extended for additional 5-year periods.

19 “(3) AMOUNTS.—

20 “(A) IN GENERAL.—Except as provided in
21 subparagraph (B), the Secretary shall award a
22 grant to an eligible institution under this sub-
23 section for a fiscal year in an amount equal to
24 the lesser of—

1 “(i) the average annual cost of in-
2 State tuition, fees, and on-campus room
3 and board in the State in which the insti-
4 tution is located at a public 4-year institu-
5 tion of higher education during the fiscal
6 year multiplied by the number of eligible
7 students enrolled at the institution who
8 apply for a grant under this section during
9 the fiscal year; or

10 “(ii) the actual annual cost of tuition,
11 fees, and on-campus room and board at
12 the eligible institution during the fiscal
13 year multiplied by the number of eligible
14 students enrolled at the institution who
15 apply for a grant under this section during
16 the fiscal year.

17 “(B) NONTRADITIONAL CALENDAR.—The
18 calculation of the cost of tuition, fees, and on-
19 campus room and board under subparagraph
20 (A) with respect to an eligible student who ap-
21 plies for a grant under this section for enroll-
22 ment during the summer or other nontradi-
23 tional period shall be the cost of the cost of tui-
24 tion, fees, and on-campus room and board for
25 such summer or other nontraditional period.

1 “(4) APPLICATIONS.—The Secretary shall de-
2 sign an application for eligible institutions to partici-
3 pate in the grant program under this subsection that
4 includes a description of how the eligible institution,
5 if awarded a grant under this subsection, will pro-
6 vide services to students as follows:

7 “(A) Provide comprehensive academic and
8 student support services for eligible students
9 awarded grants under this section, including
10 mentoring and advising, particularly for first-
11 generation and minority students.

12 “(B) Provide accelerated learning opportu-
13 nities for eligible students awarded grants
14 under this section to receive their baccalaureate
15 degree and any required certificate or license to
16 work in their respective public service job in
17 less than 2 years if an eligible student seeks to
18 complete the degree in less than 2 years.

19 “(C) Foster opportunities for eligible stu-
20 dents awarded grants under this section to con-
21 nect with potential public service job employers
22 through the Corporation for National and Com-
23 munity Service.

24 “(D) Any additional information deter-
25 mined necessary by the Secretary.

1 “(d) GRANTS TO ELIGIBLE STUDENTS.—

2 “(1) IN GENERAL.—Each eligible institution
3 that receives a grant under subsection (c) shall
4 award grants to eligible students enrolled at the in-
5 stitution.

6 “(2) APPLICATION.—An eligible student who
7 desires to receive a grant under this section shall
8 submit an application to the eligible institution that
9 includes the following:

10 “(A) An agreement to work for not less
11 than 3 years in a public service job upon com-
12 pletion of their baccalaureate degree.

13 “(B) Information that demonstrates that
14 the student is an eligible student for purposes
15 of section 484.

16 “(C) Information that demonstrates that
17 the student has received counseling from the
18 Department that explains the terms and condi-
19 tions of the grant award.

20 “(D) Any additional information deter-
21 mined necessary by the Secretary.

22 “(3) GRANT AMOUNT.—

23 “(A) IN GENERAL.—Except as provided in
24 subparagraph (B), an eligible institution shall
25 award a grant to an eligible student enrolled at

1 the institution for an academic year in an
 2 amount equal to the total grant amount re-
 3 ceived by the eligible institution under sub-
 4 section (c) for the fiscal year preceding the aca-
 5 demic year divided by the number of students
 6 to whom the eligible institution awards grants
 7 under this subsection for such academic year.

8 “(B) NONTRADITIONAL CALENDAR.—An
 9 eligible institution shall award a grant to an eli-
 10 gible student who applies for a grant under this
 11 section for enrollment during the summer or
 12 other nontraditional period in an amount, from
 13 the total grant amount received by the eligible
 14 institution under subsection (c), that is pro-
 15 rated to reflect the cost of tuition, fees, and on-
 16 campus room and board for such summer or
 17 other nontraditional period.

18 “(4) COST OF ATTENDANCE BEYOND GRANT
 19 AMOUNT.—

20 “(A) AMOUNTS NOT COVERED BY NPSEG
 21 GRANTS.—

22 “(i) PUBLIC INSTITUTIONS.—

23 “(I) IN GENERAL.—An eligible
 24 institution that is a public institution
 25 of higher education shall cover the ex-

1 cess costs to meet the difference be-
2 tween the in-State tuition, fees, and
3 on-campus room and board at the in-
4 stitution and the amount awarded to
5 the eligible student through the grant
6 award under paragraph (3), through a
7 combination of grant and work-study
8 awards under this title for which the
9 eligible student may be eligible, cam-
10 pus-based aid programs, State-based
11 merit or need-based aid, or other in-
12 stitutional-based merit- or need-based
13 aid. An eligible institution that is a
14 public institution of higher education
15 may cover, with respect to an eligible
16 student, any amounts of the cost of
17 attendance that are in excess of the
18 total amount awarded to the eligible
19 student through the grant award
20 under paragraph (3) and the amount
21 of excess costs provided under this
22 subclause based on the demonstrated
23 financial need of the student.

24 “(II) STUDENT CONTRIBU-
25 TION.—The eligible student shall be

1 responsible for any amounts of the
2 cost of attendance that are in excess
3 of the total amount awarded to the el-
4 ible student through the grant
5 award under paragraph (3) and the
6 amount of excess costs provided under
7 subclause (I). The eligible student
8 may be eligible for Federal student
9 aid in accordance with subparagraph
10 (B) for the remaining cost of attend-
11 ance amount for which the student is
12 responsible.

13 “(ii) PRIVATE INSTITUTION.—

14 “(I) MATCHING AMOUNT.—

15 “(aa) IN GENERAL.—An eli-
16 gible institution that is a private,
17 nonprofit institution of higher
18 education shall—

19 “(AA) with respect to
20 an eligible student described
21 in item (bb), cover excess
22 costs toward meeting an eli-
23 gible student’s cost of at-
24 tendance in an amount
25 equal to or greater than the

1 amount of the grant award
2 to the eligible student de-
3 scribed in paragraph (3);
4 and

5 “(BB) with respect to
6 an eligible student not de-
7 scribed in item (bb), not be
8 obligated to provide addi-
9 tional institutional-based fi-
10 nancial aid to such student.

11 “(bb) ELIGIBLE STU-
12 DENTS.—An eligible student is
13 described in this item if the stu-
14 dent’s (or the student’s parents’
15 in the case of a dependent stu-
16 dent) adjusted gross income for
17 the taxable year that is 1 year
18 prior to the taxable year that
19 ends immediately prior to the be-
20 ginning of the first award year of
21 the program under this section is
22 equal to or less than \$125,000,
23 indexed for inflation by regula-
24 tion of the Secretary.

1 “(cc) SOURCE OF AID.—The
2 required amount described in
3 item (aa)(AA) may be provided
4 through a combination of grant
5 and work-study awards under
6 this title for which the eligible
7 student may be eligible, campus-
8 based aid programs, State-based
9 merit or need-based aid, or other
10 institutional-based merit- or
11 need-based aid.

12 “(II) STUDENT CONTRIBU-
13 TION.—The eligible student shall be
14 responsible for any amounts of the
15 cost of attendance that are in excess
16 of the total amount awarded to that
17 eligible student through the grant
18 award under paragraph (3) and the
19 amount of excess costs provided under
20 subclause (I). The eligible student
21 may be eligible for Federal student
22 aid in accordance with subparagraph
23 (B) for the remaining cost of attend-
24 ance amount for which the student is
25 responsible.

1 “(iii) STUDENT CHOICE.—An eligible
2 student who receives a Federal work-study
3 award by an eligible institution to meet the
4 cost of attendance beyond a grant awarded
5 under this section may choose to decline
6 the Federal work-study award and take
7 out a Federal Direct Unsubsidized Staf-
8 ford Loan. An eligible institution shall be
9 considered to have met the institution’s re-
10 sponsibilities if a student chooses to take
11 out such a loan in lieu of a Federal work-
12 study award.

13 “(B) FIRST DOLLAR AWARD.—An eligible
14 institution shall consider the grant award under
15 this subsection as the first dollar award, to be
16 available prior to other funds awarded by the
17 Department of Education under this title, the
18 State involved, or the institution.

19 “(C) HOUSING.—An eligible student who
20 receives a grant under this subsection may use
21 the grant amounts for off-campus housing but
22 the student may not use such grant amounts
23 for any amounts for such off-campus housing
24 that are in excess of the cost of on-campus
25 room and board.

1 “(5) CLASSES IN NONTRADITIONAL CAL-
2 ENDARS.—An eligible student who receives a grant
3 under this subsection may use the grant amounts for
4 enrollment during any period of study.

5 “(e) INSTITUTIONAL ACCOUNTABILITY.—

6 “(1) IN GENERAL.—Each eligible institution
7 that receives a grant under subsection (c) shall—

8 “(A) provide comprehensive academic and
9 student support services for eligible students
10 awarded grants under this section, including
11 mentoring and advising, particularly for first-
12 generation and minority students;

13 “(B) provide accelerated learning opportu-
14 nities for eligible students awarded grants
15 under this section to receive their baccalaureate
16 degree and any required certificate or license to
17 work in their respective public service job in
18 less than 2 years if an eligible student seeks to
19 complete the degree in less than 2 years; and

20 “(C) foster opportunities for eligible stu-
21 dents awarded grants under this section to con-
22 nect with potential public service job employers
23 through the Corporation for National and Com-
24 munity Service.

25 “(2) BIENNIAL REPORT.—

1 “(A) IN GENERAL.—Each eligible institu-
2 tion that receives a grant under subsection (c)
3 shall submit a biennial report to the Secretary
4 describing the following:

5 “(i) Academic and student support
6 services offered to eligible students award-
7 ed grants under this section.

8 “(ii) Such students’ progress towards
9 baccalaureate degree completion and grad-
10 uation.

11 “(iii) Outreach to potential public
12 service job employers for the eligible stu-
13 dents awarded grants under this section.

14 “(B) CONTINUING GRANT AWARDS TO ELI-
15 GIBLE INSTITUTIONS.—The Secretary may con-
16 tinue grant awards to an eligible institution
17 under subsection (c) after the initial 5-year
18 grant period for additional 5-year periods if—

19 “(i) the institution complies with the
20 requirements of paragraph (1); and

21 “(ii) the eligible students awarded
22 grants under this section who are enrolled
23 at the institution have a baccalaureate de-
24 gree graduation rate that meets or exceeds

1 a rate determined appropriate by the Sec-
2 retary.

3 “(C) DISCONTINUING GRANT AWARDS TO
4 ELIGIBLE INSTITUTIONS.—

5 “(i) IN GENERAL.—The Secretary
6 may discontinue grant awards to an eligi-
7 ble institution under subsection (c) after
8 the initial 5-year grant period based on the
9 outcome of the biennial reports under sub-
10 paragraph (A).

11 “(ii) NOTIFICATION.—Prior to the
12 Secretary discontinuing a grant award
13 under clause (i), the Secretary shall notify
14 the institution, prior to the start of the 5th
15 year of the 5-year grant period, in a pub-
16 lically available format, that the institution
17 is, or is potentially, out of compliance with
18 the requirements of the grant award and
19 may have the institution’s grant awards
20 discontinued.

21 “(iii) MODIFICATIONS.—In the 5th
22 year of the 5-year grant period, an eligible
23 institution may make modifications to the
24 institution’s grant program and appeal to

1 the Secretary for a renewal of the institu-
2 tion's grant.

3 “(iv) DECISION.—The Secretary, prior
4 to the conclusion of the 5-year grant pe-
5 riod, shall render a decision on whether to
6 continue grant awards to an eligible insti-
7 tution.

8 “(v) REMAINING RESPONSIBILITY.—If
9 the Secretary discontinues grant awards to
10 an eligible institution under subsection (c),
11 the institution shall be responsible for
12 maintaining academic and student support
13 services and providing the full remaining
14 costs for eligible students awarded a grant
15 under this section prior to such discontinu-
16 ation to receive their baccalaureate degree
17 debt free.

18 “(3) INSTITUTIONAL PROHIBITIONS.—Each eli-
19 gible institution that receives a grant under sub-
20 section (c) may not—

21 “(A) use grant funds for administrative
22 purposes; or

23 “(B) establish different tuition prices be-
24 tween eligible students who receive grants
25 under this section and students who do not re-

1 ceive grants under this section for pursuing the
2 same course of study.

3 “(f) STUDENT ACCOUNTABILITY.—

4 “(1) ENROLLMENT; GPA; SERVICE.—

5 “(A) IN GENERAL.—An eligible student
6 awarded a grant under this section shall—

7 “(i) maintain full-time enrollment in
8 order to complete the student’s baccalaureate degree in not more than 2 years;
9 and
10 and

11 “(ii) maintain satisfactory academic
12 progress, defined as a 3.0 grade point average (GPA) or higher, and meet all other
13 institutional standards for academic
14 progress.
15 progress.

16 “(B) TWO WEEKS OF SERVICE.—

17 “(i) IN GENERAL.—Except as otherwise provided in this subparagraph, an eligible student awarded a grant under this
18 section shall serve for 80 hours as a participant in a Corporation for National and
19 Community Service national service project
20 for each year the eligible student receives
21 the grant. The eligible institution shall assist in placing the eligible student in such
22 the grant. The eligible institution shall assist in placing the eligible student in such
23 the grant. The eligible institution shall assist in placing the eligible student in such
24 the grant. The eligible institution shall assist in placing the eligible student in such
25 the grant. The eligible institution shall assist in placing the eligible student in such

1 a project relevant to the eligible student's
2 course of study. Such required hours may
3 be completed at any point during the stu-
4 dent's enrollment but shall be completed
5 prior to the date the eligible student re-
6 ceives the student's baccalaureate degree.

7 “(ii) OTHER PROJECT.—If an eligible
8 student resides in an area without a local
9 Corporation for National and Community
10 Service national service project available,
11 the student may instead participate in a
12 service project with a community action
13 agency, a local government agency, or an
14 organization described in section 501(c)(3)
15 of the Internal Revenue Code of 1986.

16 “(iii) MEDICAL EXEMPTION.—The
17 Secretary may grant an eligible student a
18 medical exemption from the service com-
19 mitment under this subparagraph if the
20 student becomes medically unable to com-
21 plete the service commitment over the
22 course of the academic year. An eligible
23 student granted such an exemption shall
24 complete the service commitment upon re-

1 covery without risking eligibility status in
2 the grant program under this section.

3 “(2) SATISFACTORY PROGRESS.—

4 “(A) AFTER ONE YEAR.—In the case in
5 which an eligible student awarded a grant
6 under this section does not maintain satisfac-
7 tory academic progress, as described in para-
8 graph (1)(A)(ii), after the first academic year
9 for which the student received the grant, the
10 student shall—

11 “(i) serve an additional year in a pub-
12 lic service job beyond the 3-year commit-
13 ment upon receiving the student’s bacca-
14 laureate degree; and

15 “(ii) receive additional academic sup-
16 ports from the eligible institution in which
17 the student is enrolled.

18 “(B) AFTER TWO YEARS.—In the case in
19 which an eligible student awarded a grant
20 under this section does not receive a bacca-
21 laureate degree after the second academic year
22 for which the student received the grant, the
23 total of the grant award amount and remaining
24 funds provided by the institution shall be treat-
25 ed as a Federal Direct Unsubsidized Stafford

1 Loan under part D of title IV, and shall be sub-
2 ject to repayment, as described in paragraph
3 (4).

4 “(C) APPEALS.—In the case in which an
5 eligible student awarded a grant under this sec-
6 tion does not maintain satisfactory academic
7 progress, as described in paragraph (1)(A)(ii),
8 after the first academic year for which the stu-
9 dent received the grant, the student may appeal
10 the decision to serve an additional year, as de-
11 scribed in subparagraph (A)(i). The appeal
12 shall be made in writing to the eligible institu-
13 tion and include an academic plan approved by
14 the student’s adviser. The academic plan shall
15 show a clear pathway to graduation within 1
16 year.

17 “(3) PUBLIC SERVICE JOB WORK OBLIGA-
18 TION.—

19 “(A) IN GENERAL.—Except as provided in
20 paragraph (2)(A)(i) and subparagraph (C), an
21 eligible student awarded a grant under this sec-
22 tion shall work for not less than 3 years in a
23 public service job after receiving the student’s
24 baccalaureate degree. Such 3 years (or 4 years,
25 in the case of a scenario described in paragraph

1 (2)(A)(i)) may be consecutive or nonconsecutive
2 but shall be completed not later than 5 years
3 (or 6 years, in the case of a scenario described
4 in paragraph (2)(A)(i)) after the date the stu-
5 dent receives the student's baccalaureate de-
6 gree.

7 “(B) NOTIFICATION.—An eligible student
8 awarded a grant under this section shall notify
9 the Department, utilizing a form designed by
10 the Secretary, of the student's compliance or
11 noncompliance with subparagraph (A) annually
12 until such student completes the student's work
13 obligation.

14 “(C) DEFERMENT FOR GRADUATE
15 SCHOOL.—The work obligation described in
16 subparagraph (A) of an eligible student award-
17 ed a grant under this section who enrolls as a
18 full-time student in a post-baccalaureate degree
19 program not later than 3 years after the date
20 the student receives the student's baccalaureate
21 degree shall be deferred during the period of
22 such full-time enrollment. Any years of service
23 completed prior to full-time enrollment in a
24 post-baccalaureate degree program shall count
25 toward such work obligation.

1 “(4) REPAYMENT FOR NONCOMPLIANCE.—In
2 the event that an eligible student awarded a grant
3 under this section fails or refuses to comply with the
4 work obligation as described in paragraph (3), or the
5 student does not receive a baccalaureate degree after
6 the second academic year for which the student re-
7 ceived the grant, as described in paragraph (2)(B),
8 the sum of the amounts of any grants received by
9 the student shall, upon a determination of such a
10 failure or refusal in such service obligation or failure
11 to receive a baccalaureate degree, be treated as a
12 Federal Direct Unsubsidized Stafford Loan under
13 part D of title IV, and shall be subject to repay-
14 ment, together with interest thereon accruing from
15 the date of the grant award, in accordance with
16 terms and conditions specified by the Secretary in
17 regulations under this section.

18 “(5) MEDICAL EXEMPTION.—The Secretary
19 may grant an eligible student awarded a grant under
20 this section a medical exemption—

21 “(A) from the requirement of maintaining
22 satisfactory academic progress under paragraph
23 (1)(A)(ii); or

24 “(B) from a term or condition of the work
25 obligation of the student if the student becomes

1 medically unable to complete the student's stud-
2 ies or public service job work obligation.

3 **“SEC. 420U. NATIONAL PUBLIC SERVICE EDUCATION**
4 **GRANT PROGRAM FOR MINORITY-SERVING**
5 **INSTITUTIONS AND HBCUS.**

6 “(a) DEFINITIONS.—In this section:

7 “(1) ELIGIBLE INSTITUTION.—The term ‘eligi-
8 ble institution’ means a minority-serving institution
9 or historically black college or university that is a
10 public 4-year institution of higher education or a
11 private, nonprofit 4-year institution of higher edu-
12 cation.

13 “(2) ELIGIBLE STUDENT.—The term ‘eligible
14 student’ means a student who—

15 “(A) has received an associate’s degree or
16 has earned not less than 60 credits toward a
17 baccalaureate degree;

18 “(B) is enrolled, at an eligible institution
19 awarded a grant under this section, on a full-
20 time basis in a course of study that will lead to
21 employment in a public service job; and

22 “(C) has submitted a Free Application for
23 Federal Student Aid (FAFSA) to the Depart-
24 ment.

1 “(3) HISTORICALLY BLACK COLLEGE OR UNI-
2 VERSITY.—The term ‘historically black college or
3 university’ means a part B institution described in
4 section 322(2).

5 “(4) MINORITY-SERVING INSTITUTION.—The
6 term ‘minority-serving institution’ means any public
7 or nonprofit institution of higher education—

8 “(A) described in paragraphs (2) through
9 (7) of section 371(a); and

10 “(B) designated as a minority-serving in-
11 stitution by the Secretary.

12 “(5) ON-CAMPUS ROOM AND BOARD.—The term
13 ‘on-campus room and board’ means—

14 “(A) the cost to a student of a double
15 room on campus; and

16 “(B) the cost of a resident student meal
17 plan.

18 “(6) PUBLIC SERVICE JOB.—The term ‘public
19 service job’ has the meaning given the term in sec-
20 tion 455(m)(3)(B).

21 “(b) ESTABLISHMENT OF PROGRAM.—The Secretary
22 shall establish a National Public Service Education Grant
23 program for eligible institutions to provide a debt-free un-
24 dergraduate education to students who commit to work

1 for not less than 3 years in a public service job upon com-
2 pletion of their baccalaureate degree.

3 “(c) GRANTS FROM THE DEPARTMENT TO ELIGIBLE
4 INSTITUTIONS.—

5 “(1) IN GENERAL.—The Secretary shall award
6 grants to eligible institutions to enable the eligible
7 institutions to award grants to eligible students who
8 commit to work for not less than 3 years in a public
9 service job upon completion of their baccalaureate
10 degree.

11 “(2) DURATION.—Grants awarded to eligible
12 institutions under this subsection shall be 5 years in
13 duration. Subject to subsection (e), such a grant
14 may be extended for additional 5-year periods.

15 “(3) AMOUNTS.—

16 “(A) IN GENERAL.—Except as provided in
17 subparagraph (B), the Secretary shall award a
18 grant to an eligible institution under this sub-
19 section for a fiscal year in an amount equal to
20 the actual annual cost of in-State tuition, fees,
21 and on-campus room and board at the eligible
22 institution during the fiscal year multiplied by
23 the number of eligible students enrolled at the
24 institution who apply for a grant under this
25 section during the fiscal year.

1 “(B) NONTRADITIONAL CALENDAR.—The
2 calculation of the cost of tuition, fees, and on-
3 campus room and board under subparagraph
4 (A) with respect to an eligible student who ap-
5 plies for a grant under this section for enroll-
6 ment during the summer or other nontradi-
7 tional period shall be the cost of the cost of tui-
8 tion, fees, and on-campus room and board for
9 such summer or other nontraditional period.

10 “(4) APPLICATIONS.—The Secretary shall de-
11 sign an application for eligible institutions to partici-
12 pate in the grant program under this subsection that
13 includes a description of how the eligible institution,
14 if awarded a grant under this subsection, will pro-
15 vide services to students as follows:

16 “(A) Provide comprehensive academic and
17 student support services for eligible students
18 awarded grants under this section, including
19 mentoring and advising, particularly for first-
20 generation and minority students.

21 “(B) Provide accelerated learning opportu-
22 nities for eligible students awarded grants
23 under this section to receive their baccalaureate
24 degree and any required certificate or license to
25 work in their respective public service job in

1 less than 2 years if an eligible student seeks to
2 complete the degree in less than 2 years.

3 “(C) Foster opportunities for eligible stu-
4 dents awarded grants under this section to con-
5 nect with potential public service job employers
6 through the Corporation for National and Com-
7 munity Service.

8 “(D) Any additional information deter-
9 mined necessary by the Secretary.

10 “(d) GRANTS TO ELIGIBLE STUDENTS.—

11 “(1) IN GENERAL.—Each eligible institution
12 that receives a grant under subsection (c) shall
13 award grants to eligible students enrolled at the in-
14 stitution.

15 “(2) APPLICATION.—An eligible student who
16 desires to receive a grant under this section shall
17 submit an application to the eligible institution that
18 includes the following:

19 “(A) An agreement to work for not less
20 than 3 years in a public service job upon com-
21 pletion of their baccalaureate degree.

22 “(B) Information that demonstrates that
23 the student is an eligible student for purposes
24 of section 484.

1 “(C) Information that demonstrates that
2 the student has received counseling from the
3 Department that explains the terms and condi-
4 tions of the grant award.

5 “(D) Any additional information deter-
6 mined necessary by the Secretary.

7 “(3) GRANT AMOUNT.—

8 “(A) IN GENERAL.—An eligible institution
9 shall award a grant to an eligible student en-
10 rolled at the institution for an academic year in
11 an amount equal to the total grant amount re-
12 ceived by the eligible institution under sub-
13 section (c) for the fiscal year preceding the aca-
14 demic year divided by the number of students
15 to whom the eligible institution awards grants
16 under this subsection for such academic year.

17 “(B) NONTRADITIONAL CALENDAR.—An
18 eligible institution shall award a grant to an eli-
19 gible student who applies for a grant under this
20 section for enrollment during the summer or
21 other nontraditional period in an amount, from
22 the total grant amount received by the eligible
23 institution under subsection (c), that is pro-
24 rated to reflect the cost of tuition, fees, and on-

1 campus room and board for such summer or
2 other nontraditional period.

3 “(4) COST OF ATTENDANCE BEYOND GRANT
4 AMOUNT.—

5 “(A) AMOUNTS NOT COVERED BY NPSEG
6 GRANTS.—

7 “(i) PUBLIC INSTITUTION.—An eligi-
8 ble institution that is a public institution
9 of higher education may cover, with re-
10 spect to an eligible student, any amounts
11 of the cost of attendance that are in excess
12 of the total amount awarded to the eligible
13 student through the grant award under
14 paragraph (3), based on the demonstrated
15 financial need of the student. For the re-
16 maining costs, the eligible student enrolled
17 at an eligible institution that is a public in-
18 stitution shall be responsible for any
19 amounts of the cost of attendance that are
20 in excess of the total amount awarded to
21 that eligible student through the grant
22 award under paragraph (3) and any
23 amount provided pursuant to the preceding
24 sentence. The eligible student may be eligi-
25 ble for Federal student aid in accordance

1 with subparagraph (B) for the remaining
2 cost of attendance amount for which the
3 student is responsible.

4 “(ii) PRIVATE INSTITUTION.—

5 “(I) IN GENERAL.—An eligible
6 institution that is a private, nonprofit
7 institution of higher education shall—

8 “(aa) with respect to an eli-
9 gible student described in sub-
10 clause (II), cover excess costs to-
11 ward meeting an eligible stu-
12 dent’s cost of attendance in an
13 amount equal to or greater than
14 the amount of the grant award to
15 the eligible student described in
16 paragraph (3); and

17 “(bb) with respect to an eli-
18 gible student not described in
19 subclause (II), not be obligated
20 to provide additional institu-
21 tional-based financial aid to such
22 student.

23 “(II) ELIGIBLE STUDENTS.—An
24 eligible student is described in this
25 subclause if the student’s (or the stu-

1 dent's parents' in the case of a de-
2 pendent student) adjusted gross in-
3 come for the taxable year that is 1
4 year prior to the taxable year that
5 ends immediately prior to the begin-
6 ning of the first award year of the
7 program under this section is equal to
8 or less than \$125,000, indexed for in-
9 flation by regulation of the Secretary.

10 “(III) SOURCE OF AID.—The re-
11 quired amount described in subclause
12 (I)(aa) may be provided through a
13 combination of grant and work-study
14 awards under this title for which the
15 eligible student may be eligible, cam-
16 pus-based aid programs, State-based
17 merit or need-based aid, or other in-
18 stitutional-based merit- or need-based
19 aid.

20 “(IV) STUDENT CONTRIBU-
21 TION.—The eligible student shall be
22 responsible for any amounts of the
23 cost of attendance that are in excess
24 of the total amount awarded to that
25 eligible student through the grant

1 award under paragraph (3) and the
2 amount of excess costs provided under
3 subclause (I). The eligible student
4 may be eligible for Federal student
5 aid in accordance with subparagraph
6 (B) for the remaining cost of attend-
7 ance amount for which the student is
8 responsible.

9 “(iii) STUDENT CHOICE.—An eligible
10 student who receives a Federal work-study
11 award by an eligible institution to meet the
12 cost of attendance beyond a grant awarded
13 under this section may choose to decline
14 the Federal work-study award and take
15 out a Federal Direct Unsubsidized Staf-
16 ford Loan. An eligible institution shall be
17 considered to have met the institution’s re-
18 sponsibilities if a student chooses to take
19 out such a loan in lieu of a Federal work-
20 study award.

21 “(B) FIRST DOLLAR AWARD.—In calcu-
22 lating an eligible student’s financial need to
23 cover excess costs described in subparagraph
24 (A), the eligible institution shall consider the
25 grant award under this subsection as the first

1 dollar award, to be available prior to other
2 funds awarded by the Department of Education
3 under this title, the State involved, or the insti-
4 tution. If a grant awarded to an eligible student
5 under this section is equal to the cost of tuition,
6 fees, and on-campus room and board for such
7 student, the eligible institution shall not be re-
8 quired to provide additional institutional schol-
9 arship or grant based aid to the eligible stu-
10 dent.

11 “(C) HOUSING.—An eligible student who
12 receives a grant under this subsection may use
13 the grant amounts for off-campus housing but
14 the student may not use such grant amounts
15 for any amounts for such off-campus housing
16 that are in excess of the cost of on-campus
17 room and board.

18 “(5) CLASSES IN NONTRADITIONAL CAL-
19 ENDARS.—An eligible student who receives a grant
20 under this subsection may use the grant amounts for
21 enrollment during any period of study.

22 “(e) INSTITUTIONAL ACCOUNTABILITY.—

23 “(1) IN GENERAL.—Each eligible institution
24 that receives a grant under subsection (c) shall—

1 “(A) provide comprehensive academic and
2 student support services for eligible students
3 awarded grants under this section, including
4 mentoring and advising, particularly for first-
5 generation and minority students;

6 “(B) provide accelerated learning opportu-
7 nities for eligible students awarded grants
8 under this section to receive their baccalaureate
9 degree and any required certificate or license to
10 work in their respective public service job in
11 less than 2 years if an eligible student seeks to
12 complete the degree in less than 2 years; and

13 “(C) foster opportunities for eligible stu-
14 dents awarded grants under this section to con-
15 nect with potential public service job employers
16 through the Corporation for National and Com-
17 munity Service.

18 “(2) BIENNIAL REPORT.—

19 “(A) IN GENERAL.—Each eligible institu-
20 tion that receives a grant under subsection (c)
21 shall submit a biennial report to the Secretary
22 describing the following:

23 “(i) Academic and student support
24 services offered to eligible students award-
25 ed grants under this section.

1 “(ii) Such students’ progress towards
2 baccalaureate degree completion and grad-
3 uation.

4 “(iii) Outreach to potential public
5 service job employers for the eligible stu-
6 dents awarded grants under this section.

7 “(B) CONTINUING GRANT AWARDS TO ELI-
8 GIBLE INSTITUTIONS.—The Secretary may con-
9 tinue grant awards to an eligible institution
10 under subsection (c) after the initial 5-year
11 grant period for additional 5-year periods if—

12 “(i) the institution complies with the
13 requirements of paragraph (1); and

14 “(ii) the eligible students awarded
15 grants under this section who are enrolled
16 at the institution have a baccalaureate de-
17 gree graduation rate that meets or exceeds
18 a rate determined appropriate by the Sec-
19 retary.

20 “(C) DISCONTINUING GRANT AWARDS TO
21 ELIGIBLE INSTITUTIONS.—

22 “(i) IN GENERAL.—The Secretary
23 may discontinue grant awards to an eligi-
24 ble institution under subsection (c) after
25 the initial 5-year grant period based on the

1 outcome of the biennial reports under sub-
2 paragraph (A).

3 “(ii) NOTIFICATION.—Prior to the
4 Secretary discontinuing a grant award
5 under clause (i), the Secretary shall notify
6 the institution, prior to the start of the 5th
7 year of the 5-year grant period, in a pub-
8 lically available format, that the institution
9 is, or is potentially, out of compliance with
10 the requirements of the grant award and
11 may have the institution’s grant awards
12 discontinued.

13 “(iii) MODIFICATIONS.—In the 5th
14 year of the 5-year grant period, an eligible
15 institution may make modifications to the
16 institution’s grant program and appeal to
17 the Secretary for a renewal of the institu-
18 tion’s grant.

19 “(iv) DECISION.—The Secretary, prior
20 to the conclusion of the 5-year grant pe-
21 riod, shall render a decision on whether to
22 continue grant awards to an eligible insti-
23 tution.

24 “(v) REMAINING RESPONSIBILITY.—If
25 the Secretary discontinues grant awards to

1 an eligible institution under subsection (c),
2 the institution shall be responsible for
3 maintaining academic and student support
4 services and providing the full remaining
5 costs for eligible students awarded a grant
6 under this section prior to such discontinu-
7 ation to receive their baccalaureate degree
8 debt free.

9 “(3) INSTITUTIONAL PROHIBITIONS.—Each eli-
10 gible institution that receives a grant under sub-
11 section (c) may not—

12 “(A) use grant funds for administrative
13 purposes; or

14 “(B) establish different tuition prices be-
15 tween eligible students who receive grants
16 under this section and students who do not re-
17 ceive grants under this section for pursuing the
18 same course of study.

19 “(f) STUDENT ACCOUNTABILITY.—

20 “(1) ENROLLMENT; GPA; SERVICE.—

21 “(A) IN GENERAL.—An eligible student
22 awarded a grant under this section shall—

23 “(i) maintain full-time enrollment in
24 order to complete the student’s bacca-

1 laureate degree in not more than 2 years;
2 and

3 “(ii) maintain satisfactory academic
4 progress, defined as a 3.0 grade point av-
5 erage (GPA) or higher, and meet all other
6 institutional standards for academic
7 progress.

8 “(B) TWO WEEKS OF SERVICE.—

9 “(i) IN GENERAL.—Except as other-
10 wise provided in this subparagraph, an eli-
11 gible student awarded a grant under this
12 section shall serve for 80 hours as a partic-
13 ipant in a Corporation for National and
14 Community Service national service project
15 for each year the eligible student receives
16 the grant. The eligible institution shall as-
17 sist in placing the eligible student in such
18 a project relevant to the eligible student’s
19 course of study. Such required hours may
20 be completed at any point during the stu-
21 dent’s enrollment but shall be completed
22 prior to the date the eligible student re-
23 ceives the student’s baccalaureate degree.

24 “(ii) OTHER PROJECT.—If an eligible
25 student resides in an area without a local

1 Corporation for National and Community
2 Service national service project available,
3 the student may instead participate in a
4 service project with a community action
5 agency, a local government agency, or an
6 organization described in section 501(c)(3)
7 of the Internal Revenue Code of 1986.

8 “(iii) MEDICAL EXEMPTION.—The
9 Secretary may grant an eligible student a
10 medical exemption from the service com-
11 mitment under this subparagraph if the
12 student becomes medically unable to com-
13 plete the service commitment over the
14 course of the academic year. An eligible
15 student granted such an exemption shall
16 complete the service commitment upon re-
17 covery without risking eligibility status in
18 the grant program under this section.

19 “(2) SATISFACTORY PROGRESS.—

20 “(A) AFTER ONE YEAR.—In the case in
21 which an eligible student awarded a grant
22 under this section does not maintain satisfac-
23 tory academic progress, as described in para-
24 graph (1)(A)(ii), after the first academic year

1 for which the student received the grant, the
2 student shall—

3 “(i) serve an additional year in a pub-
4 lic service job beyond the 3-year commit-
5 ment upon receiving the student’s baccalaureate degree; and

6
7 “(ii) receive additional academic sup-
8 ports from the eligible institution in which
9 the student is enrolled.

10 “(B) AFTER TWO YEARS.—In the case in
11 which an eligible student awarded a grant
12 under this section does not receive a baccalaureate degree after the second academic year
13 for which the student received the grant, the
14 total of the grant award amount and remaining
15 funds provided by the institution shall be treated
16 as a Federal Direct Unsubsidized Stafford
17 Loan under part D of title IV, and shall be sub-
18 ject to repayment, as described in paragraph
19 (4).
20

21 “(C) APPEALS.—In the case in which an
22 eligible student awarded a grant under this section does not maintain satisfactory academic
23 progress, as described in paragraph (1)(A)(ii),
24 after the first academic year for which the stu-
25

1 dent received the grant, the student may appeal
2 the decision to serve an additional year, as de-
3 scribed in subparagraph (A)(i). The appeal
4 shall be made in writing to the eligible institu-
5 tion and include an academic plan approved by
6 the student’s adviser. The academic plan shall
7 show a clear pathway to graduation within 1
8 year.

9 “(3) PUBLIC SERVICE JOB WORK OBLIGA-
10 TION.—

11 “(A) IN GENERAL.—Except as provided in
12 paragraph (2)(A)(i) and subparagraph (C), an
13 eligible student awarded a grant under this sec-
14 tion shall work for not less than 3 years in a
15 public service job after receiving the student’s
16 baccalaureate degree. Such 3 years (or 4 years,
17 in the case of a scenario described in paragraph
18 (2)(A)(i)) may be consecutive or nonconsecutive
19 but shall be completed not later than 5 years
20 (or 6 years, in the case of a scenario described
21 in paragraph (2)(A)(i)) after the date the stu-
22 dent receives the student’s baccalaureate de-
23 gree.

24 “(B) NOTIFICATION.—An eligible student
25 awarded a grant under this section shall notify

1 the Department, utilizing a form designed by
2 the Secretary, of the student's compliance or
3 noncompliance with subparagraph (A) annually
4 until such student completes the student's work
5 obligation.

6 “(C) DEFERMENT FOR GRADUATE
7 SCHOOL.—The work obligation described in
8 subparagraph (A) of an eligible student award-
9 ed a grant under this section who enrolls as a
10 full-time student in a post-baccalaureate degree
11 program not later than 3 years after the date
12 the student receives the student's baccalaureate
13 degree shall be deferred during the period of
14 such full-time enrollment. Any years of service
15 completed prior to full-time enrollment in a
16 post-baccalaureate degree program shall count
17 toward such work obligation.

18 “(4) REPAYMENT FOR NONCOMPLIANCE.—In
19 the event that an eligible student awarded a grant
20 under this section fails or refuses to comply with the
21 work obligation as described in paragraph (3), or the
22 student does not receive a baccalaureate degree after
23 the second academic year for which the student re-
24 ceived the grant, as described in paragraph (2)(B),
25 the sum of the amounts of any grants received by

1 the student shall, upon a determination of such a
2 failure or refusal in such service obligation or failure
3 to meet satisfactory academic progress, be treated as
4 a Federal Direct Unsubsidized Stafford Loan under
5 part D of title IV, and shall be subject to repay-
6 ment, together with interest thereon accruing from
7 the date of the grant award, in accordance with
8 terms and conditions specified by the Secretary in
9 regulations under this section.

10 “(5) MEDICAL EXEMPTION.—The Secretary
11 may grant an eligible student awarded a grant under
12 this section a medical exemption—

13 “(A) from the requirement of maintaining
14 satisfactory academic progress under paragraph
15 (1)(A)(ii); or

16 “(B) from a term or condition of the work
17 obligation of the student if the student becomes
18 medically unable to complete the student’s stud-
19 ies or public service job work obligation.”.

1 **TITLE III—DEBT-FREE PUBLIC**
2 **SERVICE LOAN FORGIVENESS**
3 **PROGRAM**

4 **SEC. 301. DEBT-FREE PUBLIC SERVICE LOAN FORGIVENESS**
5 **PROGRAM.**

6 (a) IN GENERAL.—Section 455(m) of the Higher
7 Education Act of 1965 (20 U.S.C. 1087e(m)) is amended
8 by adding at the end the following:

9 “(5) DEBT-FREE PUBLIC SERVICE LOAN FOR-
10 GIVENESS PROGRAM.—

11 “(A) IN GENERAL.—Beginning after the
12 date of enactment of the Strengthening Amer-
13 ican Communities Act of 2023, after the con-
14 clusion of each employment period in a public
15 service job, as described in subparagraph (B),
16 the Secretary shall cancel the percent specified
17 in such subparagraph of the total amount due
18 on any eligible Federal Direct Loan made after
19 the date of enactment of the Strengthening
20 American Communities Act of 2023 for a bor-
21 rower who—

22 “(i) is employed in such public service
23 job;

24 “(ii) submits an employment certifi-
25 cation form described in subparagraph (C);

1 “(iii) is enrolled in a repayment plan
2 described in paragraph (1)(A); and

3 “(iv) notifies the Department that the
4 borrower seeks loan cancellation under this
5 paragraph.

6 “(B) PERCENT AMOUNT.—The percent of
7 a loan that shall be canceled under subpara-
8 graph (A) is as follows:

9 “(i) In the case of a borrower who
10 completes 2 years of employment in a pub-
11 lic service job, 15 percent of the total
12 amount due on the eligible Federal Direct
13 Loan on the date the borrower commenced
14 employment in such public service job.

15 “(ii) In the case of a borrower who
16 completes 4 years of employment in a pub-
17 lic service job, 15 percent of the total
18 amount due on the eligible Federal Direct
19 Loan on the date the borrower commenced
20 employment in such public service job.

21 “(iii) In the case of a borrower who
22 completes 6 years of employment in a pub-
23 lic service job, 20 percent of the total
24 amount due on the eligible Federal Direct

1 Loan on the date the borrower commenced
2 employment in such public service job.

3 “(iv) In the case of a borrower who
4 completes 8 years of employment in a pub-
5 lic service job, 20 percent of the total
6 amount due on the eligible Federal Direct
7 Loan on the date the borrower commenced
8 employment in such public service job.

9 “(v) In the case of a borrower who
10 completes 10 years of employment in a
11 public service job, 30 percent of the total
12 amount due on the eligible Federal Direct
13 Loan on the date the borrower commenced
14 employment in such public service job.

15 “(C) EMPLOYMENT CERTIFICATION
16 FORM.—

17 “(i) IN GENERAL.—In order to receive
18 loan cancellation under this paragraph, a
19 borrower shall submit to the Secretary an
20 employment certification form that is de-
21 veloped by the Secretary and includes at
22 least self-certification of employment, a
23 separate part for employer certification
24 that indicates the dates of employment,

1 and any additional information required by
2 the Secretary.

3 “(ii) DEFERMENT.—If a borrower
4 submits to the Secretary the employment
5 certification form described in clause (i),
6 during the period in which the borrower is
7 employed in a public service job for which
8 loan cancellation is eligible under this
9 paragraph, the borrower’s eligible Federal
10 Direct Loan shall be placed in deferment.

11 “(D) INTEREST CANCELED.—If a portion
12 of a loan is canceled under this paragraph for
13 any year, the entire amount of interest on such
14 loan that accrues for such year shall be can-
15 celed.

16 “(E) NO RETROACTIVITY.—A borrower
17 may not receive credit for purposes of loan for-
18 giveness under this paragraph for years of em-
19 ployment in a public service job that occurred
20 before the date of enactment of the Strength-
21 ening American Communities Act of 2023.

22 “(F) LEAVING PUBLIC SERVICE.—

23 “(i) IN GENERAL.—If a borrower who
24 receives loan cancellation under this para-
25 graph leaves the public service job, either

1 voluntarily or involuntarily, for which the
2 borrower received loan cancellation before
3 the total amount due on the eligible Fed-
4 eral Direct Loan is cancelled under this
5 paragraph, such borrower shall retain eligi-
6 bility for accelerated loan cancellation
7 under this paragraph for such eligible Fed-
8 eral Direct Loan if the borrower com-
9 mences employment in a public service job
10 not later than 3 years after the date the
11 borrower left the public service job for
12 which the borrower received loan cancella-
13 tion.

14 “(ii) ELIGIBILITY STATUS.—If a bor-
15 rower described in clause (i) commences
16 employment in a public service job within
17 the time period described in clause (i),
18 such borrower shall resume eligibility for
19 accelerated loan cancellation under this
20 paragraph for such eligible Federal Direct
21 Loan. Such borrower upon resumption of
22 eligibility shall be considered to have com-
23 pleted the number of years of employment
24 in a public service job at the last completed
25 loan cancellation period described in sub-

1 paragraph (B) for such borrower, even if
2 the borrower had actually completed an ad-
3 ditional year of employment in a public
4 service job.

5 “(iii) LOSS OF ELIGIBILITY.—If a
6 borrower described in clause (i) does not
7 commence employment in a public service
8 job within the time period described in
9 clause (i), such borrower shall no longer be
10 eligible for loan cancellation under this
11 paragraph but may be eligible for loan can-
12 cellation for such loan under paragraph
13 (1).”.

14 (b) NOTIFICATION OF PROGRAM.—The Secretary of
15 Education, in order to inform public servants of the bene-
16 fits of the debt-free public service loan cancellation pro-
17 gram established under section 455(m)(5) of the Higher
18 Education Act of 1965 (20 U.S.C. 1087e(m))—

19 (1) shall make guidance publicly available to
20 the employers of public servants to make public serv-
21 ants aware of such program; and

22 (2) is encouraged to work in partnership with
23 State licensing agencies to make recently licensed
24 public servants aware of such program.

○